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

**VERY SUBSTANTIAL ACQUISITION:  
ACQUISITION OF INDIRECT INTERESTS IN  
HIGHWAYS AND INVESTMENT PROPERTIES IN THE PRC  
INVOLVING ISSUE OF CONVERTIBLE BONDS TO THE VENDOR;  
CHANGE IN NAME OF THE COMPANY;  
AND  
RESUMPTION OF TRADING**

**THE ACQUISITION**

The Board announces that on 27 May 2008, the Company, the Purchaser, the Vendor and the Guarantor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares.

The Initial Consideration in the total amount of RMB460 million (subject to adjustment, if any) is to be satisfied as to RMB50 million by cash and as to RMB410 million (subject to adjustment, if any) by the issue of the Convertible Bonds by the Company to the Vendor. Particulars of the Consideration are set out in the paragraphs headed "Consideration" under the section headed "The Sale and Purchase Agreement" below. Details of the Convertible Bonds are set out in the section headed "The Convertible Bonds" below.

The Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to the Shareholders' approval at the SGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has an interest in the Acquisition which is materially different from the other Shareholders as at the date of this announcement. Therefore, no Shareholder is required to abstain from voting on the resolution to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. A circular containing, inter alia, further details of the Acquisition will be dispatched to the Shareholders as soon as possible.

## **PROPOSED CHANGE OF COMPANY NAME**

The Board proposes to change the name of the Company from “Gay Giano International Group Limited” to “Time Infrastructure Holdings Limited”. Upon the change of name becoming effective, the Company will adopt the new Chinese name “太一控股有限公司” for identification purpose only.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 2:30 p.m. on 27 May 2008 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 11 June 2008.

## **INTRODUCTION**

On 28 April 2008, the Company and the Guarantor entered into the Heads of Agreement for the purpose of setting out the principal terms of the sale and purchase of the Sale Shares. Based on the terms stipulated in the Heads of Agreement, on 27 May 2008, the Company, the Purchaser (which is a wholly-owned subsidiary of the Company), the Vendor (which is beneficially and solely owned by the Guarantor) and the Guarantor entered into the Sale and Purchase Agreement.

## **THE SALE AND PURCHASE AGREEMENT**

### **Date**

27 May 2008

### **Parties**

- (1) The Company;
- (2) Yield Long Limited, a wholly-owned subsidiary of the Company incorporated in the BVI, being the Purchaser;
- (3) Universal Summit Investment Limited, a company incorporated in the BVI with limited liability which is beneficially and solely owned by the Guarantor, being the Vendor; and
- (4) Mr. Huang Guo Dong, a PRC citizen principally engages in construction business in highways and infrastructures, being the Guarantor who entered into the Sale and Purchase Agreement to, among other things, guarantee the due performance of the Sale and Purchase Agreement by the Vendor.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and the Guarantor are Independent Third Parties.

## **Assets to be acquired**

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, namely (i) the Million Alliance Shares, being 10,000 shares in Million Alliance which represent 100% shareholding interest of Million Alliance, and (ii) the Equity Holdings Share, being 1 share in Equity Holdings which represents 0.01% shareholding interest of Equity Holdings.

Million Alliance is the ultimate holding company of the Target Group (including Equity Holdings) which is principally engaged in (i) development and operation of highways in the PRC; and (ii) property investment in the PRC. For further details of the Target Group, please refer to the section headed “Information on the Target Group” below. Upon Completion, Million Alliance and Equity Holdings will become wholly-owned subsidiaries of the Company.

Based on the unaudited management accounts of Million Alliance for the period from 2 January 2008 (date of incorporation of Million Alliance) to 31 May 2008 prepared at individual company level, the Million Alliance Shareholder’s Loan due by Million Alliance to the Vendor amounted to approximately HK\$478 million as at 31 May 2008. It is a condition precedent to Completion that the Vendor shall waive the Million Alliance Shareholder’s Loan at or before Completion.

## **Consideration**

The Initial Consideration for the Acquisition is RMB460 million (equivalent to approximately HK\$511 million) (subject to adjustment, if any), which will be satisfied by the Group in the following manner:

- i. a total of RMB10.8 million (equivalent to approximately HK\$12 million) (“First Deposit”) has been paid by the Group to the Vendor in cash as refundable deposit and part payment of the Consideration upon signing of the Sale and Purchase Agreement;
- ii. a further amount of RMB14.2 million (equivalent to approximately HK\$16 million) (“Second Deposit”) will be paid by the Group to the Vendor in cash as refundable deposit and part payment of the Consideration within seven (7) days from the Vendor’s full performance of its obligations under the paragraph headed “Pre-Completion Obligations” below;
- iii. a further amount of RMB25 million (equivalent to approximately HK\$28 million) will be paid by the Group to the Vendor in cash as part payment of the Consideration on Completion; and
- iv. the balance of the Consideration in the amount of RMB410 million (equivalent to approximately HK\$455 million) (subject to adjustment, if any) will be settled by the issue of the Convertible Bonds by the Company to the Vendor on Completion.

