

GAY GIANO
INTERNATIONAL

GAY GIANO INTERNATIONAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Gay Giano International Group Limited (the “Company”) will be held at the Company’s Conference Room at Suites 701-702, 7th Floor, Grandtech Centre, 8 On Ping Street, Siu Lek Yuen, Shatin, New Territories, Hong Kong on Monday, September 25, 2006 at 9:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and the auditors for the year ended March 31, 2006;
2. To re-elect Directors and to authorize the board of directors to fix their remuneration;
3. To re-appoint auditors and to authorize the board of directors to fix their remuneration.

As special businesses, to consider, and if thought fit, pass the following ordinary resolutions:

ORDINARY RESOLUTIONS

4. **“THAT**
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription rights under the share option scheme of the Company or (iii) an issue of shares as scrip dividends pursuant to the Bye-Laws of the Company from time to time 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 this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws of the Bermuda to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares or an offer of warrants, options or other securities giving right to subscribe for shares, open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company 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 recognized regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company).”

5. **“THAT**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (*as hereinafter defined*) of all powers of the Company to purchase shares in the capital of the Company (“Shares”), subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares purchased by the Company pursuant to the approval in paragraph (a) 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 this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws of the Bermuda to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. **“THAT**

conditional upon resolution nos. 4 and 5 above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 5 above 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 of the Company pursuant to resolution no. 4 above.”

SPECIAL RESOLUTION

7. **“THAT** the Bye-laws of the Company (the “Bye-law(s)”) be and are hereby amended in the following manner:

1. Bye-law 73

- (i) by inserting the following words immediately after the words “on a show of hands unless” in the 2nd line of the existing Bye-law 73:

“voting by way of a poll is required by the Listing Rules or”;

- (ii) by deleting the full-stop at the end of the existing Bye-law 73(iv) and substituting therefor a semicolon and the word “or”; and

- (iii) by inserting the following new Bye-law 73(v) immediately after the existing Bye-law 73(iv):

“(v) if required by the Listing Rules, by the Chairman of such meeting and/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.”

2. Bye-law 74

by deleting the words “Unless a poll be so demanded and not withdrawn,” at the first line of the existing Bye-law 74, and substituting therefor the following wordings:

“Unless a poll is so required or demanded and, in the latter case, not withdrawn, (i) the Chairman of the meeting should indicate to the meeting of the Company the level of proxies lodged on each resolution and the balance for and against the resolution, after it has been dealt with on a show of hands; and (ii)”

3. Bye-law 75

by inserting the following sentence immediately after the last sentence of the existing Bye-law 75:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the Listing Rules.”

4. Bye-law 108(vii)

by deleting the word “Special” immediately before the words “Resolution of the Company under Bye-law 117.” in Bye-law 108(vii) and substituting the word “Ordinary” therefor.

5. Bye-law 110

by inserting the following new Bye-law 110(N) immediately after the existing Bye-law 110(M):

“(N) Where a substantial shareholder (within the meaning of the Listing Rules) or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should not be dealt with by way of circulation of board resolutions pursuant to this Bye-law or by a committee (except an appropriate board committee set up for that purpose pursuant to a resolution passed in a board meeting) but a board meeting should be held with the presence of the independent non-executive Directors who, and whose associates, have no material interest in the transaction.”

6. Bye-law 111(A)

by deleting the existing Bye-law 111(A) in its entirety and substituting therefor the following new Bye-law 111(A):

“At each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.”

7. Bye-law 115

by deleting the last sentence of Bye-law 115 in its entirety and substituting therefor the following:

“Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting but in the case of a retirement and re-election of such Director(s) at an annual general meeting, such Director(s) shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such annual general meeting.”

8. Bye-law 117

by deleting the word “Special” immediately before the words “Resolution remove any Director (including a managing director or other executive director) before the expiration of his period of office” in Bye-law 117 and substituting the word “Ordinary” therefor.”

Yours faithfully,
For and on behalf of the Board of
Gay Giano International Group Limited
Cheung Yin Sheung Subraina
Chairman

Hong Kong, July 28, 2006

Principal Office:
Suites 701-702, 7th Floor
Grandtech Centre
8 On Ping Street
Siu Lek Yuen, Shatin
New Territories
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company’s Hong Kong branch share registrar, Union Registrars Limited of 311-312 Two Exchange Square, Central, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (2) Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish
- (3) The Register of Members of the Company will be closed from September 21, 2006 to September 25, 2006, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Union Registrars Limited of 311-312 Two Exchange Square, Central, Hong Kong for registration not later than 4:00 p.m. on September 20, 2006.

As at the date of this announcement, the directors of the Company is comprised of seven directors, of which three are executive directors, namely Ms. Cheung Yin Sheung Subraina, Mr. Tong Kwong Fat and Ms. Yung Wing Sze Vivian, a non-executive director, namely Ms. To Ming Oi Wendy, and three are independent non-executive directors, namely Mr. Chan Ka Ling Edmond, Mr. Lo Wa Kei Roy and Mr. Ching Kwok Ho Samuel.

Please also refer to the published version of this announcement in the China Daily.