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**TI YU INVESTMENTS LIMITED**  
*(Incorporated in the British Virgin Islands with limited liability)*

**GAY GIANO**  
INTERNATIONAL  
**GAY GIANO INTERNATIONAL**  
**GROUP LIMITED**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 00686)**

**JOINT ANNOUNCEMENT**

**(1) CLOSING OF THE MANDATORY UNCONDITIONAL CASH OFFER BY**



**KINGSTON SECURITIES LIMITED**

**ON BEHALF OF**

**TI YU INVESTMENTS LIMITED**

**FOR ALL THE ISSUED SHARES AND OUTSTANDING OPTIONS IN  
GAY GIANO INTERNATIONAL GROUP LIMITED**

**(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY  
TI YU INVESTMENTS LIMITED AND PARTIES ACTING IN CONCERT WITH IT);**

**(2) RESIGNATIONS OF CHAIRMAN, CHIEF EXECUTIVE OFFICER,  
EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTOR;**

**(3) APPOINTMENTS OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
AND**

**(4) CHANGE IN COMPANY SECRETARY**

**Financial adviser to Ti Yu Investments Limited**



**KINGSTON CORPORATE FINANCE LIMITED**

**CLOSE OF THE OFFER AND ACCEPTANCE UNDER THE OFFER**

The Offeror announces that the Offer closed on 24 August 2007. At 4:00 p.m. on 24 August 2007, being the latest time for acceptance of the Offer, valid acceptances in respect of 4,000 Offer Shares under the Shares Offer were received while no acceptance under the Option Offer had been received by the Offeror.

Immediately following the close of the Offer, after taking into account i) the 120,000,000 Shares, representing approximately 57.46% of the issued share capital and voting rights of the Company as at the date of this announcement, purchased by the Offeror upon completion of the Sale and Purchase Agreement on 10 July 2007; and ii) that valid acceptances in respect of 4,000 Offer Shares were received under the Share Offer, the Offeror and parties acting in concert with it in aggregate owned or controlled 120,004,000 Shares, representing approximately 57.46% of the issued share capital and voting rights of the Company immediately after the latest time for acceptance of the Offer.

#### **RESIGNATIONS OF CHAIRMAN, CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTOR**

The Board hereby announces that, as a result of the change in controlling shareholder of the Company, i) Ms Cheung Yin Sheung, Subraina, has tendered her resignation as chairman and executive Director of the company; ii) Mr. Tong Kwong Fat has tendered his resignation as chief executive officer and executive Director of the Company; iii) Ms. Yung Wing Sze, Vivian has tendered her resignation as executive Director and iv) Ms. To Ming Oi, Wendy has tendered her resignation as non-executive Director with effect from the close of the Offer on 24 August 2007.

#### **APPOINTMENTS OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Mr. Wong Pak Lam, Louis, being an executive Director of the Company, is appointed as the chairman of the Company and Mr. Wong Kwong Lung, Terence, being an executive Director of the Company, is appointed as the chief executive officer of the Company with effect from the close of the Offer on 24 August 2007.

#### **CHANGE IN COMPANY SECRETARY**

Mr. Ting Lam Kwai, James resigned as the company secretary of the Company and Ms. Leung Sau Fong is appointed as the company secretary of the Company with effect from the close of the Offer on 24 August 2007.

Reference is made to the joint announcements dated 5 July 2007 and the composite offer document dated 3 August 2007 (the “Composite Offer Document”) jointly issued by Ti Yu Investments Limited (the “Offeror”) and Gay Giano International Group Limited (the “Company”), in relation to, among other things, details of the Offer. Terms used in this announcement have the same meanings as those defined in the Composite Offer Document unless otherwise defined herein.

## CLOSE OF THE OFFER AND ACCEPTANCE UNDER THE OFFER

The Offeror announces that the Offer closed on 24 August 2007. At 4:00 p.m. on 24 August 2007, being the latest time for acceptance of the Offer, valid acceptances in respect of 4,000 Offer Shares under the Shares Offer were received while no acceptance under the Option Offer had been received by the Offeror.

Immediately before the offer period which commenced from 5 July 2007 (being the date of commencement of the offer period as defined in the Takeovers Code), the Offeror and parties acting in concert with it did not hold, control or direct any Shares and rights over Shares.