In the event that the total valuation of the Target Highways and the Target Properties as at 30 April 2008 (“Valuation”) according to the valuation to be made by independent professional valuers (the reports of which are to be included in the circular to be issued by the Company for providing, inter alia, further details of the Acquisition) is less than RMB700 million, the Initial Consideration shall be adjusted downward to the Adjusted Consideration according to the following formula, provided that the Adjusted Consideration shall not be lower than the audited consolidated net asset value of Million Alliance as at 31 December 2007 in any event:

$$\text{Adjusted Consideration} = \text{Valuation} \times \frac{\text{RMB460 million}}{\text{RMB700 million}} \quad (\text{Note: being the Initial Consideration})$$

If the Initial Consideration is adjusted downward to the Adjusted Consideration, the total principal amount of the Convertible Bonds to be issued by the Company shall be adjusted to the amount equal to the Adjusted Consideration after the deduction of the cash portion of the Consideration in the total amount of RMB50 million.

No adjustment shall be made to the Initial Consideration if the Valuation is equal to or higher than RMB700 million.

Principal terms of the Convertible Bonds are set out in the section headed “The Convertible Bonds” below. The cash portion of the Consideration in the total amount of RMB50 million will be financed by internal resources of the Group.

The terms of the Sale and Purchase Agreement, including the Consideration and the payment terms thereof, were determined after arm’s length negotiations between the parties to the Sale and Purchase Agreement and after taking into account (a) the factors set out in the section headed “Reasons for and the benefits of the Acquisition” below (in particular, the Directors’ views that (i) the Group’s existing business is subject to pressure of increase in operating costs and keen competition in the fashion apparel retail market in Hong Kong, (ii) it will be in the interest of the Group and the Shareholders as a whole for the Group to diversify its business and markets as well as to broaden its source of income, and (iii) the Acquisition provides the Group with an opportunity to attain these objectives); (b) the financial information on the companies within the Target Group as set out in the section headed “Financial Information on the Target Group” below; (c) the waiver of the Million Alliance Shareholder’s Loan by the Vendor (which amounted to approximately HK\$478 million as at 31 May 2008); and (d) the adjustment to be made to the Initial Consideration, if any, based on the Valuation.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement, including the Consideration, are fair and reasonable and the Acquisition is in the interests of the Group and the Shareholders as a whole.

## **Pre-Completion Obligations**

Against payment of the First Deposit and the Purchaser's agreement to pay the Second Deposit to the Vendor, the Vendor and the Guarantor shall, within seven (7) days from the Sale and Purchase Agreement:

- i. transfer or caused to be transferred to the Purchaser and/or its nominee(s) the Million Alliance Shares and deliver or cause to be delivered to the Purchaser duly executed instruments of transfer and contract notes in respect of the Million Alliance Shares in favour of the Purchaser and/or its nominee(s) and accompanied by the relevant certificate(s) for the Million Alliance Shares; and
- ii. deliver or cause to be delivered to the Purchaser's solicitors as escrow agent, among other things, duly executed instruments of transfer and contract notes in respect of Equity Holdings Share in favour of the Purchaser and/or its nominee(s) and accompanied by the relevant certificates for the Equity Holdings Share which shall be held by the Purchaser's solicitors on escrow pending Completion ("Escrow Documents").

## **Conditions**

Completion of the Sale and Purchase Agreement is conditional upon fulfillment or waiver by the Purchaser (as the case may be) of the following Conditions:

- (a) the Company and the Purchaser being satisfied in its absolute discretion with the results of the due diligence review and investigation to be conducted by the Purchaser and/or its agents ("Due Diligence") on the assets, liabilities, operations, and affairs of the Target Group as the Purchaser may reasonably consider appropriate;
- (b) the Vendor and the Guarantor having caused and procured the raising of not less than RMB150 million by the Company from independent third party(ies);
- (c) the Vendor having waived the Million Alliance Shareholder's Loan in full;
- (d) there shall not have occurred any effect or change that would be (or could reasonably be expected to be) materially adverse to the business, operations, properties, prospects, assets or conditions (financial or otherwise) of the Target Group ("Material Adverse Effect"), taken as a whole, or any event, change, effect or development that would, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect on the Target Group, taken as a whole;
- (e) the Vendor and the Guarantor having delivered to the Purchaser legal opinion issued by a PRC law firm and a BVI law firm, both acceptable to the Purchaser, and in form and substance acceptable to the Purchaser;
- (f) the passing of the resolution by Shareholders in a general meeting approving the Sale and Purchase Agreement and the transactions contemplated thereunder;

