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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in GST Holdings Limited (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



海灣控股有限公司

GST HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock code: 416)

**PROPOSAL FOR RE-ELECTION OF DIRECTORS
PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of the Company to be held at Gloucester Room, Level 2, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong, at 3 p.m. on Tuesday, 30 June 2009 is set out in this circular.

A form of proxy for the annual general meeting is enclosed with this circular. Whether or not you propose to attend the annual general meeting, you are requested to complete the form of proxy and return the same to the Company’s Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

25 May 2009

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DEFINITIONS

In this circular otherwise than in the AGM Notice, unless the context requires otherwise, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Gloucester Room, Level 2, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong, at 3 p.m. on Tuesday, 30 June 2009
“AGM Notice”	notice convening the AGM as set out on pages 15 to 19 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	GST Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“General Mandates”	the Issue Mandate, the Repurchase Mandate, and extension of the Issue Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the proposed general mandate to be granted to the Directors to permit the allotment and issue of new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	18 May 2009, being the latest practicable date for ascertaining certain information for inclusion in this circular prior to publication
“Listing Rules”	Rules Governing the Listing of Securities on Main Board of the Stock Exchange

DEFINITIONS

“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice;
“PRC”	the People’s Republic of China, which for purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Repurchase Mandate”	the proposed general mandate to be granted to the Directors to permit the repurchase of Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate
“Securities and Futures Ordinance”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Share Option Scheme”	the share option scheme conditionally approved and adopted by the Company on 7 June 2005
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance) of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong as amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi yuan, the lawful currency of PRC
“%”	per cent.

LETTER FROM THE BOARD



海灣控股有限公司
GST HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock code: 416)

Executive Directors:

Mr. Song Jiacheng (*Chairman*)
Mr. Cao Yu
Mr. Peng Kaichen

Non-executive Directors:

Mr. Zeng Jun
Mr. Lee Kwan Hung, Eddie

Independent non-executive Directors:

Mr. Chang Tso Tung, Stephen
Mr. Chan Chi On, Derek
Mr. Sun Lun

Registered Office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681GT
George Town
Grand Cayman
British West Indies

*Head office and principal place
of business in Hong Kong:*

Suite 1612, 16th Floor
Shun Tak Center, West Tower
168-200 Connaught Road C.
Sheung Wan
Hong Kong

25 May 2009

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR RE-ELECTION OF DIRECTORS
PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the AGM Notice and the information regarding the Ordinary Resolutions that will be proposed at the AGM for the Shareholders to consider and, if thought fit, to re-elect the retiring Directors and to approve the granting of the General Mandates to the Directors.

LETTER FROM THE BOARD

2. RE-ELECTION OF DIRECTORS

The Board currently consists of three executive Directors, namely, Mr. Song Jiacheng, Mr. Cao Yu and Mr. Peng Kaichen, two non-executive Directors, namely, Mr. Zeng Jun and Mr. Lee Kwan Hung, Eddie and three independent non-executive Directors, namely, Mr. Chang Tso Tung, Stephen, Mr. Chan Chi On, Derek and Mr. Sun Lun.

Pursuant to Article 87 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the whole number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected as Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. As Mr. Cao Yu, Mr. Peng Kaichen and Mr. Zeng Jun have been longest in office, they shall retire as Directors at the AGM. Mr. Cao Yu, Mr. Peng Kaichen and Mr. Zeng Jun, being eligible, will offer themselves for re-election as Directors at the AGM.

Pursuant to Rule 13.74 of the Listing Rules, the biographical details of Mr. Cao Yu, Mr. Peng Kaichen and Mr. Zeng Jun are set out in Appendix I to this circular.

