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海灣控股有限公司

UNITED TECHNOLOGIES FAR EAST LIMITED

GST HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability) (Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0416)

JOINT ANNOUNCEMENT

**POSSIBLE VOLUNTARY CONDITIONAL CASH OFFERS BY
UBS AG**

ON BEHALF OF

UNITED TECHNOLOGIES FAR EAST LIMITED

**TO ACQUIRE ALL OF THE ISSUED SHARES IN THE CAPITAL OF
GST HOLDINGS LIMITED**

**(OTHER THAN THOSE SHARES ALREADY HELD BY
UNITED TECHNOLOGIES FAR EAST LIMITED AND PARTIES
ACTING IN CONCERT WITH IT)**

AND

**FOR THE CANCELLATION OF ALL THE OUTSTANDING SHARE OPTIONS OF
GST HOLDINGS LIMITED**

AND

RESUMPTION OF TRADING

**Financial adviser to
United Technologies Far East Limited**

**Financial adviser to
GST International Management Limited**



SUMMARY

1. INTRODUCTION

On 8 November 2008, GST was advised by its controlling shareholder, GST International, that UTFE is considering making proposed voluntary conditional cash offers (i) to acquire all of the issued shares in the capital of GST (other than those shares already held by UTFE and parties acting in concert with it); and (ii) for the cancellation of all the outstanding share options of GST.

All references to the Offers in this announcement are to possible Offers which will be made if and only if the Pre-Condition is satisfied.

2. CONSIDERATION FOR THE OFFERS

The Offers, if and when made, will be made on the following basis:

The Share Offer:

For each GST ShareHK\$3.38 in cash

The Option Offer:

**For each Share Option with an exercise price
of HK\$2.80 per GST ShareHK\$0.58 in cash**

As at the date of this announcement, there are 800,000,000 GST Shares in issue and outstanding Share Options involving 4,500,000 GST Shares. Other than the 800,000,000 GST Shares in issue and outstanding Share Options involving 4,500,000 GST Shares, GST has no other GST Shares, Share Options, options, warrants, derivatives or other securities that carry a right to subscribe for or which are convertible into GST Shares.

3. PRE-CONDITION TO THE OFFERS

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.

If the Pre-Condition is satisfied on or before the Long Stop Date, UTFE and GST will issue a Further Announcement as soon as practicable thereafter. The Pre-Condition is not waivable.

If the Pre-Condition is not satisfied by the Long Stop Date, the Offers may not be made (unless UTFE extends the Long Stop Date with the consent of GST International) and the GST Shareholders and GST Optionholders will be notified by announcement as soon as practicable.

4. CONDITIONS OF THE OFFERS

The Offers will be conditional on the satisfaction or waiver of the following Conditions:

- (a) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as UTFE may, subject to the rules of the Takeovers Code, decide) in respect of at least 90% of the Disinterested Shares;
- (b) the GST Shares remaining listed and traded on the Stock Exchange up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading of the GST Shares as a result of the Offers and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the GST Shares on the Stock Exchange is or is likely to be withdrawn;
- (c) (i) all Consents as are necessary for the acquisition of the GST Shares having been obtained in form and substance satisfactory to UTFE and remaining in full force and effect without variation from all Relevant Authorities and all conditions (if any) to such Consents having been fulfilled; (ii) each member of the Group possessing or having obtained all licences and permits from the Relevant Authorities that are necessary to carry on its business; and (iii) all mandatory consents from third parties having been obtained for the acquisition of the GST Shares;
- (d) no event having occurred which would make the Offers or the acquisition of any of the GST Shares void, unenforceable, illegal or prohibit implementation of the Offers;
- (e) no Relevant Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offers or acquisition of the GST Shares void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions or obligations with respect to the Offers or the acquisition of any of the GST Shares pursuant to the Share Offer;

- (f) since the date of the last audited consolidated financial statements of GST, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of GST or any member of the GST Group, whether or not arising in the ordinary course of business; and
- (g) no material breach of any covenants, representations and warranties given by GST International and each of the Management Owners in favour of UTFE.

UTFE reserves the right to waive all or any of the Conditions to the Offers set out above, in whole or in part. Condition (a) may be waived subject to UTFE having received acceptances in respect of the GST Shares which would result in UTFE and its Concert Parties holding more than 50% of the voting rights in GST.

In addition to the Conditions set out above, the Option Offer will be subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. The board of directors of GST has approved the cancellation of the Share Options that are duly tendered for cancellation under the Option Offer.

The Offers will be made in compliance with the Takeovers Code, which is administered by the Executive.

5. IRREVOCABLE UNDERTAKINGS

On 2 December 2008, GST International and each of the Management Owners executed Irrevocable Undertakings in favour of UTFE, pursuant to which GST International and each of the Management Owners undertook to accept or procure to accept (i) the Share Offer in respect of the 427,479,369 GST Shares held by GST International as at the date of the Irrevocable Undertakings, representing approximately 53.43% of the issued share capital of GST (assuming no Share Options are exercised) as at the Last Trading Date; and (ii) the Option Offer in respect of the 2,250,000 Share Options granted to the Management Owners collectively entitling the Management Owners to subscribe for up to an aggregate of 2,250,000 GST Shares, within three (3) business days following the despatch of the Offer Document.

Assuming the Share Offer proceeds and based on the Offer Price of HK\$3.38 per GST Share, pursuant to the Irrevocable Undertakings, UTFE shall acquire from GST International the 427,479,369 GST Shares held by it at a total consideration of approximately HK\$1,445 million. Assuming the Option Offer proceeds and based on the Option Offer Price of HK\$0.58 per each Share Option, pursuant to the Irrevocable Undertakings, the total consideration payable by UTFE to the Management Owners for the 2,250,000 Share Options collectively held by them will be approximately HK\$1.3 million.