- (g) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Conversion Shares;
- (h) (where required) the Bermuda Monetary Authority granting its permission in respect of the allotment and issue of the Conversion Shares;
- (i) all necessary consents, approval and authorizations having been obtained from all relevant authorities in the PRC, the BVI, Hong Kong and in any other applicable jurisdiction in connection with the transactions contemplated under the Sale and Purchase Agreement, the implementation of the transactions contemplated thereunder and all other matters incidental thereto, including but not limited to the consents from relevant PRC authorities granting concession rights relating to the construction, operation and management of the Target Highways for the change in shareholder(s) of the companies within the Target Group; and
- (j) there being no event existing or having occurred and no condition being in existence which would constitute a material breach of any of the representations, warranties, undertakings or indemnities made or given by the Vendor and/or the Guarantor to the Company and the Purchaser under the Sale and Purchase Agreement and any other agreement, document or certificate entered into in connection with the transactions contemplated by the Sale and Purchase Agreement.

With regard to the funds proposed to be raised by the Company in accordance with Condition (b) above, funds raising exercise may be carried out by way of issue of Shares or convertible securities, and/or loan(s), and/or other means which is considered to be appropriate by the Directors, and the amounts shall be applied by the Group to finance the development and operation of the Target Highways.

The Purchaser shall be entitled at its absolute discretion at any time by a notice in writing to the Vendor to waive any of the Conditions (save and except Conditions (f), (g), (h) and (i), which cannot be waived) either in whole or in part. If (1) the Conditions that are not waived either in whole or in part by the Purchaser are not fulfilled by 5:00 p.m. on 30 November 2008 (or such other date as the parties to the Sale and Purchase Agreement may agree in writing), or (2) the Purchaser informs the Vendor in writing that it is not satisfied with the results of the Due Diligence, the Sale and Purchase Agreement shall be null and void and of no further effect and no party thereto shall have any further liability to any other parties under or in connection with the Sale and Purchase Agreement without prejudice to the rights of any such parties in respect of any antecedent breaches.

In the event Completion does not take place in accordance with the terms and conditions of the Sale and Purchase Agreement, (a) the Vendor shall forthwith refund the First Deposit and the Second Deposit to the Purchaser without interest; and (b) against the refund of the First Deposit and the Second Deposit, the Purchaser shall transfer or cause to be transferred to the Vendor and/or its nominee(s) the Million Alliance Shares and deliver or cause to be delivered to the Vendor duly executed instruments of transfer and contract notes in respect of the Million Alliance Shares in favour of the Vendor and/or nominee(s) as may be directed by it in writing and accompanied by the relevant certificate(s) for the Million Alliance Shares, and shall cause the release of the Escrow Documents to the Vendor.

## Completion

Subject to fulfillment or waiver by the Purchaser (as the case may be) of the Conditions in full, Completion shall take place on the seventh days thereafter, or such other date as the parties to the Sale and Purchase Agreement may agree in writing.

At Completion, the Company will pay the balance of the cash portion of the Consideration in the amount of RMB25 million and will issue the Convertible Bonds to the Vendor as payment of the balance of the Consideration. Principal terms of the Convertible Bonds are set out in the section headed “The Convertible Bonds” below.

## THE CONVERTIBLE BONDS

### Issue of the Convertible Bonds and the principal terms thereof

As set out in the paragraph headed “Consideration” of the section headed “The Sale and Purchase Agreement” above, part of the Consideration in the amount of RMB410 million (equivalent to approximately HK\$455 million) (subject to adjustment, if any) will be settled by way of issue of the Convertible Bonds to the Vendor by the Company upon Completion.

Set out below are the principal terms of the Convertible Bonds:

Aggregate principal amount	US\$58,571,429 (equivalent to RMB410,000,000 at the exchange rate of US\$1 to RMB7) (subject to adjustment, if any, according to the manner set out in the paragraph headed “Consideration” under the section headed “The Sale and Purchase Agreement” above).
Terms	3 years from the Issue Date.
Issue price and redemption price at maturity	Issue price – 100% of the aggregate principal amount of US\$58,571,429 (subject to adjustment, if any).  Redemption price at maturity – 130.08% of the outstanding principal amount of the Convertible Bonds on the Maturity Date.
Face value per bond certificate	US\$100,000 per bond certificate with the balance of US\$71,429 (subject to adjustment, if any) to be in one bond certificate.
Interest rate	The Convertible Bonds shall bear an interest at the rate of 2% per annum, payable semi-annually in arrears. In addition, if the Company does not pay any sum payable under the Convertible Bonds when due (“overdue sum”), it shall pay a default interest at the rate of 1% per annum in respect of the overdue sum during the period beginning on the due date and ending on the date of actual payment of the overdue sum.