3. PROPOSED GENERAL MANDATES TO ISSUE SHARES

At the annual general meeting of the Company held on 21 May 2008, an ordinary resolution was passed to grant a general and unconditional mandate to the Directors to allot, issue and deal with new Shares up to a limit of 20% of the aggregate nominal amount of the issued share capital of the Company as at 21 May 2008. A further general mandate was also given to the Directors to allot and issue additional Shares by the number of Shares repurchased by the Company pursuant to the Repurchase Mandate passed on 21 May 2008. No Share was issued pursuant to these mandates.

The Directors believe that the renewal of the Issue Mandate is in the best interests of the Company and the Shareholders as a whole as this mandate will expire at the conclusion of the AGM. Accordingly, a renewal of the Issue Mandate will be sought from the Shareholders at the AGM to authorise the Directors to allot, issue and deal with additional Shares up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the relevant resolution, which (on the basis of the issued capital of the Company as at the Latest Practicable Date) shall be 160,000,000 Shares.

The full text of the Ordinary Resolution to be proposed at the AGM in relation to the Issue Mandate is set out in resolution 4(a) in the AGM Notice set out on pages 15 to 19 of this circular.

LETTER FROM THE BOARD

4. PROPOSED GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting held on 21 May 2008, an ordinary resolution was passed to grant a general and unconditional mandate to the Directors to repurchase Shares on the Stock Exchange of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at 21 May 2008. No Share has been repurchased pursuant to such mandate.

As the existing Repurchase Mandate is going to expire at the conclusion of the AGM, the Directors believe that renewal of such mandate is in the interests of the Company and Shareholders as a whole. Accordingly, an ordinary resolution will be proposed at the AGM which will give the Directors a general and unconditional mandate to exercise the powers of the Company to repurchase Shares at any time until the earliest of (i) the conclusion of the next annual general meeting of the Company following the passing of such resolution; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws of the Cayman Islands or the Articles of Association to be held; or (iii) the date on which the authority set out in the resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting, as stated in the relevant Ordinary Resolution up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the relevant resolution, which (on the basis of the issued capital of the Company as at the Latest Practicable Date) shall be 80,000,000 Shares.

The explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution approving the Repurchase Mandate is set out in Appendix II to this circular.

The full text of the Ordinary Resolution to be proposed at the AGM in relation to the Repurchase Mandate is set out in resolution 4(b) in the AGM Notice set out on pages 15 to 19 of this circular.

5. AGM

At the AGM, Ordinary Resolutions will be proposed to approve, inter alia, the following:

- (a) re-election of the retiring Directors;
- (b) granting of the Issue Mandate to the Directors;
- (c) granting of the Repurchase Mandate to the Directors; and
- (d) extension of the Issue Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate.

LETTER FROM THE BOARD

Pursuant to Article 66 of the Articles, a resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the Listing Rules of the Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded as stated in Article 66 of the Articles. Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to Article 66 of the Articles.

A form of proxy is enclosed for your use at the AGM. You are requested to complete and return the form of proxy to the Company's Hong Kong share registrar office, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible, but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of a form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and, in such event, the form of proxy shall be deemed to be revoked.

6. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

7. RECOMMENDATION

The Directors believe that the granting of the General Mandates is all in the best interests of the Company and the Shareholders and recommend you to vote in favour of the Ordinary Resolutions to be proposed at the AGM.

8. GENERAL

Your attention is also drawn to the Appendices to this circular.

Yours faithfully,
By order of the Board
Song Jiacheng
Chairman

Details of the followings Directors who will retire and eligible for re-election at the AGM in accordance with the Articles of Association are set out as follows:

1. MR. CAO YU

Mr. Cao Yu (曹榆), aged 46, is an executive Director and president of the Company and one of the founding shareholders of the Group. Mr. Cao graduated from Tianjin University (天津大學) with a master's degree in communications and electronic systems in 1987 and a bachelor's degree in electronic engineering in 1982. Mr. Cao has been a director of Gulf Security Technology Company Limited ("GST") and has served in various management positions in the Group since 1993. He has over 16 years of experience in the PRC fire alarm systems industry. He is currently a member of the Qinhuangdao Municipal Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議秦皇島市委員會) and serves as a vice president of the Committee on Fire Security Electronic Products of CFPA (中國消防協會電子行業分會) and is a member of China's National Committee on Fire Security Technology Standardization (全國消防標準化技術委員會). Mr. Cao is a director of the Research Committee on Fire Prevention Comprehensive Technology of China Construction Association (中國建築學會建築防火綜合技術分會), a member of the Expert Committee on Intelligent Building Technology of the Ministry of Construction of the PRC (建設部建築智能化技術專家委員會), a member of the Expert Committee of the China's Security Prevention Products Industry Association (中國安全防範產品行業協會專家委員會) and a member of the US National Fire Protection Association. Mr. Cao is also a vice director of Hebei Province Quality Management Association (河北省質量協會).

Other than being legally and beneficially interested in approximately 15.78% of the issued share capital of GST International Management Limited, the controlling shareholder of the Company, Mr. Cao is not related to any Director, senior management or substantial or controlling shareholder of the Company.

For the year ended 31 December 2008, Mr. Cao received an aggregate of approximately RMB600,000 yuan as remuneration from the Company. Pursuant to a director's service agreement dated 7 June 2005 between the Company and Mr. Cao, the term of employment of Mr. Cao was for a fixed term of three years from 1 June 2005 to 31 May 2008 and will continue thereafter until terminated by either the Company or Mr. Cao by giving not less than three months' prior written notice to the other party. Mr. Cao is entitled to a management bonus by reference to the audited consolidated net profit of the Group after taxation and minority interests but before extraordinary items (the "Net Profit") as the remuneration committee of the Board may, at its absolute discretion, approve provided that the aggregate amount of the management bonuses payable to all executive Directors in respect of any financial year of the Group shall not exceed 1% of the Net Profit for the relevant financial year. For the year ended 31 December 2008, Mr. Cao received approximately RMB665,000 yuan as management bonus.

For the year ending 31 December 2008, the annual salary of Mr. Cao shall be as determined by the remuneration committee of the Board, provided that any increment of which shall not be more than 110% of the annual salary received by Mr. Cao for the immediate preceding year.

Mr. Cao has not held any directorship in other public listed companies in Hong Kong in the past three years.

As at the Latest Practicable Date, except holding 600,000 share options of the Company granted under the Share Option Scheme on 23 May 2007 by the Company and other than being legally and beneficially interested in approximately 15.78% of the issued share capital of GST International Management Limited, the controlling shareholder of the Company being interested in approximately 53.43% of the issued share capital of the Company, Mr. Cao is not interested in any Shares. Save as disclosed above, as at the Latest Practicable Date, Mr. Cao was not interested in and did not have any short positions in any shares or underlying shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance as recorded in the register required to be kept by the Company pursuant to section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Save as disclosed herein, there is no information to be disclosed pursuant to any of the requirements set out in rule 13.51(2)(h)-(v) of the Listing Rules in respect of Mr. Cao and there are no other matters relating to the re-election of Mr. Cao that would need to be brought to the attention of the Shareholders.

2. MR. PENG KAICHEN

Mr. Peng Kaichen (彭開臣), aged 46, is an executive Director of the Company and one of the founding shareholders of the Group. Mr. Peng graduated from Southwest University of Science and Technology (formerly known as Sichuan College of Construction Materials Industry (四川建築材料工業學院)) with a bachelor's degree in building materials industrial automation in 1984. Since 1993, Mr. Peng has been a director of the GST and has served in various management positions, including the manager for the research and development department, chief engineer, vice general manager in charge of production of GST.

Other than being legally and beneficially interested in approximately 15.78% of the issued share capital of GST International Management Limited, the controlling shareholder of the Company, Mr. Peng is not related to any Director, senior management or substantial or controlling shareholder of the Company.

