

The Stock Exchange of Hong Kong Limited takes no responsibilities 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)

**SALE OF EXISTING SHARES
BY CONTROLLING SHAREHOLDER**

The Company has been informed by the Vendor that the Sales and Purchase Agreement has been concluded pursuant to which that the Vendor has agreed to sell and the Purchaser agreed to purchase 79,200,000 Shares at the price of HK\$269,280,000 for the Sales Share. The Sales Shares represent 9.9% of the existing issued share capital of the Company. Upon completion of the Sales and Purchase Agreement, Vendor's interests in the Company will be reduced from 501,239,369 Shares to 422,039,369 Shares or approximately 62.65% to 52.75% of the existing share capital of the Company. Completion of the Sales and Purchase Agreement is expected to take place on 25 July 2006.

SALE OF EXISTING SHARES

The Company has been informed by Vendor that the Sales and Purchase Agreement has been concluded on the terms summarised below.

Parties

The parties to the Sales and Purchase Agreement are:

- (1) Vendor; and
- (2) the Purchaser (which is not a connected person to the Company under the Listing Rules).

Number of Sales Shares

79,200,000 Shares, representing 9.9% of the existing issued share capital of the Company.

Selling Price

The selling price of HK\$269,280,000 for a total of 79,200,000 Shares, which represents HK\$3.40 per Sales Share, represents a premium of approximately 1.49% to the closing price of HK\$3.35 per Share as quoted on the Stock Exchange on 10 July 2006 and a premium of approximately 15.25% to the average closing price of HK\$2.95 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 10 July 2006.

Completion of the Sales and Purchase Agreement

Completion of the Sales and Purchase Agreement is expected to take place on 25 July 2006.

Upon completion of the Sales and Purchase Agreement, the Vendor's interests in the Company will be reduced from 501,239,369 Shares to 422,039,369 Shares or approximately 62.65% to 52.75% of the existing share capital of the Company.

Definitions

“Board”	the board of Directors
“Company”	GST Holdings Limited, a company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	United Technologies Far East Holdings Limited, a company incorporated in Hong Kong
“Sales Shares”	79,200,000 Shares beneficially owned by the Vendor
“Sales and Purchase Agreement”	The sales and purchase agreement date 11 July 2006 entered into between the Vendor and the Purchaser
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	GST International Management Limited, a limited liability company incorporated in the British Virgin Islands and the controlling shareholder of the Company

By Order of the Board
GST Holdings Limited
SONG Jiacheng
Chairman and Chief Executive Officer

Hong Kong, 11 July 2006

As at the date of this announcement, the Board comprises 9 directors, of whom, Mr. SONG Jiacheng, Mr. CAO Yu, Mr. PENG Kaichen and Mr. XU Shaowen are executive Directors, Mr. ZENG Jun and Mr. LEE Kwan Hung, Eddie are non-executive Directors, Mr. SUN Lun, Mr. CHANG Tso Tung, Stephen and Mr. CHAN Chi On are independent non-executive Directors.

Please also refer to the published version of this announcement in South China Morning Post.