## Security

The obligations of the Company under the Convertible Bonds shall be secured by the Million Alliance Shares to be acquired by the Group. In addition, the Company shall undertake that, so long as principal amount of the Convertible Bonds remains outstanding or any amount is due under or in respect of any of the Convertible Bonds, the Group will not create or permit to subsist or arise any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of the Group's undertaking, assets or revenues to secure any indebtedness of the Group unless it is approved by the holders of the Convertible Bonds by way of passing a resolution at a meeting of the holders of the Convertible Bonds by not less than three-quarters of the votes cast at such meeting.

## Underlying securities

The Conversion Shares, being a total of up to 358,868,187 Shares (subject to adjustment, if any) at the Initial Conversion Price, representing approximately 163.99% of the existing issued share capital of the Company and approximately 62.12% of the enlarged issued share capital of the Company after issue of the Conversion Shares.

## Conversion Period

- (a) In respect of US\$3,571,429 ("First Tranche CB") – the period from the Issue Date to the Maturity Date;
- (b) in respect of US\$25,000,000 ("Second Tranche CB") – the period from 180 days from the Issue Date to the Maturity Date;
- (c) in respect of US\$15,000,000 ("Third Tranche CB") – the period from 270 days from the Issue Date to the Maturity Date; and
- (d) in respect of US\$15,000,000 ("Fourth Tranche CB") – the period from 360 days from the Issue Date to the Maturity Date.

*(Note: if the aggregate principal amount of the Convertible Bonds has to be reduced in line with the downward adjustment to the Consideration, the amount to be reduced shall be deducted from the principal amount of, firstly, the First Tranche CB; secondly, the Second Tranche CB; thirdly, the Third Tranche CB; and lastly, the Fourth Tranche CB.)*



## Conversion Price

The holder(s) of the Convertible Bonds may exercise the conversion rights attaching thereto to subscribe for the Conversion Shares at the Conversion Price in effect during the Conversion Period.

### *Initial Conversion Price:*

HK\$1.27305, which was agreed upon by the Company and the Guarantor at a premium of 2.5% over the average of the closing prices per Share of HK\$1.242 for the ten trading days up to and including 25 April 2008, being the last trading day immediately prior to the suspension of trading of Shares on 28 April 2008 pending the release of the announcement by the Company disclosing the execution of the Heads of Agreement by the Company and the Guarantor, and representing (i) a discount of approximately 23.31% to the closing price of HK\$1.66 per Share on 25 April 2008; (ii) a discount of approximately 8.41% to the average of the closing prices per Share for the five trading days up to and including 25 April 2008, being HK\$1.39 per Share; (iii) a premium of approximately 2.5% over the average of the closing prices per Share for the ten trading days up to and including 25 April 2008, being HK\$1.242 per Share; and (iv) a premium of approximately 23.24% over the average of the closing prices per Share for the thirty trading days up to and including 25 April 2008, being HK\$1.033 per Share.

### *Conversion Price reset mechanism:*

The Initial Conversion Price shall be reset on the first anniversary day after the Issue Date (“Reset Date”) to the lower of (i) the Initial Conversion Price, and (ii) 100% of the three-day volume weighted average price per Share prior to the Reset Date, subject to the restriction that the reset Conversion Price cannot be lower than 90% of the Initial Conversion Price. Thereafter, the prevailing Conversion Price shall be reset semi-annually to the lower of (i) the prevailing Conversion Price and (ii) 100% of the three-day volume weighted average price per Share prior to the relevant date of reset of the Conversion Price, subject to the restriction that the reset Conversion Price cannot be lower than 90% of the prevailing Conversion Price immediately before the relevant reset.

(Note: for reference only, (a) if the Conversion Price is reset to the lowest limit based on the Conversion Price reset mechanism mentioned above, (i) the Conversion Price shall be reset from the Initial Conversion Price to the reset Conversion Price of approximately HK\$1.14575 on the Reset Date; and (ii) the reset Conversion Price shall be further reset to approximately HK\$1.03117, approximately HK\$0.92805 and approximately HK\$0.83525 on the respective expiry days of the 18-month period, 24-month period and 32-month period from the Issue Date; and (b) based on the minimum reset price of approximately HK\$0.83525, a maximum of approximately 546.97 million Conversion Shares will be issued upon exercise of the conversion rights attaching to the Convertible Bonds with an aggregate principal amount of US\$58,571,429 (before any adjustment) in full.)

*Others:*

The Conversion Price shall also be subject to certain customary anti-dilution adjustments (including consolidation or subdivision of Shares, capitalisation of profits or reserves or capital distribution).

Call option granted to the Company

The Company shall have the right to redeem all but not some of the Convertible Bonds at the redemption price which shall be equal to 100% of the outstanding principal amount of the Convertible Bonds by giving not less than 5 business days' written notice ("Notice") to the holder(s) of the Convertible Bonds if during the period from the second anniversary of the Issue Date to the Maturity Date, the closing price of the Shares as quoted on the Stock Exchange on each of the 30 consecutive trading days immediately prior to the date of the Notice is at least 150% above the then prevailing Conversion Price.