For the year ended 31 December 2008, Mr. Peng received an aggregate of approximately RMB600,000 yuan as remuneration from the Company. Pursuant to a director's service agreement dated 7 June 2005 between the Company and Mr. Peng, the term of employment of Mr. Peng was for a fixed term of three years from 1 June 2005 to 31 May 2008 and will continue thereafter until terminated by either the Company or Mr. Peng by giving not less than three months' prior written notice to the other party. Mr. Peng is entitled to a management bonus by reference to the audited consolidated net profit of the Group after taxation and minority interests but before extraordinary items (the "Net Profit") as the remuneration committee of the Board may, at its absolute discretion, approve provided that the aggregate amount of the management bonuses payable to all executive Directors in respect of any financial year of the Group shall not exceed 1% of the Net Profit for the relevant financial year. For the year ended 31 December 2008, Mr. Peng did not receive management bonus.

For the year ending 31 December 2008, the annual salary of Mr. Peng shall be as determined by the remuneration committee of the Board, provided that any increment of which shall not be more than 110% of the annual salary received by Mr. Peng for the immediate preceding year.

Mr. Peng has not held any directorship in other public listed companies in Hong Kong in the past three years.

As at the Latest Practicable Date, except holding 450,000 share options of the Company granted under the Share Option Scheme on 23 May 2007 by the Company and other than being legally and beneficially interested in approximately 15.78% of the issued share capital of GST International Management Limited, the controlling shareholder of the Company being interested in approximately 53.43% of the issued share capital of the Company, Mr. Peng is not interested in any Shares. Save as disclosed above, as at the Latest Practicable Date, Mr. Peng was not interested in and did not have any short positions in any shares or underlying shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance as recorded in the register required to be kept by the Company pursuant to section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Save as disclosed herein, there is no information to be disclosed pursuant to any of the requirements set out in rule 13.51(2)(h)-(v) of the Listing Rules in respect of Mr. Peng and there are no other matters relating to the re-election of Mr. Peng that would need to be brought to the attention of the Shareholders.

3. MR. ZENG JUN

Mr. Zeng Jun (曾軍), aged 41, is a non-executive Director of the Company, a vice chairman of the Board and one of the founding shareholders of the Group. Mr. Zeng graduated from Fudan University (復旦大學) with a bachelor's degree in genetic engineering in 1989 and from Sino-Europe International Business School (中歐國際工商學院) with an EMBA degree in 2002. Mr. Zeng has been the vice chairman of GST since 1993 and was the executive vice general manager of GST from 1993 to 2000. Mr. Zeng also has been the general manager of Beijing Gulf Jingcheng Property Development Company Limited in October 2000 and the chairman and general manager of Fuho Capital Management Company Limited in May 2008.

Other than being legally and beneficially interested in approximately 23.14% of the issued share capital of GST International Management Limited, the controlling shareholder of the Company, Mr. Zeng is not related to any Director, senior management or substantial or controlling shareholder of the Company.

Mr. Zeng was appointed as non-executive Director for a term of 3 years commencing on 5 February 2005 and renewed for another term of 3 years commencing on 1 February 2008. Save for the annual director's fee of RMB130,000 yuan for the year ended 31 December 2008, no other remuneration was received by Mr. Zeng for holding the office as a non-executive Director.

As at the Latest Practicable Date, except holding 450,000 share options of the Company granted under the Share Option Scheme on 23 May 2007 by the Company and other than being legally and beneficially interested in approximately 23.14% of the issued share capital of GST International Management Limited, the controlling shareholder of the Company being interested in approximately 53.43% of the issued share capital of the Company, Mr. Zeng was not interested in any Shares and was not interested in and did not have any short positions in any shares or underlying shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance as recorded in the register required to be kept by the Company pursuant to section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Save as disclosed herein, there is no information to be disclosed pursuant to any of the requirements set out in rule 13.51(2)(h)-(v) of the Listing Rules in respect of Mr. Zeng and there are no other matters relating to the re-election of Mr. Zeng that would need to be brought to the attention of the Shareholders.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, there was a total of 800,000,000 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 80,000,000 Shares during the period ending on the earliest of the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of the Cayman Islands or the Articles of Association to be held or when revoked or varied by an ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek the Repurchase Mandate from the Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum and articles of association and the applicable laws and regulations of the Cayman Islands. There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2008) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during the last twelve months:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2008		
April	2.85	2.30
May	2.77	2.42
June	2.84	2.16
July	2.79	2.53
August	2.55	2.19
September	2.50	2.05
October	2.30	1.28
November (<i>Note</i>)	1.90	1.55
December (<i>Note</i>)	2.98	2.54
2009		
January	2.85	2.73
February	2.83	2.56
March	2.75	2.33
April	2.65	2.12
1 May to the Latest Practicable Date	2.70	2.49