The Irrevocable Undertakings shall terminate if the Share Offer lapses or is withdrawn without having become wholly unconditional or if the Pre-Condition is not satisfied on or before the Long Stop Date and the Long Stop Date is not extended by UTFE with the consent of GST International. The Irrevocable Undertakings will remain binding even if a higher offer is made for the GST Shares.

6. NON-COMPETITION AND NON-SOLICITATION UNDERTAKINGS

GST International and each of the Management Owners have respectively undertaken in favour of UTFE (for itself and as trustee for each company comprising the GST Group) that they shall not and shall procure that the Restricted Parties (as defined below) shall not, among other things, directly or indirectly, for a period of 24 months from the date on which UTFE announces the close of the Share Offer pursuant to the Takeovers Code, engage in any Competing Business (as defined below); or have dealings with any Group Customer (as defined below) or Group Supplier (as defined below) in respect of any goods or services provided by or supplied to the GST Group at any time during the 24 months up to and including the close of the Share Offer; or solicit or entice away from the GST Group any person who is, and was at the close of the Share Offer, employed or directly or indirectly engaged by the GST Group with a view to inducing that person to leave such employment or engagement.

In respect of the restrictions entered into by Mr. Song Jiacheng and Mr. Cao Yu in their capacity as Management Owners, the period applicable for the non-competition and non-solicitation undertakings shall be extended, in the case of Mr. Song Jiacheng, until the expiry of 24 months from the termination of his tenure as Honorary Chairman of GST and, in the case of Mr. Cao Yu, until the expiry of 24 months from the termination of his tenure as a director of GST.

For a detailed description of the non-competition and non-solicitation undertakings, please refer to the section headed “6. Non-competition and non-solicitation undertakings” below.

7. GENERAL INFORMATION

7.1 Statement by the Executive Directors of GST

The executive directors of GST believe that the terms of the Offers are fair and reasonable and in the interests of the GST Shareholders and GST Optionholders as a whole.

7.2 Independent Board Committee of GST

Under Rule 2.1 of the Takeovers Code, a board which receives an offer must establish an independent committee of the board to make a recommendation (i) as to whether the offer is, or is not, fair and reasonable and (ii) as to acceptance or voting. Mr. Lee Kwan Hung, a non-executive GST Director, is a partner of Woo, Kwan, Lee & Lo, the legal advisers as to Hong Kong laws of GST in relation to the Offers, whereas Mr. Zeng Jun is a non-executive GST Director and one of the Management Owners and both of whom are therefore not considered to be independent under the Takeovers Code to opine on the terms of the Offers. As a result, Mr. Chang Tso Tung, Stephen, Mr. Chan Chi On, Derek and Mr. Sun Lun, all of whom are independent non-executive GST Directors, have been appointed as members of the independent board committee of GST in respect of the Offers.

An independent financial adviser will be appointed, subject to approval by the independent board committee of GST, to advise the independent board committee of GST in respect of the Offers in due course. Further announcement will be made by GST upon the appointment of the independent financial adviser.

7.3 No dividend or other distribution

GST does not intend to declare or pay any dividend or other distribution on the GST Shares during the Offer Period.

7.4 UTFE's intentions in relation to GST

Compulsory acquisition and withdrawal of listing

In the event Condition (a) is satisfied, UTFE intends to exercise the right under section 88 of the Cayman Islands Companies Law to compulsorily acquire those GST Shares not acquired by UTFE under the Share Offer. On completion of the compulsory acquisition, GST will become a wholly-owned subsidiary of UTFE and an application will be made for the withdrawal of the listing of the GST Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Pursuant to Rule 2.11 of the Takeovers Code, except with the consent of the Executive, where UTFE seeks to acquire or privatise GST by means of the Share Offer and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirement imposed by the Cayman Islands Companies Law, acceptance of the Share Offer and purchases made by UTFE and its Concert Parties during the period of four months after posting of the Offer Document total 90% of the Disinterested Shares.

WARNING:

If the level of acceptances reaches the prescribed level under the Cayman Islands Companies Law and Rule 2.11 of the Takeovers Code permits a compulsory acquisition and UTFE proceeds with the privatisation of GST, dealings in the securities of GST will be suspended from the Closing Date up to the withdrawal of listing of GST's securities from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Maintaining the listing/public float

In the event that the compulsory acquisition rights are not available to UTFE and the Offers close, UTFE will, together with GST, use reasonable endeavours to maintain the listing of the GST Shares on the Stock Exchange and will ensure that not less than 25% of the GST Shares will be held by the public in compliance with the Listing Rules.

If, at the close of the Offers, less than 25% of the GST Shares are held by the public or if the Stock Exchange believes that:

- **a false market exists or may exist in the trading of the GST Shares, or**
- **there are insufficient GST Shares in public hands to maintain an orderly market,**

then the Stock Exchange may exercise its discretion to suspend dealings in the GST Shares. In this connection, it should be noted that upon completion of the Offers, there may be insufficient public float for the GST Shares and therefore, trading in the GST Shares may be suspended until a prescribed level of public float is attained.

As at the date of this announcement, the public float of GST is 17.54%, which has fallen below 25% of the entire issued share capital of GST, the minimum prescribed percentage under the Listing Rules.

7.5 General matters relating to the Offers

Availability of the Offers

UTFE intends to make available the Offers to all GST Shareholders and GST Optionholders, including those who are resident outside Hong Kong, to the extent practicable. The availability of the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. Persons who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

Composite Document

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document should be posted within 21 days of the date of this announcement. As the making of the Offers is conditional upon satisfaction of the Pre-Condition, the Composite Document is, subject to the Executive's consent, expected to be despatched to the GST Shareholders in accordance with the Takeovers Code within seven (7) days of the fulfilment of the Pre-Condition.

The Composite Document will contain details of, among other things, the Offers, a letter from the independent board committee of GST in relation to the Offers and a letter from an independent financial adviser to the independent board committee in respect of the Offers. An expected timetable in relation to the Offers will be included in the Composite Document.