Put option granted to the holder(s) of the Convertible Bonds

During the period from the date that is 24 months from the Issue Date to the Maturity Date, a holder of the Convertible Bonds shall have the right to require the Company to redeem all or some of the Convertible Bonds held by it at the redemption price which shall be equal to 118.99% of the outstanding principal amount of the Convertible Bonds to be redeemed together with accrued interest. To exercise this right, the holder of the Convertible Bonds shall give a notice of redemption for not earlier than sixty (60) days and not less than thirty (30) days prior to the intended date of redemption.

Transferability

No assignment or transfer (whether in whole or in part(s)) of the Convertible Bonds may be made unless:

- (i) it is made to person(s) independent of and not connected with the Company or any of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as such terms are defined in the Listing Rules); and
- (ii) the principal amount to be assigned or transferred is at least US\$100,000 and in integral multiples of US\$100,000, unless the amount of the outstanding Convertible Bond held by the relevant holder of the Convertible Bonds is less than US\$100,000 in which case the whole (but not part only) of that amount may be assigned and transferred.

Voting

A holder of the Convertible Bonds will not be entitled to receive notice of, attend or vote at any meeting of the Company by reason only of it being a holder of the Convertible Bonds.

Restriction to issue further convertible bonds by the Company	During the 180-day period from the Issue Date, the Company may not issue further convertible bonds without the consent of the holder(s) of the Convertible Bonds with principal amount of not less than two-third of the total outstanding principal amount of all of the Convertible Bonds from time to time.
Others	<p>(A) The conversion rights of the Convertible Bonds shall not be exercised by a holder if, immediately following the conversion:</p> <ul style="list-style-type: none"> <li>(a) the Company will be unable to meet the public float requirement under the Listing Rules; or</li> <li>(b) the holder of the Convertible Bond together with the parties acting in concert with it (has the meaning as ascribed thereto under the Hong Kong Code on Takeovers and Mergers) will: <ul style="list-style-type: none"> <li>(i) hold or control such amount of the Company's voting power at general meetings as may trigger a mandatory general offer under the Hong Kong Code on Takeovers and Mergers (whether or not a waiver of the mandatory general offer obligation has been granted); or</li> <li>(ii) hold shareholding interest which is more than the shareholding interest of Ti Yu Investments Limited, the controlling Shareholder in the Company.</li> </ul> </li> </ul> <p>(B) The exchange rate is fixed at HK\$7.80=US\$1.00</p>

The Convertible Bonds will not be listed on the Stock Exchange or any other Stock Exchange. Application will be made by the Company to the Stock Exchange for listing of and permission to deal in the Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds.

## **Future announcements in relation to conversion of the Convertible Bonds**

Upon full conversion of the Convertible Bonds, the interests of the existing Shareholders would become materially diluted. Accordingly, the Company will make subsequent disclosure of the relevant details of the conversion relating to the Convertible Bonds in the manner described below to enable the Shareholders and the public to appraise the position of the Company from time to time:

- (i) the Company will make a monthly announcement (the “Monthly Announcement”) on the websites of the Stock Exchange and the Company for so long as any Convertible Bonds are outstanding. Such announcement will be made on or before the fifth business day following the end of each calendar month and will include the following details in a table form:
  - a. whether there is any conversion of the Convertible Bonds during the relevant month. If there is a conversion, details thereof including the conversion date, number of new Shares issued and conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
  - b. the outstanding principle amount of Convertible Bonds after the conversion, if any;
  - c. the total number of Shares issued pursuant to other transactions during the relevant month, including Shares issued pursuant to exercise of the Options and any options under any share option scheme(s) of the Company; and
  - d. the total issued share capital of the Company as at the commencement and the last day of the relevant months;
- (ii) in addition to the Monthly Announcement, if the cumulative amount of the Conversion Shares issued pursuant to the conversion of the Convertible Bonds reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement including details as stated in (i) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be) up to the date on which the total amount of Shares issued pursuant to the conversion amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be); and
- (iii) if the Company forms the view that any issue of Convertible Shares will trigger the disclosure requirements under Rule 13.09 of the Listing Rules, then the Company is obliged to make such disclosures regardless of the issue of any announcements in relation to the Convertible Bonds as mentioned in (i) and (ii) above.

