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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 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.

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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)

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

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The notice convening the annual general meeting of the Company to be held at Alexandra Room, 2/F, Mandarin Oriental, Hong Kong, at 3 p.m. on Friday, 18 May 2007 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 Shops 1712 – 1716, 17th 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.

16 April 2007

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at Alexandra Room, 2/F, Mandarin Oriental, Hong Kong, at 3 p.m. on Friday, 18 May 2007
“AGM Notice”	notice convening the AGM as set out on pages 14 to 17 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
“Directors”	directors of the Company
“General Mandates”	the Share Issue Mandate, the Share Repurchase Mandate, and extension of the Share Issue Mandate by adding to it the number of Shares repurchased under the Share Repurchase Mandate
“Group”	the Company and its subsidiaries
“GST”	海灣安全技術有限公司 (Gulf Security Technology Company Limited*), a wholly foreign owned enterprise incorporated in the PRC and a wholly owned subsidiary of GST Group International Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	10 April 2007, 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
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice

\* *for identification purpose only*

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## DEFINITIONS

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“PRC”	the People’s Republic of China, which for purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Securities and Futures Ordinance”	Securities and Futures Ordinance (Chapter 571 of the Ordinance” Laws of Hong Kong)
“Share(s)”	share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Share Issue Mandate”	the proposed general mandate to be granted to the Directors to permit the allotment and issue of new Shares equal in aggregate up to a maximum of 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
“Share Repurchase Mandate”	the proposed general mandate to be granted to the Directors to permit the repurchase of Shares of up to a maximum of 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
“Shareholders”	holders of Shares of the Company
“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 approved 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
“%”	per cent.



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

Mr Xu Shaowen

*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 6308, 63rd Floor

Central Plaza

18 Harbour Road

Wanchai

Hong Kong

16 April 2007

*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.

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## LETTER FROM THE BOARD

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### 2. RE-ELECTION OF DIRECTORS

The Board currently consists of four executive Directors, namely, Mr Song Jiacheng, Mr Cao Yu, Mr Peng Kaichen and Mr Xu Shaowen, 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 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 Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. As Mr Song Jiacheng, Mr Xu Shaowen and Mr Lee Kwan Hung, Eddie have been longest in office who were appointed on 9 September 2004, 9 September 2004 and 22 December 2004 respectively, they shall retire as Directors at the AGM. Mr Xu Shaowen will not offer himself for re-election as Director. Meanwhile, Mr Song Jiacheng and Mr Lee Kwan Hung, Eddie, 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 Song Jiacheng and Mr. Lee Kwan Hung, Eddie are set out in Appendix I to this circular.

### 3. PROPOSED GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 18 May 2006, an ordinary resolution was passed to grant a general and unconditional mandate to the Directors to allot, issue and deal with additional Shares up to a limit of 20% of the aggregate nominal amount of the issued share capital of the Company as at 18 May 2006. A further general mandate was also given to the Directors to allot and issue Shares repurchased by the Company pursuant to the share repurchase mandate passed on 18 May 2006. No shares were issued pursuant to these mandates.

The Directors believe that the renewal of the Share 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 Share 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 if passed shall be 160,000,000 Shares.

The full text of the Ordinary Resolution to be proposed at the AGM in relation to the Share Issue Mandate is set out in resolution 5(a) in the AGM Notice set out on pages 14 to 17 of this circular.

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## LETTER FROM THE BOARD

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### 4. PROPOSED GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting held on 18 May 2006, 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 18 May 2006. As noted above, a further general mandate was also given to the Directors to allot and issue Shares repurchased by the Company pursuant to the share repurchase mandate passed on 18 May 2006. No Shares have been repurchased pursuant to these mandates.

As the existing share repurchase mandate is going to expire at the conclusion of the AGM, the Directors believe that renewals of these mandates are 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 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 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 if passed 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 Share 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 Share Repurchase Mandate is set out in resolution 5(b) in the AGM Notice set out on pages 14 to 17 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 Share Issue Mandate to the Directors;
- (c) granting of the Share Repurchase Mandate to the Directors; and
- (d) extension of the Share Issue Mandate by adding to it the number of Shares repurchased under the Share Repurchase Mandate.