8. SUSPENSION AND RESUMPTION OF TRADING

At the request of GST, trading in the shares in GST on the Stock Exchange was suspended from 9:30 a.m. on 10 November 2008 (Hong Kong time), pending the issue of this announcement. Application has been made by GST to the Stock Exchange for the resumption of trading in the shares in GST on the Stock Exchange with effect from 9:30 a.m. on 3 December 2008 (Hong Kong time).

WARNING:

GST Shareholders, GST Optionholders and/or potential investors of GST should be aware that the Offers will be made only if the Pre-Condition is satisfied, that the implementation of the Offers is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Offers may or may not be made or implemented. Accordingly, the issue of this announcement does not in any way imply that the Offers will be completed. GST Shareholders, GST Optionholders and/or potential investors of GST should therefore exercise caution when dealing in shares and/or options of GST.

1. INTRODUCTION

On 8 November 2008, GST was advised by its controlling shareholder, GST International, that UTFE is considering making proposed voluntary conditional cash offers (i) to acquire all of the issued shares in the capital of GST (other than those shares already held by UTFE and parties acting in concert with it); and (ii) for the cancellation of all the outstanding share options of GST.

As at the date of this announcement, GST International is interested in 427,479,369 GST Shares, representing approximately 53.43% of the total issued share capital of GST, and is GST's controlling shareholder (as defined in the Listing Rules). Pursuant to an Irrevocable Undertaking dated 2 December 2008, GST International and each of the Management Owners has irrevocably undertaken to accept or procure to accept the Share Offer (as and when it is made) in respect of the GST Shares held by GST International, and each of the Management Owners has irrevocably undertaken to accept the Option Offer (as and when it is made) in respect of all Share Options held by them respectively.

The making of the Offers is subject to the satisfaction of the Pre-Condition. **All references to the Offers in this announcement are possible Offers which will be made if and only if the Pre-Condition is satisfied.** A Further Announcement will be made by UTFE and GST in relation to the satisfaction of the Pre-Condition. The Pre-Condition is not waivable.

2. THE OFFERS

2.1 Consideration for the Offers

The Offers, if and when made, will be made on the following basis:

The Share Offer:

For each GST ShareHK\$3.38 in cash

The Option Offer:

For each Share Option with an exercise

price of HK\$2.80 per GST ShareHK\$0.58 in cash

As at the date of this announcement, there are 800,000,000 GST Shares in issue and outstanding Share Options involving 4,500,000 GST Shares. Other than the 800,000,000 GST Shares in issue and outstanding Share Options involving 4,500,000 GST Shares, GST has no other GST Shares, Share Options, options, warrants, derivatives or other securities that carry a right to subscribe for or which are convertible into GST Shares.

2.2 Comparisons of value

The Share Offer Price represents:

	Premium of the Share Offer Price to the Share Price %
Closing price on the Last Trading Date	77.9%
Average closing price for the last 5 trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date	94.3%
Average closing price for the last 10 trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date	107.7%
Average closing price for the last 30 trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date	93.5%
Average closing price for the last 60 trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date	66.1%

The Option Offer Price represents the difference between the exercise price of the respective Share Options and the Share Offer Price.

2.3 Highest and lowest prices

During the six-month period preceding the Last Trading Date, the highest closing price of the GST Shares as quoted on the Stock Exchange was HK\$2.70 on 30 June 2008 and the lowest closing price of the GST Shares as quoted on the Stock Exchange was HK\$1.37 each on 23 and 24 October 2008.

2.4 Consideration for the GST Shares and the Share Options

Based on the Share Offer Price of HK\$3.38 per GST Share and 567,791,369 GST Shares in issue (representing the GST Shares not already held by UTFE and its Concert Parties) as at the date of this announcement, the maximum amount payable under the Share Offer (assuming no Share Options are exercised and the Share Offer is accepted in full) is approximately HK\$1,919 million.

Based on the Option Offer Price of HK\$0.58 per Share Option with an exercise price of HK\$2.80 for each GST Share in respect of 4,500,000 outstanding Share Options involving 4,500,000 GST Shares as at the date of this announcement, the maximum amount payable under the Option Offer (assuming no Share Options are exercised prior to the Closing Date and the Option Offer is accepted in full) is approximately HK\$2.6 million.

In the event all the Share Options are exercised in full by GST Optionholders (other than the Share Options held by the Management Owners) prior to the Closing Date and the Share Offer is accepted in full (including all GST Shares issued and allotted as a result of the exercise of the Share Options), the maximum amount payable by UTFE pursuant to the Share Offer will be increased to approximately HK\$1,927 million and approximately HK\$1.3 million will then be payable under the Option Offer. In such case GST shall receive an aggregate subscription price of approximately HK\$6.3 million from the exercise of the Share Options.

The consideration payable under the Offers was determined on the basis of the most recent published financial information of GST, UTFE's review of GST's business and potential synergies arising from the acquisition of control by UTFE.

2.5 Settlement of consideration

Settlement of consideration in respect of acceptances of the Offers will be made as soon as possible but in any event within ten days of the date of receipt of a complete and valid acceptance in respect of the Offers or of the Unconditional Date, whichever is the later.

2.6 Share Option Scheme

As at the date of this announcement, GST had outstanding 4,500,000 Share Options entitling GST Optionholders to subscribe for up to an aggregate of 4,500,000 GST Shares at an exercise price of HK\$2.80 per GST Share. If the Share Options are exercised in full, GST will have to issue 4,500,000 GST Shares, representing approximately 0.56% of the enlarged issued share capital of GST.

2.7 Confirmation of Financial Resources

The maximum amount of aggregate cash consideration to be paid to GST Shareholders and GST Optionholders in connection with the Offers (including the compulsory acquisition which may be undertaken in connection with the Offers and assuming all the Share Options are exercised in full prior to the Closing Date (other than the Share Options held by the Management Owners and assuming the Management Owners will accept the Option Offer in full), and excluding the GST Shares not already held by UTFE and its Concert Parties) is approximately HK\$1,928 million. It is presently intended that this amount will be funded by UTFE from funds made available from its affiliates.