Immediately following the close of the Offer, after taking into account i) the 120,000,000 Shares, representing approximately 57.46% of the issued share capital and voting rights of the Company as at the date of this announcement, purchased by the Offeror upon completion of the Sale and Purchase Agreement on 10 July 2007; and ii) that valid acceptances in respect of 4,000 Offer Shares were received under the Share Offer, the Offeror and parties acting in concert with it in aggregate owned or controlled 120,004,000 Shares, representing approximately 57.46% of the issued share capital and voting rights of the Company immediately after the latest time for acceptance of the Offer.

Save for the Share Purchase and the valid acceptances in respect of 4,000 Offer Shares under the Share Offer, the Offeror and parties acting in concert with it had not acquired or agreed to acquire any Shares and rights over Shares during the offer period from 5 July 2007 (being the date of commencement of the offer period for the purpose of the Takeovers Code) to 24 August 2007.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company immediately following the close of the Offer:

	<b>Immediately following the close of the Offer</b>	
	<i>No. of Shares</i>	<i>Approximate (%)</i>
Ti Yu, Mr. Wong and parties acting in concert with them	120,004,000	57.46
Ms. Yung Wing Sze, Vivian ( <i>Note</i> )	1,170,000	0.56
Mr. Tong Kwong Fat ( <i>Note</i> )	330,000	0.16
Other public Shareholders	<u>87,336,000</u>	<u>41.82</u>
Total	<u><u>208,840,000</u></u>	<u><u>100.00</u></u>

*Note:*

Ms. Yung Wing Sze, Vivian and Mr. Tong Kwong Fat were executive Directors of the Company before their resignations, which became effective on the close of the Offer.

## **RESIGNATIONS OF CHAIRMAN, CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTOR**

The Board hereby announces that, as a result of the change in controlling shareholder of the Company, i) Ms Cheung Yin Sheung, Subraina, has tendered her resignation as chairman and executive Director of the Company; ii) Mr. Tong Kwong Fat has tendered his resignation as chief executive officer and executive Director of the Company; iii) Ms. Yung Wing Sze, Vivian has tendered her resignation as executive Director and iv) Ms. To Ming Oi, Wendy has tendered her resignation as non-executive Director with effect from the close of the Offer on 24 August 2007. Each of them has confirmed that there is no disagreement between the Board and them and there is no matter that need to be brought to the attention of the Shareholders in relation to their resignation.

## **APPOINTMENTS OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Mr. Wong Pak Lam, Louis, being an executive Director of the Company, is appointed as the chairman of the Company and Mr. Wong Kwong Lung, Terence, being an executive Director of the Company, is appointed as the chief executive officer of the Company with effect from the close of the Offer on 24 August 2007.

## **CHANGE IN COMPANY SECRETARY**

Mr. Ting Lam Kwai, James resigned as the company secretary of the Company with effect from the close of the Offer on 24 August 2007. Mr. Ting confirmed that he has no disagreement with the Board and there are no matter that need to be brought to the attention of the Shareholders in relation to his resignation.

Ms. Leung Sau Fong is appointed as the company secretary of the Company with effect from the close of the Offer on 24 August 2007. Ms. Leung is an associate member of The Hong Kong Institute of Chartered Secretaries.

## **GENERAL**

The Board would like to take this opportunity to express its appreciation to Ms, Cheung Ying Sheung, Subraina, Mr. Tong Kwong Fat, Ms. Yung Wing Sze, Vivian, Ms. To Ming Oi, Wendy and Mr. Ting Lam Kwai, James for their contributions towards the Company during their terms of service. The Board would also like to extend a warm welcome to Mr. Wong Pak Lam, Louis, Mr. Wong Kwong Lung, Terence and Ms. Leung Sau Fong.

By order of the board of  
**Ti Yu Investments Limited**  
**Wong Pak Lam Louis**  
*Sole Director*

By order of the board of  
**Gay Giano International Group Limited**  
**Wong Pak Lam Louis**  
*Chairman*

Hong Kong, 24 August 2007

*As at the date of this announcement and after the close of the Offer, the executive Directors are Mr. Wong Pak Lam, Louis, Mr. Wong Kin Tung and Mr. Wong Kwong Lung, Terence and the independent non-executive Directors are Mr. Chan Ka Ling, Edmond, Mr. Lo Wa Kei, Roy and Mr. Ching Kwok Ho, Samuel.*

*The sole director of Ti Yu accepts full responsibility for the accuracy of the information contained in this announcement including Ti Yu's intention regarding the Group (other than that in relation to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement 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 statement in this announcement misleading.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to Ti Yu, the terms and conditions of the Offer and Ti Yu's intention regarding the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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.*