## SHAREHOLDING STRUCTURE

The following table shows the shareholding structure of the Company (i) as at the date of this announcement; (ii) upon full conversion of the Convertible Bonds by the Vendor at the Initial Conversion Price of HK\$1.27305 per Share (assuming that no adjustment is required to be made to the Initial Consideration); and (iii) upon full conversion of the Convertible Bonds by the Vendor at the Initial Conversion Price of HK\$1.27305 per Share (assuming that no adjustment is required to be made to the Initial Consideration) and the exercise of the subscription rights attaching to the Options at the subscription price of HK\$2.80 per Share:

	As at the date of this announcement		Upon full conversion of the Convertible Bonds by the Vendor (Note 2)		Upon full conversion of the Convertible Bonds by the Vendor and the exercise of the subscription rights attaching to the Options (Notes 2 and 3)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ti Yu Investments Limited (Note 1)	84,004,000	38.39	84,004,000	14.54	84,004,000	13.60
Generation Japan Master Fund	36,000,000	16.45	36,000,000	6.23	36,000,000	5.83
The Vendor	—	—	358,868,187	62.12	358,868,187	58.09
<b>Public Shareholders</b>						
Holders of Options	—	—	—	—	40,026,000	6.48
Other public Shareholders	98,836,000	45.16	98,836,000	17.11	98,836,000	16.00
Total	<u>218,840,000</u>	<u>100.00</u>	<u>577,708,187</u>	<u>100.00</u>	<u>617,734,187</u>	<u>100.00</u>

### Notes:

1. Ti Yu Investments Limited is solely owned by Mr. Wong Pak Lam, Louis, an executive Director and the Chairman of the Company.
2. Details of the placing of the Options were set out in the announcement of the Company dated 18 September 2007. The Options were granted in September 2007. Pursuant to the terms of the Options, a total of 40,260,000 Shares will be issued at the initial subscription price of HK\$2.80 per Share upon exercise of the subscription rights attaching to the Options in full during an 18-month period commencing from the date of grant of the Option.
3. According to the terms of the Convertible Bonds, the conversion rights of the Convertible Bonds shall not be exercised by a holder if, immediately following the conversion, the Company will be unable to meet the public float requirement under the Listing Rules, or if the holder of the Convertible Bond together with the parties acting in concert with it (has the meaning as ascribed thereto under the Hong Kong Code on Takeovers and Mergers) will (i) hold or control such amount of the Company's voting power at general meetings as may trigger a mandatory general offer under the Hong Kong Code on Takeovers and Mergers (whether or not a waiver of the mandatory general offer obligation has been granted); or (ii) hold shareholding interest which is more than the shareholding interest of Ti Yu Investments Limited, the controlling Shareholder in the Company. The above table is therefore for illustrative purpose only.