UBS AG has been appointed as the financial adviser to UTFE in respect of the Offers. UBS AG is satisfied that sufficient financial resources are available to UTFE to satisfy full acceptance of the Offers as described above.

3. PRE-CONDITION TO THE OFFERS

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.

If the Pre-Condition is satisfied on or before the Long Stop Date, UTFE and GST will issue a Further Announcement as soon as practicable thereafter. The Pre-Condition is not waivable.

If the Pre-Condition is not satisfied by the Long Stop Date, the Offers may not be made (unless UTFE extends the Long Stop Date with the consent of GST International) and the GST Shareholders and GST Optionholders will be notified by announcement as soon as practicable.

4. CONDITIONS OF THE OFFERS

The Offers will be conditional on the satisfaction or waiver of the following Conditions:

- (a) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as UTFE may, subject to the rules of the Takeovers Code, decide) in respect of at least 90% of the Disinterested Shares;
- (b) the GST Shares remaining listed and traded on the Stock Exchange up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading of the GST Shares as a result of the Offers and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the GST Shares on the Stock Exchange is or is likely to be withdrawn;
- (c) (i) all Consents as are necessary for the acquisition of the GST Shares having been obtained in form and substance satisfactory to UTFE and remaining in full force and effect without variation from all Relevant Authorities and all conditions (if any) to such Consents having been fulfilled; (ii) each member of the Group possessing or having obtained all licences and permits from the Relevant Authorities that are necessary to carry on its business; and (iii) all mandatory consents from third parties having been obtained for the acquisition of the GST Shares;

- (d) no event having occurred which would make the Offers or the acquisition of any of the GST Shares void, unenforceable, illegal or prohibit implementation of the Offers;
- (e) no Relevant Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offers or acquisition of the GST Shares void, unenforceable or illegal or which would impose any material conditions or obligations with respect to the Offers or the acquisition of any of the GST Shares pursuant to the Share Offer;
- (f) since the date of the last audited consolidated financial statements of GST, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of GST or any member of the GST Group, whether or not arising in the ordinary course of business; and
- (g) no material breach of any covenants, representations and warranties given by GST International and each of the Management Owners in favour of UTFE.

UTFE reserves the right to waive all or any of the Conditions to the Offers set out above, in whole or in part. Condition (a) may be waived subject to UTFE having received acceptances in respect of GST Shares which would result in UTFE and its Concert Parties holding more than 50% of the voting rights in GST.

In addition to the Conditions set out above, the Share Offer is made on the basis that acceptance of the Share Offer by any person will constitute a warranty by such person or persons to UTFE that the GST Shares acquired under the Share Offer are sold by such person or persons free from all third party rights, liens, charges, equities, adverse interests and encumbrances whatsoever and together with all rights attaching thereto as at the date of this announcement or subsequently becoming attached to them, including the right to receive all dividends (whether final or interim) and other distributions, if any, declared, made or paid on or after the date of this announcement.

In addition to the Conditions set out above, the Option Offer will be subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. The board of directors of GST has approved the cancellation of the Share Options that are duly tendered for cancellation under the Option Offer.

Further, the Option Offer will be made on the basis that acceptance of the Option Offer by any person will constitute a warranty by such person or persons to UTFE that the Share Options are free from all third party rights, liens, charges, equities, adverse interests and encumbrances and are to be cancelled and renounced together with all rights attaching thereto as at the date of this announcement or subsequently becoming attaching to them.

The Offers will be made in compliance with the Takeovers Code, which is administered by the Executive.

WARNING:

GST Shareholders, GST Optionholders and/or potential investors of GST should be aware that the Offers will be made only if the Pre-Condition is satisfied, that the implementation of the Offers is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Offers may or may not be made or implemented. Accordingly, the issue of this announcement does not in any way imply that the Offers will be completed. GST Shareholders, GST Optionholders and/or potential investors of GST should therefore exercise caution when dealing in shares and/or options of GST.

5. IRREVOCABLE UNDERTAKINGS

On 2 December 2008, GST International and each of the Management Owners executed Irrevocable Undertakings in favour of UTFE, pursuant to which GST International and each of the Management Owners undertook to accept or procure to accept (i) the Share Offer in respect of the 427,479,369 GST Shares held by GST International as at the date of the Irrevocable Undertakings, representing approximately 53.43% of the issued share capital of GST (assuming no Share Options are exercised) as at the Last Trading Date; and (ii) the Option Offer in respect of the 2,250,000 Share Options granted to the Management Owners collectively entitling the Management Owners to subscribe for up to an aggregate of 2,250,000 GST Shares, within three (3) business days following the despatch of the Offer Document.

The Irrevocable Undertakings given by GST International and each of the Management Owners also provide that unless and until the Share Offer lapses or is withdrawn without having become wholly unconditional, or if the Pre-Condition is not satisfied on or before the Long Stop Date and the Long Stop Date is not extended by UTFE with the consent of GST International, GST International and each of the Management Owners shall not, among other things, sell or transfer or otherwise dispose of or charge or pledge or otherwise encumber or grant any option or other right over or otherwise deal with all or any of the GST Shares or the Share Options which are the subject of the Irrevocable Undertakings or any interest in all or any thereof (whether conditionally or unconditionally), nor will they accept or undertake to accept any other offer or give any indication to any third party of an intention to accept any other offer in any respect of all or any of the GST Shares or the Share Options which are the subject of the Irrevocable Undertakings (whether conditionally or unconditionally) by whatever means, or vote in favour of (or undertake to vote in favour of) any resolution to approve a compromise or arrangement under the Cayman Islands Companies Law with the members and creditors of GST (or any amalgamation under the Cayman Islands Companies Law) and with any third party other than with UTFE or its parent company, subsidiaries or fellow subsidiaries. The Irrevocable Undertakings also provide that each of the Management Owners shall undertake to procure the performance by GST International of its obligations under the Irrevocable Undertakings.