Note: Trading of the Shares was suspended on 10 November to 2 December 2008

5. DISCLOSURE OF INTERESTS

None of the Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates of Directors has a present intention, in the event that the proposed Repurchase Mandate is approved by Shareholders, to sell Shares to the Company.

No connected persons of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE CONSEQUENCE

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of shareholding interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The term "acting in concert" shall have the meaning as defined under the Takeovers Code and the term "concert party(ies)" shall be construed accordingly. Currently, the Directors have no intention to exercise the Repurchase Mandate to the extent as to further reduce the amount of Shares held by the public which is currently less than 25%.

As at the Latest Practicable Date, to the best knowledge of the Directors, GST International Management Limited ("**GST International**") held 427,479,369 Shares, representing approximately 53.43% of the issued share capital of the Company. On the basis that there is no further issue or repurchase of Shares and the holding by GST International in the number of Shares remains the same, in the event that the Directors exercise the power under the Repurchase Mandate in full, the percentage of shareholding of GST International would be increased to 59.37%. Such increase will not give rise to an obligation on the part of GST International to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge of the Directors, United Technologies Far East Limited ("**UTFE**") and its concert parties held 232,208,631 Shares, representing approximately 29.03% of the issued share capital of the Company. On the basis that there is no further issue or repurchase of Shares and the holding by UTFE and its concert parties in the number of Shares remains the same, in the event that the Directors exercise the power under the Repurchase Mandate in full, the percentage of shareholding of UTFE and its concert parties would be increased to 32.25%. Such increase will give rise to an obligation on the part of UTFE and its concert parties to make a mandatory offer under Rule 26 of the Takeovers Code.

According to the joint announcement dated 3 December 2008, UTFE has also announced a possible voluntary conditional cash offers to acquire all the issued shares in the capital of the Company held by GST International (other than those shares already held by UTFE and parties acting in concert with it), and for the cancellation of all the outstanding share options of the Company (the "**Offers**"). The Offers, if and when made, will be made on HK\$3.38 in cash for each share of the Company and HK\$0.58 in cash for each share option of the Company. The making of the Offers is conditional upon any applicable waiting periods for a response from the relevant governmental or regulatory body having expired or being terminated and/or any consent or approval (including without limitation any approval in relation to the PRC Antitrust Filing and national security approval, as may be necessary) of any governmental or regulatory body in relation to the Offers or the completion thereof having been obtained in terms reasonably satisfactory to UTFE pursuant to the provisions of any laws or regulations in the PRC and other relevant jurisdictions, in each case where necessary for completion of the Offers. As at the Latest Practicable Date, the application of the Offers has been submitted to the relevant governmental body of the PRC for approval.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

8. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of shares have been made by the Company in the previous six months (whether on the Stock Exchange or otherwise).

