

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



海灣控股有限公司

GST HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 416)

**ANNOUNCEMENT PURSUANT TO RULE 3.7
OF THE TAKEOVERS CODE**

This announcement is made pursuant to Rule 3.7 of the Code.

On 18 March 2008, the Board announced that the Company was advised by its controlling shareholder, GST International, which is interested in 427,479,369 Shares representing approximately 53.43% of the total issued share capital of the Company as at the date hereof, that there had been preliminary discussions between GST International and various independent third parties in respect of a possible acquisition of voting rights from GST International. On 17 June 2008, GST International, together with its Major Shareholders, executed an exclusivity letter with the Potential Purchaser for a period of at least 30 business days commencing on 18 June 2008 during which period the Potential Purchaser will conduct legal and financial due diligence review on the Company and its subsidiaries. The exclusivity shall expire on 31 July 2008. It will be automatically extended for an additional 7 business days to 11 August 2008, unless GST International provides the Potential Purchaser notice before 24 July 2008 that such exclusivity will not be extended. Further announcement will be made in this regard. Reference is made to the announcements of the Company of 18 March 2008 and 18 June 2008 and capitalized terms used in such announcements shall have the same meanings when used herein, unless specified otherwise.

As at the date of this announcement, the Company is advised by GST International that the Potential Purchaser is still conducting the aforesaid due diligence and there has been no significant progress since 18 June 2008. It is uncertain whether any proposal will be acceptable to GST International and whether subsequent discussion and/or negotiation, if any, will lead to an agreement being entered into between the parties or a change of control of the Company or offer being made for the Shares.

As at the date hereof, the Company has a total of 800,000,000 Shares in issue and there are 4,500,000 share options issued and outstanding under the Company's share option scheme. Save for the aforesaid, the Company has no other Relevant Securities (as defined in Note 4 to Rule 22 of the Code) as at the date hereof. Associates of the Company are reminded to disclose their dealings in the Relevant Securities under Rule 22 of the Code.

Shareholders of the Company and potential investors are reminded to exercise caution when dealing in Shares as there is no certainty that any transaction will eventuate or that any offer will be made for the Shares.

By order of the Board
GST Holdings Limited
SONG Jiacheng
Chairman

Hong Kong, 18 July 2008

As at the date of this announcement, the Board comprises eight directors, of whom, Mr. SONG Jiacheng, Mr. CAO Yu and Mr. PENG Kaichen are executive directors, Mr. ZENG Jun and Mr. LEE Kwan Hung, Eddie are non-executive directors, Mr. CHANG Tso Tung, Stephen, Mr. CHAN Chi On, Derek and Mr. SUN Lun are independent non-executive directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Website: <http://www.gst.com.cn>