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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.

Reference is made to the announcements of the Company of 18 March 2008, 18 June 2008, 18 July 2008, 24 July 2008 and 12 August 2008. Capitalized terms used in such announcements shall have the same meanings when used herein, unless specified otherwise. As indicated in the announcements of 18 June 2008 and 18 July 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. As indicated in the announcement of 12 August 2008, GST International and the Potential Purchaser have agreed to a new extension of the exclusivity period until 31 August 2008 under substantially the same term and condition of the aforesaid exclusivity letter.

As at the date of this announcement, the Company is advised by GST International that the aforesaid exclusivity letter has expired and no agreement regarding any proposed terms of possible acquisition or general offer of Shares has been signed between GST International and the Potential Purchaser; however, the discussion between both parties remain on-going and both parties are still in the process of reviewing and discussing the due diligence findings. Consequently, there may be the possibility that further due diligence will be required, if necessary.

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.

Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the 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, 2 September 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>