Assuming the Share Offer proceeds and based on the Offer Price of HK\$3.38 per GST Share, pursuant to the Irrevocable Undertakings, UTFE shall acquire from GST International the 427,479,369 GST Shares held by it at a total consideration of approximately HK\$1,445 million. Assuming the Option Offer proceeds and based on the Option Offer Price of HK\$0.58 per each Share Option, pursuant to the Irrevocable Undertakings, the total consideration payable by UTFE to the Management Owners for the 2,250,000 Share Options collectively held by them will be approximately HK\$1.3 million.

The Irrevocable Undertakings shall terminate if the Share Offer lapses or is withdrawn without having become wholly unconditional or if the Pre-Condition is not satisfied on or before the Long Stop Date and the Long Stop Date is not extended by UTFE with the consent of GST International. The Irrevocable Undertakings will remain binding even if a higher offer is made for the GST Shares.

6. NON-COMPETITION AND NON-SOLICITATION UNDERTAKINGS

GST International and each of the Management Owners have respectively undertaken in favour of UTFE (for itself and as trustee for each company comprising the GST Group) that they shall not and shall procure that the Restricted Parties shall not, directly or indirectly, for a period of 24 months from the date on which UTFE announces the close of the Share Offer pursuant to the Takeovers Code:

- (a) engage in any business in the PRC, Hong Kong, United Kingdom, United Arab Emirates, Turkey, Qatar and the United States of America which competes with any business presently carried on by the GST Group (“**Competing Business**”) or own, directly or indirectly, 5 per cent or more of the shares in any entity which is principally engaged in a Competing Business; or
- (b) act as an employee, officer, consultant or in any other capacity in a Competing Business or provide technical, commercial or professional advice to a Competing Business; or
- (c) accept orders for or supply or cause orders to be accepted for or cause to be supplied Restricted Goods or Services to any person who was provided by GST with, or negotiating with GST to be provided, with goods or services by the GST Group at any time during the 24 months up to and including the close of the Share Offer (a “**Group Customer**”); or
- (d) solicit, canvass or approach or endeavour to solicit, canvass or approach or cause to be solicited, canvassed or approached any Group Customer for the purpose of offering to that person Restricted Goods or Services; or
- (e) solicit, canvass or approach or endeavour to solicit, canvass or approach or cause to be solicited, canvassed or approached, for the purpose of obtaining the supply of goods or services of the same type as or similar to any goods or services supplied to the GST Group at the close of the Share Offer, any person who, to its knowledge, supplied the GST Group

with any such goods or services at any time during the 24 months up to and including the close of the Share Offer (a “**Group Supplier**”), where it is reasonably likely that such soliciting, canvassing or approaching of a Group Supplier would, if successful, materially prejudice the ability of the GST Group to procure or the terms on which it is able to procure the supply of such goods or services; or

- (f) solicit or entice away or endeavour to solicit or entice away or cause to be solicited or enticed away from the GST Group any person who is, and was at the close of the Share Offer, employed or directly or indirectly engaged by the GST Group with a view to inducing that person to leave such employment or engagement (whether or not such person would commit a breach of his contract of employment or engagement by reason of leaving); or
- (g) solicit or endeavour to solicit or cause to be solicited any person who was at any time during the 24 months up to and including the close of the Share Offer employed or directly or indirectly engaged by the GST Group who, by reason of their employment or engagement, possesses any trade secrets or a material amount of confidential information concerning the business or affairs of the GST Group or is likely to be able to solicit away from the GST Group the custom of any Group Customer, with a view to inducing that person to act in the same or a materially similar capacity in relation to the same or a materially similar field of work for another person carrying on business in competition with the GST Group (whether or not such person would commit a breach of his contract of employment or engagement by reason of so acting).

In addition, GST International and each of the Management Owners have undertaken in favour of UTFE (for itself and as trustee for each company comprising the GST Group) that they shall not and shall procure that the Restricted Parties shall not, directly or indirectly, disclose or use any Know-how, confidential information or trade secrets which they possess or any of them individually possesses concerning the business or affairs of the GST Group or of any person having dealings with the GST Group.

In respect of the restrictions entered into by Mr. Song Jiacheng and Mr. Cao Yu in their capacity as Management Owners, the period applicable for the non-competition and non-solicitation undertakings shall be extended, in the case of Mr. Song Jiacheng, until the expiry of 24 months from the termination of his tenure as Honorary Chairman of GST and, in the case of Mr. Cao Yu, until the expiry of 24 months from the termination of his tenure as a director of GST.

7. GENERAL INFORMATION

7.1 Information on UTFE

UTFE was incorporated in Hong Kong on 13 August 1997 as a company with limited liability under Hong Kong law. UTFE is a holding company for investments in Hong Kong and the PRC. UTFE is an indirect wholly-owned subsidiary of United Technologies Corporation, a publicly traded corporation on the New York Stock Exchange in the United States of America. UTFE is the parent company of a number of operating companies in Hong Kong and the PRC.

7.2 Information on the GST Group and GST International

GST was incorporated in the Cayman Islands on 27 April 2004 as an exempted company with limited liability under the Cayman Islands Companies Law. GST was listed on the Main Board of the Stock Exchange on 30 June 2005, trading under the stock code 0416. The GST Group is principally engaged in the development, manufacturing, sale and installation of intelligent fire detection and control systems, automatic and intelligent security systems for residential, commercial and industrial uses. The operations of the GST Group are substantially located in the PRC.

The audited consolidated net asset value of GST was approximately RMB1,004,950,000 as at 31 December 2007. GST recorded an audited and unaudited consolidated net profit before tax and extraordinary items of approximately RMB185,824,000 and RMB77,758,000 for the year ended 31 December 2007 and the six months ended 30 June 2008, respectively. GST recorded an audited and unaudited consolidated net profit after tax and extraordinary items attributable to GST Shareholders of approximately RMB181,016,000 and RMB71,120,000 for the year ended 31 December 2007 and the six months ended 30 June 2008, respectively.

