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**GAY GIANO**  
INTERNATIONAL  
**GAY GIANO INTERNATIONAL GROUP LIMITED**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 686)**

**COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER  
GENERAL MANDATE**

The Board is pleased to announce that with the Condition of the Subscription have been fulfilled, Completion of the Subscription took place on 3 September 2008.

Reference is made to the announcement of the Company dated 20 August 2008 (the “Announcement”) in relation to the Subscription. Unless otherwise stated, capitalized terms used herein shall bear the same meanings as defined in the Announcement.

The Board is pleased to announce that, with the Condition of the Subscription have been fulfilled, completion of the Subscription took place on 3 September 2008. The Subscriber has subscribed and the Company has issued 30,000,000 new Shares for a consideration of HK\$24,000,000, equivalent to the Subscription Price of HK\$0.8 per Subscription Share. The Subscriber becomes one of the substantial shareholders of the Company after the Completion of the Subscription. To the best of the Director’s knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficiary, Mr. Gu, are third parties independent of the Company and its connected persons immediately before the Completion.

The Subscription Shares represent approximately 12.1% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

## EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company immediately before and after the Completion was as follows:

	Immediately before the allotment and issue of the Subscription Shares		Immediately after the allotment and issue of the Subscription Shares	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Ti Yu Investments Limited ( <i>Note</i> )	84,004,000	38.39	84,004,000	33.8
Generation Japan Master Fund	36,000,000	16.45	36,000,000	14.5
The Subscriber	—	—	30,000,000	12.1
Public Shareholders	98,836,000	45.16	98,836,000	39.6
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u>218,840,000</u>	<u>100.00</u>	<u>248,840,000</u>	<u>100.00</u>

*Note:*

Ti Yu Investments Limited is solely owned by Mr. Wong Pak Lam, Louis, an executive Director and the Chairman of the Company.

By order of the Board  
**GAY GIANO INTERNATIONAL GROUP LIMITED**  
**Wong Pak Lam, Louis**  
*Chairman*

Hong Kong, 3 September 2008

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