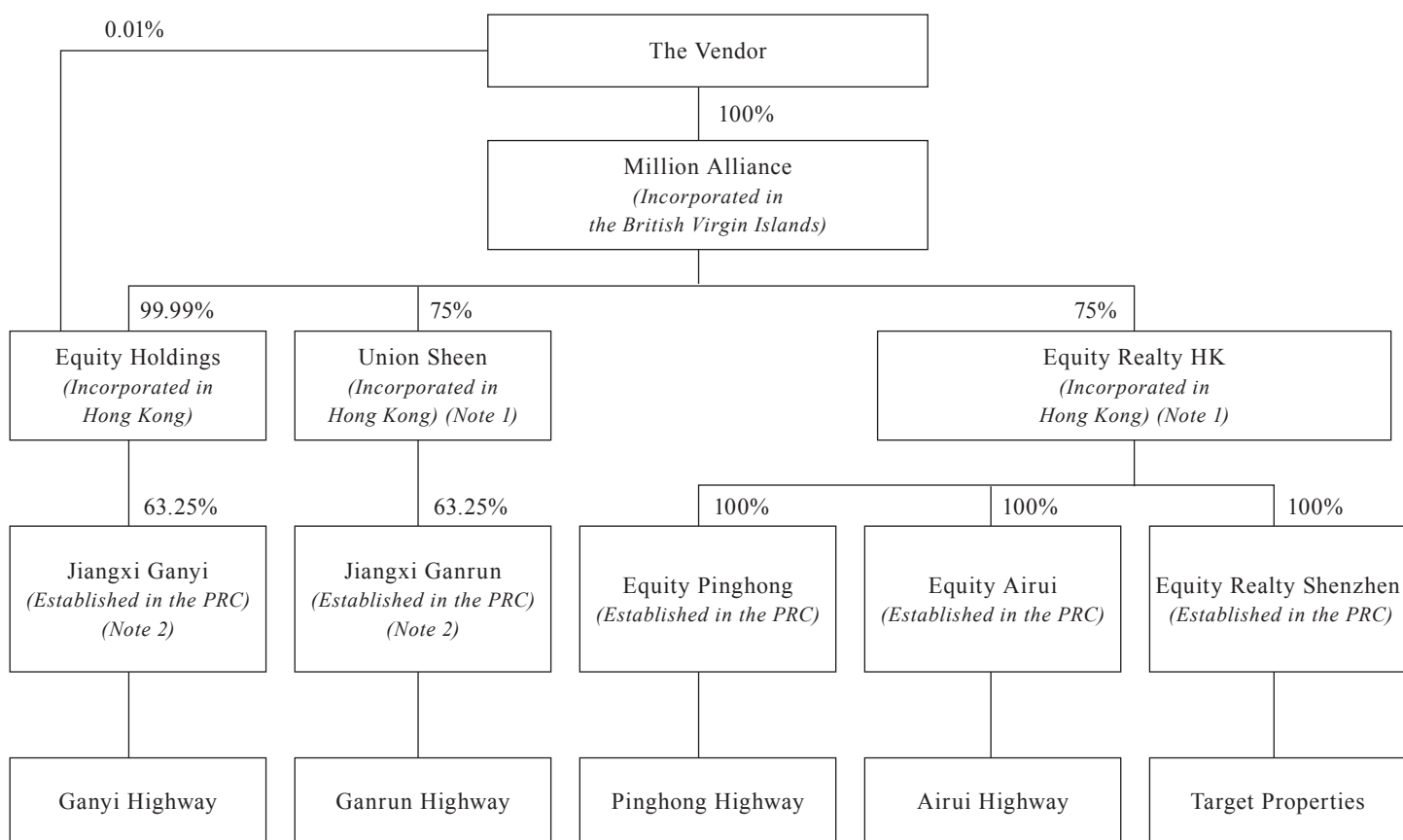
## INFORMATION ON THE COMPANY AND THE VENDOR

The Company is an investment holding company. The Group is principally engaged in manufacture, retail and wholesale of fashion apparel and complementary accessories.

The Vendor is an investment holding company incorporated on 10 April 2008 under the laws of BVI with limited liability and is solely owned by the Guarantor. The Company has been confirmed by Mr. Wong Pak Lam, Louis that the Vendor and the Guarantor have no relationship with him whatsoever.

## INFORMATION ON THE TARGET GROUP

Million Alliance is the holding company of the Target Group. Set out below is the existing shareholding structure of the Target Group:



### Notes:

1. The remaining 25% shareholding interests in Equity Realty HK are held as to 12.5% by each of two Independent Third Parties. The remaining 25% shareholding interests in Union Sheen are held by those two Independent Third Parties, one of them holds 19.99% and the other holds 5.01%.
2. Jiangxi Gannan holds 20.91% equity interest in each of Jiangxi Ganrun and Jiangxi Ganyi. Jiangxi Highway Development holds 15.84% equity interest in each of Jianxi Ganrun and Jianxi Ganyi.

The Target Group, through the five PRC-established subsidiaries, namely Jiangxi Ganyi, Jiangxi Ganrun, Equity Pinghong, Equity Airui and Equity Realty Shenzhen, is principally engaged in development and operation of highways in the PRC and property investment in the PRC. The Target Group is currently involved in the development and operation of four toll highways in Jiangxi Province, the PRC, and

owns investment properties with a total of area of approximately 15,900 meters square in Shenzhen, the PRC. Set out below is information on those PRC-established subsidiaries as well as the highways and investment properties of the Target Group:

### ***Jiangxi Ganyi***

Jiangxi Ganyi was established in the PRC by Equity Holdings (which is owned as to 99.99% by Million Alliance and as to 0.01% by the Vendor), Jiangxi Gannan (which is administered by 江西省贛州市公路局 (Highway Bureau of Ganzhou City, Jiangxi Province)) and Jiangxi Highway Development (which is administered by 江西省交通廳 (Department of Communications of Jiangxi Province)) for the purpose of constructing and operating Ganyi Highway. Jiangxi Ganyi is owned as to 63.25% by Equity Holdings, as to 20.91% by Jiangxi Gannan and as to 15.84% by Jiangxi Highway Development. Both of Jiangxi Gannan and Jiangxi Highway Development are Independent Third Parties.

Ganyi Highway is a Class 1 dual two-lane highway with a total length of 27.8 km starting from Liren (里仁) and ending at Nanhang (南亨) in Longnan County (龍南縣) of Jiangxi Province. Ganyi Highway is part of the 105 National Highway, which is the major highway network allowing traffic from Jiangxi Province, Anhui Province, Zhejiang Province and Shandong Province down south to Guangzhou, Shenzhen and Zhuhai. Ganyi Highway commenced its operation in July 2004. The Jiangxi Provincial Government has granted to Jiangxi Ganyi a right to receive and collect toll fares for a 25-year period from 1 July 2004 to 30 June 2028.

### ***Jiangxi Ganrun***

Jiangxi Ganrun was established in the PRC by Union Sheen (which is owned as at 75% by Million Alliance), Jiangxi Gannan and Jiangxi Highway Development for the purpose of constructing and operating Ganrun Highway. Jiangxi Ganrun is owned as to 63.25% by Union Sheen, as to 20.91% by Jiangxi Gannan and as to 15.84% by Jiangxi Highway Development.