GST International, being the controlling shareholder of GST, is an investment company incorporated in the BVI and is owned by 22 shareholders, of which the Management Owners, namely Messrs. Song Jiacheng, Zeng Jun, Cao Yu and Peng Kaichen, collectively own in aggregate approximately 81.63% of the issued share capital of GST International. The Management Owners are also directors of GST.

7.3 Statement by the Executive Directors of GST

The executive directors of GST believe that the terms of the Offers are fair and reasonable and in the interests of the GST Shareholders and GST Optionholders as a whole.

7.4 Independent Board Committee of GST

Under Rule 2.1 of the Takeovers Code, a board which receives an offer must establish an independent committee of the board to make a recommendation (i) as to whether the offer is, or is not, fair and reasonable and (ii) as to acceptance or voting. Mr. Lee Kwan Hung, a non-executive GST Director, is a partner of Woo, Kwan, Lee & Lo, the legal advisers as to Hong Kong laws of GST in relation to the Offers, whereas Mr. Zeng Jun is a non-executive GST Director and one of the Management Owners and both of whom are therefore not considered to be independent under the Takeovers Code to opine on the terms of the Offers. As a result, Mr. Chang Tso Tung, Stephen, Mr. Chan Chi On, Derek and Mr. Sun Lun, all of whom are independent non-executive GST Directors, have been appointed as members of the independent board committee of GST in respect of the Offers.

An independent financial adviser will be appointed, subject to approval by the independent board committee of GST, to advise the independent board committee of GST in respect of the Offers in due course. Further announcement will be made by GST upon the appointment of the independent financial adviser.

7.5 No dividend or other distribution

GST does not intend to declare or pay any dividend or other distribution on the GST Shares during the Offer Period.

7.6 Reasons for the offers

UTFE believes that there are compelling commercial reasons for a combination of UTFE and GST. If the Offers are completed, UTFE intends that GST will continue to carry on its business, subject to a continuing review of its operations and the development of a plan to realise efficiencies and synergies with UTFE and its affiliates' operations in the PRC. There is a strong commitment to build on GST's current brand and business model, improve the utilisation of its fixed assets and provide enhanced opportunities for GST's employees.

7.7 UTFE's intentions in relation to GST

Compulsory acquisition and withdrawal of listing

In the event Condition (a) is satisfied, UTFE intends to exercise the right under section 88 of the Cayman Islands Companies Law to compulsorily acquire those GST Shares not acquired by UTFE under the Share Offer. On completion of the compulsory acquisition, GST will become a wholly-owned subsidiary of UTFE and an application will be made for the withdrawal of the listing of the GST Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

According to Rule 15.6 of the Takeovers Code, as UTFE may consider exercising its rights under the relevant provisions of the Cayman Islands Companies Law to compulsorily acquire those GST Shares not acquired by UTFE under the Share Offer, the Share Offer may not remain open for acceptance for more than four months from the posting of the Offer Document, unless UTFE has by that time become entitled to exercise the power of compulsory acquisition available to it under the Cayman Islands Companies Law, in which event UTFE will do so without delay.

Pursuant to Rule 2.11 of the Takeovers Code, except with the consent of the Executive, where UTFE seeks to acquire or privatise GST by means of the Share Offer and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirement imposed by the Cayman Islands Companies Law, acceptance of the Share Offer and purchases made by UTFE and its Concert Parties during the period of four months after posting of the Offer Document total 90% of the Disinterested Shares.

Honorary Chairmanship

The current Chairman of GST, Mr. Song Jiacheng, has agreed to take up the role as the Honorary Chairman of GST and a current GST Director, Mr. Cao Yu will continue to act as a GST Director, both for one year from the Closing Date. Both GST and UTFE will benefit from their deep understanding of the fire detection business in the PRC as well as their on-going experience and advice.

WARNING:

If the level of acceptances reaches the prescribed level under the Cayman Islands Companies Law and Rule 2.11 of the Takeovers Code permits a compulsory acquisition and UTFE proceeds with the privatisation of GST, dealings in the securities of GST will be suspended from the Closing Date up to the withdrawal of listing of GST's securities from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Maintaining the listing/public float

In the event that the compulsory acquisition rights are not available to UTFE and the Offers close, UTFE will, together with GST, use reasonable endeavours to maintain the listing of the GST Shares on the Stock Exchange and will ensure that not less than 25% of the GST Shares will be held by the public in compliance with the Listing Rules.

If, at the close of the Offers, less than 25% of the GST Shares are held by the public or if the Stock Exchange believes that:

- **a false market exists or may exist in the trading of the GST Shares, or**
- **there are insufficient GST Shares in public hands to maintain an orderly market,**

then the Stock Exchange may exercise its discretion to suspend dealings in the GST Shares. In this connection, it should be noted that upon completion of the Offers, there may be insufficient public float for the GST Shares and therefore, trading in the GST Shares may be suspended until a prescribed level of public float is attained.

As at the date of this announcement, the public float of GST is 17.54% which has fallen below 25% of the entire issued share capital of GST, the minimum prescribed percentage under the Listing Rules.

7.8 Further terms of the Offers

GST Shares

Under the terms of the Share Offer, the GST Shares will be acquired with all rights attached thereto as at the date of this announcement or which subsequently become attached thereto, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, on or after the date of this announcement, and free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

Under the terms of the Option Offer, the Share Options of the accepting GST Optionholders, together with all rights attaching thereto, will be entirely cancelled and renounced.

Hong Kong stamp duty

Sellers' ad valorem stamp duty arising in connection with acceptance of the Share Offer will be payable by each GST Shareholder at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable by UTFE for such person's GST Shares and will be deducted from the cash amount due to such accepting GST Shareholder. UTFE will pay the buyer's ad valorem stamp duty on its own behalf. No stamp duty is payable in connection with the Option Offer.