AGM NOTICE



海灣控股有限公司
GST HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock code: 416)

NOTICE IS HEREBY GIVEN that the annual general meeting of GST Holdings Limited (the “Company”) will be held at Gloucester Room, Level 2, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong, at 3 p.m. on Tuesday, 30 June 2009, (the “Meeting”) for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31 December 2008.
2. To re-elect the retiring directors of the Company (individually, a “Director” and collectively, the “Directors”) who retire by rotation and to authorise the board of Directors (the “Board”) to fix the remuneration of the Directors.
3. To re-appoint Messrs. PricewaterhouseCoopers, Certified Public Accountants, as auditors of the Company and to authorise the Board to fix their remuneration.
4. As special businesses, to consider and, if thought fit, pass with or without modification, the following proposed resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

(a) **“THAT**

- (i) subject to paragraph (iii) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company (the “Shares”) and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

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- (iii) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise), by the Directors pursuant to the approval in paragraph (i) of this Resolution, otherwise than pursuant to (aa) a Rights Issue (as defined below); or (bb) the exercise of any option granted under any Share Option Scheme (as defined below); or (cc) any scrip dividend or other similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “Articles of Association”); or (dd) an exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly; and

- (iv) for the purpose of this Resolution:
 - (aa) “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (A) the conclusion of the next annual general meeting of the Company;
 - (B) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or
 - (C) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company (the “Shareholders”) in general meeting.

 - (bb) “Rights Issue” means an offer of Shares or other equity securities of the Company open for a period fixed by the Directors to holders of Shares or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China applicable to the Company).

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(cc) “Share Option Scheme” means a share option scheme or similar arrangement of the Company and/or its subsidiaries adopted from time to time in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).”

(b) **“THAT**

- (i) subject to paragraph (ii) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with the Articles of Association, all applicable laws of the Cayman Islands and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange and other regulations as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (i) of this Resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (iii) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (aa) the conclusion of the next annual general meeting of the Company;
 - (bb) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or
 - (cc) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.”

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- (c) “**THAT** conditional upon Resolution 4(a) and Resolution 4(b) as set out in the notice of the annual general meeting of the Company dated 25 May 2009 (the “AGM Notice”) being passed, the number of Shares representing the aggregate nominal amount of share capital of the Company repurchased pursuant to the authority granted under Resolution 4(b) as set out in the AGM Notice (up to a maximum of 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of Resolution 4(b) as set out in the AGM Notice) shall be added to the aggregate number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution 4(a) as set out in the AGM Notice.”

By order of the Board
Song Jiacheng
Chairman

Hong Kong, 25 May 2009

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Notes:

- (a) The Register of Members will be closed from 23 June 2009 to 30 June 2009 (both days inclusive) during which period no transfer of Shares will be registered. In order to determine who are entitled to attend the Meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4 p.m. on 22 June 2009.
- (b) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or, if holding two or more Shares, more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company. All votes by the members at the Meeting are to be taken by way of poll.
- (c) In order to be valid, the form of proxy completed in accordance with the instructions set out therein, together with the power of attorney, if any, or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's branch share registrar office in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding in person at the general meeting or any adjournment thereof should you so wish and, in such event, the form of proxy shall be deemed to be revoked.
- (d) In the case of joint holders of any Share, any one of such joint holders may vote at the annual general meeting of the Company, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint registered holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (e) An explanatory statement regarding the general mandate for the purchase of Shares sought in the above Resolution 4(b) is set out in Appendix II to the circular of the Company dated 25 May 2009 of which this AGM Notice forms part.
- (f) With respect to Resolution 2 of this AGM Notice, Mr. Cao Yu, Mr. Peng Kaichen, Mr. Zeng Jun shall retire from the office of directorship and offer themselves for re-election at the Meeting in accordance with the Articles of Association. Details of the said Directors are set out in Appendix I to a circular of the Company dated 25 May 2009 of which this AGM Notice forms part.
- (g) As at the date of this AGM Notice, the executive Directors are Mr. Song Jiacheng, Mr. Cao Yu and Mr. Peng Kaichen, the non-executive Directors are Mr. Zeng Jun and Mr. Lee Kwan Hung, Eddie and the independent non-executive Directors are Mr. Chang Tso Tung, Stephen, Mr. Chan Chi On, Derek and Mr. Sun Lun.