

GST Holdings Limited **Expanding Fire Alarm Network Business**

(Hong Kong, 29 September 2005) ---- **GST Holdings Limited** ("GST Holdings" or the "Group") (Stock Code: 0416), China's leading fire alarm system products and services provider, today announced that it is expanding fire alarm network business by increasing its stake in its associated company, Qinhuangdao Chengan Fire Prevention Network Company Limited ("Chengan"), yesterday (28 September 2005), from 35% to 51%, which turns Chengan into its subsidiary company. The consideration of the acquisition is RMB800,000, all of which will be settled by cash.

The Chairman and Chief Executive Officer of the Group, **Mr. Song Jiacheng**, said, "The acquisition plan is in line with our business strategy of expanding the fire alarm products from commercial and residential sectors to industrial, export and services. Chengan is the only fire alarm network company which provides monitoring and maintenance services in Qinhuangdao. In the future, we will continue to expand our business scope in providing services in the fire alarm network sector."

Fire alarm network system is a system that serves to monitor the operation of fire alarm systems in a city. Usually, manufacturers provide the facilities to set up fire alarm network control centres in cities, after which the manufacturers will provide those fire alarm users who need to join the network with fire alarm network terminal facilities. This system is very common in Europe and the U.S. As Chinese government places great emphasis on fire alarm network systems and implements strict national and regional fire safety regulations, and the fire alarm network business such as maintenance service continuously expands, the prospect of fire alarm network market is optimistic.

Mr. Song Jiacheng said, "Apart from providing fire alarm monitoring services for the whole city, the fire alarm network company can further promote GST's brand name as the market leader in the fire alarm industry and attract more business for our fire alarm system products. Therefore, we will continue seeking opportunities to acquire fire alarm network companies in large and middle cities in China to solidify our market position. We believe the acquisition of Chengan is a remarkable start of the Group's expansion in the fire alarm network business."

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About GST Holdings Limited (Stock Code: 0416)

GST Holdings Limited is China's leading fire alarm system products and services provider. At present, its products and services expand to include fire alarm systems, fire alarm network systems, building automation systems, video entry systems, electronic power meters, installation services and maintenance services. The Group's major clients are professional equipment installers, system integrators, real estate developers, property owners and professional equipment distributors. Internationally, it has been successful since 2001 in selling fire alarm systems to countries in the Middle East, Europe and Southeast Asia. In November 2004, the Group's brand was certified as the only "well-known trademark" in the fire alarm system industry by the State Administration for Industry and Commerce in China.

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