7.9 General matters relating to the Offers

Availability of the Offers

UTFE intends to make available the Offers to all GST Shareholders and GST Optionholders, including those who are resident outside Hong Kong, to the extent practicable. The availability of the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. Persons who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

UTFE reserves the right to make special arrangements regarding the terms of the Offers in relation to GST Shareholders or GST Optionholders whose receipt of the Offers or the Composite Document is subject to the laws of an overseas jurisdiction.

In addition, GST also reserves the right to notify any matter, including the making of the Offers, to the GST Shareholders or GST Optionholders having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction of which such persons are resident. The notice will be deemed to have been sufficiently given, despite any failure by such shareholders to receive or see that notice.

In the event that the receipt of the Composite Document by overseas GST Shareholders or GST Optionholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that the directors of UTFE regard as unduly onerous or burdensome or otherwise not in the best interests of UTFE or the shareholders of UTFE as a whole, the Composite Document, subject to the Executive's consent, will not be despatched to such overseas GST Shareholders or GST Optionholders. GST will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Any arrangements for overseas GST Shareholders or GST Optionholders to collect the Composite Document will be set out in a further announcement.

Composite Document

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document should be posted within 21 days of the date of this announcement. As the making of the Offers is conditional upon satisfaction of the Pre-Condition, the Composite Document is, subject to the Executive's consent, expected to be despatched to the GST Shareholders and GST Optionholders in accordance with the Takeovers Code within seven (7) days of the fulfilment of the Pre-Condition. UTFE and GST will apply to the Executive for consent pursuant to Note 2 to Rule 8.2 of the Takeovers Code for the despatch of the Composite Document within seven days after the Pre-Condition is satisfied (or such later date as the Executive, at the request of UTFE, may consent).

The Composite Document will contain details of, among other things, the Offers, a letter from the independent board committee of GST in relation to the Offers and a letter from an independent financial adviser to the independent board committee in respect of the Offers. An expected timetable in relation to the Offers will be included in the Composite Document.

Further agreements or arrangements

As at the date of this announcement, there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the GST Shares or the shares of UTFE which might be material to the Offers.

As at the date of this announcement and save as disclosed in the sections headed "3. Pre-Condition to the Offers", "4. Conditions of the Offers" and "5. Irrevocable Undertakings", there are no agreements or arrangements to which UTFE is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers.

Completion of the Offers

If the Conditions are not satisfied (or, if permissible, waived) on or before the Closing Date, the Offers will lapse unless extended by UTFE.

In that case, UTFE will issue an announcement in relation to the revision, extension, expiry or unconditionality of the Offers in accordance with the Takeovers Code and Listing Rules by 7:00 p.m. on the Closing Date. The latest date on which UTFE can declare the Offers unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent).

If the Conditions are satisfied (or, if permissible, waived), GST Shareholders and GST Optionholders will be notified by an announcement in accordance with the Takeovers Code and Listing Rules as soon as practicable thereafter.

Interest of UTFE and its Concert Parties in GST

Save as disclosed below, none of UTFE nor any of its Concert Parties owns or controls any GST Shares or any convertible securities, warrants, options or Share Options (or other outstanding derivatives) in respect of the GST Shares, and save for the acquisition of (i) 55,578,000 GST Shares at HK\$3.30 per GST Share on 20 December 2007; and (ii) 26,066,000 GST Shares at HK\$3.30 per GST Share on 21 December 2007, and as disclosed below, none of them had any holdings or had dealt in the GST Shares or had any holdings or had dealt in options, warrants, derivatives or other securities that carry a right to subscribe for or which are convertible into GST Shares in the six months prior to the commencement of the Offer Period.

As at the date of this announcement, UTFE and its Concert Parties own or control in aggregate 232,208,631 GST Shares, representing approximately 29.03% of the issued share capital of GST:

Name of shareholder	Nature of interest	Capacity	Number of Shares	Approximate shareholding percentage
United Technologies Corporation ("UTC") (Note)	Corporate interest	Interest in controlled corporation	232,208,631(L)	29.03%
Otis Elevator Company ("Otis") (Note)	Corporate interest	Interest in controlled corporation	230,224,631(L)	28.78%
Carrier Corporation ("Carrier") (Note)	Corporate interest	Interest in controlled corporation	230,224,631(L)	28.78%
United Technologies Far East Limited ("UTFE") (Note)	Corporate interest	Interest in controlled corporation	230,224,631(L)	28.78%

(L) indicates a long position

Note:

As at the date of this announcement, UTC holds 100% of the equity interests in each of Otis and Carrier. Otis and Carrier hold an aggregate of 100% equity interest in UTFE, which owns 230,224,631 GST Shares. In addition, UTC owns 1,984,000 GST Shares through another wholly-owned subsidiary.

8. SUSPENSION AND RESUMPTION OF TRADING

At the request of GST, trading in the shares in GST on the Stock Exchange was suspended from 9:30 a.m. on 10 November 2008 (Hong Kong time), pending the issue of this announcement. Application has been made by GST to the Stock Exchange for the resumption of trading in the shares in GST on the Stock Exchange with effect from 9:30 a.m. on 3 December 2008 (Hong Kong time).

9. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“associates”	has the meaning ascribed to it in the Listing Rules;
“BVI”	means the British Virgin Islands;
“Cayman Islands Companies Law”	means the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
“Closing Date”	means the date to be stated in the Composite Document as the first closing date of the Offers or any subsequent closing date as may be announced by UTFE and approved by the Executive;
“Composite Document”	means the Offer Document and the Response Document to be issued jointly by UTFE and GST in connection with the Offers;
“Concert Parties”	means parties acting in concert with UTFE, as determined in accordance with the Takeovers Code;
“Conditions”	means the conditions of the Offers, as set out under the paragraph headed “Conditions of the Offers” of this announcement;
“Consent(s)”	means any consent, approval, authorisation, qualification, waiver, permit, grant, franchise, concession, agreement, licence, exemption or order of, registration, certificate, declaration or permission from, or filing with, or report or notice to, any Relevant Authority;
“Disinterested Shares”	means all of the GST Shares other than those GST Shares held by UTFE and its Concert Parties;
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Further Announcement”	means the further announcement to be issued by UTFE and GST if the Pre-Condition is satisfied on or before the Long Stop Date;