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## LETTER FROM THE BOARD

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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 Shops 1712-1716, 17th 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 re-election of the retiring Directors and the granting of the General Mandates are 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 Song Jiacheng

Mr Song Jiacheng (宋佳城), aged 46, is the chairman of the Board, an executive Director, the chief executive officer of the Company and one of the founding shareholders of the Group. Mr Song 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 engineering in 1983. Mr Song gained management expertise by consecutively serving as the chairman of the Board and the chief executive officer of the Group since 1993. He has over 14 years of experience in the PRC fire alarm systems industry. From 1985 to 1993, Mr Song was a lecturer at the Management Cadre School Qinhuangdao Branch under the State Administration of Buildings Materials Industry (國家建材局管理幹部學院秦皇島分院講師). Mr Song was awarded one of the "Top Ten Excellent Entrepreneurs of Privately-owned Science and Technology Companies in Hebei Province" (河北省十佳民營科技實業家) in 1997 and 1998 and is a member of the standing committee of the Hebei Provincial Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議河北省委員會常務委員會常委). He was also given the award of one of the "Year 2002 Excellent Entrepreneurs of China's Privately-owned Science and Technology Companies" (中國優秀民營科技企業家) by All-China Federation of Industry and Commerce (中華全國工商業聯合會) in 2002. In April 2002, he became an executive member of the All-China Federation of Industry & Commerce. In April 2004, Mr Song was awarded the title of "Staff Caring Outstanding Entrepreneur" (全國關愛員工優秀民營企業家) by All-China Federation of Industry & Commerce (中華全國工商業聯合會) and All-China Federation of Trade Unions (中華全國總工會). In December 2004, he was awarded the title of "Outstanding Builder of Socialism with Chinese Characteristics" (優秀中國特色社會主義事業建設者) by United Front Work Department of the CPC Central Committee (中共中央統戰部), National Development and Reform Commission (國家發展和改革委員會), Ministry of Personnel of the People's Republic of China (人事部), State Administration for Industry & Commerce (國家工商總局), and All-China Federation of Industry & Commerce (全國工商聯). He currently serves as a vice president of Hebei Provincial Association of Industry and Commerce (河北省工商業聯合會) and an executive member of the All-China Federation of Industry & Commerce (全國工商聯執行委員).

Other than being legally and beneficially interested in approximately 26.93% of the issued share capital of GST International Management Limited, the controlling shareholder of the Company, Mr Song is not related to any Director, senior management or substantial or controlling shareholder of the Company.

For the year ended 31 December 2006, Mr Song received an aggregate of approximately HK\$580,000 as remuneration from the Company. Pursuant to a director's service agreement dated 7 June 2005 between the Company and Mr Song, the term of employment of Mr Song 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 Song by giving not less than three months' prior written notice to the other party. Mr Song 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 2006, Mr Song received approximately HK\$600,000 as management bonus.

For the year ending 31 December 2007, the annual salary of Mr Song shall be as determined by the remuneration committee of the Board which annual salary shall not be more than 110% of the annual salary received by Mr Song for the immediate preceding year.

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

As at the Latest Practicable Date, other than being legally and beneficially interested in approximately 26.93% 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 Song is not interested in any Shares. Save as disclosed above, as at the Latest Practicable Date, Mr Song 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 Song and there are no other matters relating to the re-election of Mr Song that would need to be brought to the attention of the Shareholders.

## **2. Mr Lee Kwan Hung, Eddie**

Mr Lee Kwan Hung, Eddie (李均雄), aged 41, is a non-executive Director. Mr Lee graduated from the University of Hong Kong with a bachelor's degree in law in 1988 and a Postgraduate Certificate in Laws in 1989. He was qualified as a solicitor in Hong Kong in 1991 and in England and Wales in 1997. He was a senior manager of the Stock Exchange and is a partner of Woo, Kwan, Lee & Lo. Mr Lee is also a non-executive director of Mirabell International Holdings Limited and an independent non-executive director of GZI REIT Asset Management Limited and Embry Holdings Limited, all of which are listed on the main board of the Stock Exchange. In addition, Mr Lee had been an independent non-executive director of each of Seapower Resources International Limited, Magician Industries (Holdings) Limited and China Mining Resources Group Limited (formerly known as Innomaxx Biotechnology Group Limited), the shares of which also listed on the Stock Exchange. Save as disclosed, in the 3 years preceding the Latest Practicable Date, Mr Lee did not hold any directorship in other listed public companies. Mr Lee joined the Company in December 2004.

Mr Lee is not related to any Director, senior management or substantial or controlling shareholder of the Company.

Mr Lee was appointed as non-executive Director for a term of 3 years commencing on 22 December 2004. Save for the annual director's fee of HK\$120,000 and the annual fee of HK\$60,000 in respect of his appointment as the alternate authorised representative of the Company for the purpose of Rule 3.05 of the Listing Rules, no other remuneration was received by Mr Lee for holding the office as a non-executive Director.

As at the Latest Practicable Date, Mr Lee 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 Lee and there are no other matters relating to the re-election of Mr Lee 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 Share 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 Share 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 Share 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 Share 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 2006) in the event that the Share 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 Share 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:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
2006		
April	3.45	2.62
May	3.28	2.60
June	3.00	2.35
July	3.38	2.85
August	3.35	2.77
September	3.21	2.84
October	3.25	2.84
November	3.25	2.75
December	3.00	2.55
2007		
January	3.00	2.70
February	2.77	2.30
March	2.55	2.09
1 April to the Latest Practicable Date	2.60	2.19

**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 Share 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 Share 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 Share 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 increase of the Shareholders' 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.

As at the Latest Practicable Date, the immediate controlling shareholder of the Company, GST International Management Limited, held 427,479,369 Shares, representing approximately 53.43% of the issued share capital of the Company. To the best knowledge of the Directors, in the event that the Directors exercise the power under the Share Repurchase Mandate in full, the percentage of shareholding of GST International Management Limited would be increased to 59.37%.

Currently, the Directors have no intention to exercise the Share Repurchase Mandate to the extent that it will trigger the obligation under Rule 26 of the Takeovers Code to make a mandatory offer nor to such extent as to reduce the amount of Shares held by the public to less than 25%.

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 Share 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).

Articles 66 of the Articles of Association sets out the procedures by which Shareholders may demand a poll as follows:

A resolution put to the vote of a meeting shall be decided on a show of hands unless voting 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. A poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the rules of the Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

A demand by a person as proxy for a member or in case of a member being a corporation by its duly authorized representative shall be deemed to be the same as a demand by a member.

Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.



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 Alexandra Room, 2/F, Mandarin Oriental, Hong Kong, at 3 p.m. on Friday, 18 May 2007, (the “Meeting”) for the following purposes:

1. To receive and consider the audited financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31 December 2006.
2. To declare a final dividend for the year ended 31 December 2006.
3. 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.
4. To re-appoint Messrs. PricewaterhouseCoopers, Certified Public Accountants, as auditors of the Company and to authorise the Board to fix their remuneration.
5. To consider and, if thought fit, pass with or without modification, the following 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 of HK\$0.10 each in the capital of the Company (the “Share”) 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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## AGM NOTICE

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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).
- (cc) “Share Option Scheme” means a share option scheme or similar arrangement of the Company 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”).”

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## AGM NOTICE

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- (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 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 the share capital of the Company 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.”
- (c) **“THAT** conditional upon Resolution 5(a) and Resolution 5(b) as set out in the notice of the annual general meeting of the Company dated 16 April 2007 (the “AGM Notice”) being passed, the aggregate nominal amount of the share capital of the Company which are repurchased by Company under the authority granted pursuant to Resolution 5(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 5(b) as set out in the AGM Notice) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution 5(a) as set out in the AGM Notice.”

By order of the Board  
**Song Jiacheng**  
*Chairman*

Hong Kong, 16 April 2007

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## AGM NOTICE

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*Notes:*

- (a) The Register of Members will be closed from 11 May 2007 to 18 May 2007 (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 10 May 2007.
- (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, in the event of a poll, vote on his behalf. A proxy need not be a member of the Company.
- (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 Shops 1712-1716, 17th 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 5(b) is set out in Appendix II to the circular of the Company dated 16 April 2007 of which this AGM Notice forms part.
- (f) With respect to Resolution 3 of this AGM Notice, Mr Song Jiacheng, Mr Xu Shaowen and Mr Lee Kwan Hung, Eddie shall retire from the office of directorship and Mr Song Jiacheng and Mr Lee Kwan Hung, Eddie shall 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 16 April 2007 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, Mr Peng Kaichen and Mr Xu Shaowen, 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.