“GST”	means GST Holdings Limited, a limited company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange (Stock Code: 0416);
“GST Director(s)”	means the director(s) for the time being of GST;
“GST Group”	means GST and its subsidiaries;
“GST International”	means GST International Management Limited, a limited company incorporated in the British Virgin Islands with limited liability, which is owned by 22 shareholders, of which the Management Owners collectively own in aggregate approximately 81.63% of the issued share capital of GST International;
“GST Optionholders”	means registered grantees/holders for the time being of the Share Options;
“GST Shareholders”	means registered holders for the time being of the GST Shares;
“GST Shares”	means ordinary shares of HK\$0.10 each in the issued share capital of GST;
“HK\$”	means Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Irrevocable Undertakings”	means the irrevocable undertakings dated 2 December 2008 given by GST International and each of the Management Owners in favour of UTFE;
“Know-how”	means all know-how, trade secrets and confidential information, in any form (including paper, electronically stored data, magnetic media, film and microfilm) including without limitation financial and technical information, drawings, formulae, test results or reports, project reports and testing procedures, information relating to the working of any product, process, invention, improvement or development, instruction and training manuals, tables of operating conditions, information concerning intellectual property portfolio and strategy, market forecasts, lists or particulars of customers and suppliers, sales targets, sales

	statistics, prices, discounts, margins, future business strategy, tenders, price sensitive information, market research reports, information relating to research and development and business development and planning reports and any information derived from any of them;
“Last Trading Date”	means 7 November 2008, being the last trading day prior to the suspension of trading in the GST Shares pending the publication of this announcement;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Long Stop Date”	means the date which is 365 days after the date of this announcement, unless the date has been extended by UTFE with the consent of GST International;
“Management Owners”	means Messrs. Song Jiacheng, Zeng Jun, Cao Yu and Peng Kaichen, each a director of GST, who owns approximately 26.93%, 23.14%, 15.78% and 15.78% respectively and together collectively own in aggregate approximately 81.63% of the issued share capital of GST International;
“Offer Document”	means the document required to be issued by, or on behalf of UTFE to all GST Shareholders and GST Optionholders in accordance with the Takeovers Code containing, inter alia, details of the Offers and the terms and conditions of the Offers and forming part of the Composite Document;
“Offer Period”	has the meaning ascribed to it in the Takeovers Code;
“Offers”	means the Share Offer and the Option Offer;
“Option Offer”	means the voluntary conditional cash offer for cancellation of the Share Options at the Option Offer Price;
“Option Offer Price”	means the cash amount of HK\$0.58 per Share Option with an exercise price of HK\$2.80 for each GST Share payable by UTFE to GST Optionholders for each Share Option accepted under the Option Offer;
“PRC”	means the People’s Republic of China;

“PRC Antitrust Filing”	means the submission of the formal notification pursuant to The Anti-Monopoly Laws of the PRC to the Anti-Monopoly Bureau of the Ministry of Commerce of the PRC, in connection with the Offers;
“Pre-Condition”	means the pre-condition to the making of the Offers as described under the paragraph headed “Pre-Condition to the Share Offer” of this Announcement;
“RMB”	means Renminbi, the lawful currency of the PRC;
“Relevant Authorities”	means any government, governmental, quasi-governmental, statutory or regulatory authority, body, agency, tribunal, court or institution;
“Response Document”	means the document required to be issued by GST to GST Shareholders and GST Optionholders in accordance with the Takeovers Code containing, inter alia, the board circular of GST and forming part of the Composite Document;
“Restricted Goods or Services”	means goods or services of the same type as or similar to or competitive with any goods or services supplied by the GST Group at the close of the Offers;
“Restricted Parties”	means GST International, the Management Owners, family members of the Management Owners and any company directly or indirectly controlled by the Management Owners and/or family members of the Management Owners and/or GST International;
“SFC”	means the Securities and Futures Commission of Hong Kong;
“SFO”	means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Share Offer”	means the voluntary conditional cash offer at the Share Offer Price to acquire all of the issued shares in the share capital of GST other than those GST Shares held by UTFE and its Concert Parties;
“Share Offer Price”	means the cash amount of HK\$3.38 payable by UTFE to GST Shareholders for each GST Share accepted under the Share Offer;

“Share Option Scheme”	means the share option scheme adopted by GST pursuant to a written resolution passed by the GST Shareholders on 7 June 2005, as amended from time to time;
“Share Options”	means the outstanding options granted pursuant to the Share Option Scheme and “Share Option” shall be construed accordingly;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to it in the Listing Rules;
“Takeovers Code”	means the Codes on Takeovers and Mergers and Share Repurchases published by the SFC;
“UBS AG”	means UBS AG, acting through its division, UBS Investment Bank, a registered institution under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities;
“Unconditional Date”	means the date on which the Offers become or are declared unconditional in all respects;
“UTFE”	means United Technologies Far East Limited, a company incorporated in Hong Kong with limited liability;
“UTFE Directors”	means the directors of UTFE for the time being;
“%”	means per cent.

By order of the board of
United Technologies Far East Limited
Christopher WITZKY
Director

By order of the board of
GST Holdings Limited
SONG Jiacheng
Chairman

Hong Kong, 3 December 2008

The UTFE Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the GST Group, GST International and the Management Owners) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the GST Group, GST International and the Management Owners) 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 statements in this announcement misleading.

As at the date of this announcement, the board of directors of UTFE comprises Ms. Ann Bieber, Mr. Brian Roy, Mr. Christopher Witzky and Mr. Timothy Airgood.

The GST Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to UTFE and its Concert Parties and UBS AG) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than that expressed by UTFE and its Concert Parties and UBS AG) 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 statements in this announcement misleading.

As at the date of this announcement, the board of directors of GST 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.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that cooperation.”