Ganrun Highway is a Class 1 dual two-lane highway with a total length of 28.1 km starting from Nanhang (南亨) and ending at Zhongcunao (中村坳) in Longnan County (龍南縣) of Jiangxi Province. Ganrun Highway is also part of the 105 National Highway and it links up with Ganyi Highway. Ganrun Highway commenced its operation in July 2004. The Jiangxi Provincial Government has granted to Jiangxi Ganrun a right to receive and collect toll fares for a 25-year period from 1 July 2004 to 30 June 2028.

### ***Equity Pinghong***

Equity Pinghong was established in the PRC for the purpose of constructing and operating Pinghong Highway. Equity Realty HK (a 75% owned subsidiary of Million Alliance) holds 100% equity interest in Equity Pinghong. Equity Realty HK entered into an agreement with Department of Communications of Jiangxi Province (江西省交通廳) on 9 September 2005 pursuant to which a wholly foreign owned enterprise established by Equity Realty HK in Jiangxi Province would be granted the right to construct Pinghong Highway and subsequently to operate the highway during a 310-month period starting from the first day when toll fares are received for Pinghong Highway.



The construction work of Pinghong Highway is still in progress. It is designed to be a Class 1 dual four-lane highway with a total length of 34.4 km starting from Pingxian City (萍鄉市) (near the south of National Road 320) and ending at Hongkoujie (洪口界) of Jiangxi Province, which is at the intersection of Jiangxi Province and Hunan Province. Based on the information provided by the Vendor, it is expected that the operation of Pinghong Highway will commence in the second half of the year 2009. It is expected that the Pinghong Highway will improve the traffic network in Pingxian City (萍鄉市) of Jiangxi Province as well as to enhance the traffic flow between the mid-west of Jiangxi Province and Changsha (長沙), Zhuzhou (株洲) as well as Xiangtau (湘潭) of Hunan Province.

### ***Equity Airui***

Equity Airui was established in the PRC for the purpose of constructing and operating the Airui Highway. Equity Realty HK holds 100% equity interest in Equity Airui. Equity Realty HK entered into an agreement with Department of Communications of Jiangxi Province (江西省交通廳) on 9 September 2005 pursuant to which a wholly foreign owned enterprise established by Equity Realty HK in Jiangxi Province would be granted the right to construct the Airui Highway and subsequently to operate the highway for a 262-month period starting from the first day when toll fares are received for Airui Highway.

The construction work of Airui Highway has not been commenced. It is designed to be a Class 1 dual four-lane highway with a total length of 31 km stretching from Ailing (隘嶺), which is located at the border of Jiangxi Province and Fujian Province, to Ruijin (瑞金) of Jiangxi Province. Airui Highway will intersect with the National Highway from Xiamen (廈門) to Chengdu (成都), capital city of Sichuan Province, at Ruijin (瑞金). As Xiamen (廈門) is close to Taiwan, it is expected that Airui Highway will benefit from the expected increase in flow of traffic between the PRC and Taiwan if direct traffic is allowed between the PRC and Taiwan in future. Based on the information provided by the Vendor, it is expected that the operation of Airui Highway will commence in the second half of 2010.

### ***Equity Realty Shenzhen***

Equity Realty Shenzhen was established in the PRC and is wholly owned by Equity Realty HK. It is principally engaged in property investment. Equity Shenzhen currently holds investment properties with a total of approximately 8,600 square meters and a total of approximately 7,300 square meters in DaiYi Square and PangYi Garden respectively, in Shenzhen. Based on the information provided by the Vendor, all of the investment properties held by Equity Realty Shenzhen have been leased for rental income.

## FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the financial information on the companies within the Target Group (which is prepared at individual company level only):

### Profits/losses

Company	For the year ended 31 December 2006		For the year ended 31 December 2007	
	Profit/(Loss) before taxation and extraordinary items (Audited) <i>(Approximate)</i>	Profit/(Loss) after taxation and extraordinary items (Audited) <i>(Approximate)</i>	Profit/(Loss) before taxation and extraordinary items (Audited) <i>(Approximate)</i>	Profit/(Loss) after taxation and extraordinary items (Audited) <i>(Approximate)</i>
Million Alliance (HK\$'000) (as at 31 May 2008) <i>(unaudited) (Note 1)</i>	—	—	—	—
Equity Holdings (HK\$'000)	18,177	18,177	(1,214)	(1,214)
Union Sheen (HK\$'000)	14,018	14,018	(7,081)	(7,081)
Equity Realty HK (HK\$'000) <i>(unaudited)</i>	(6,250)	(6,250)	(8,284)	(8,284)
Jiangxi Ganyi (RMB'000)	6,607	6,607	12,143	11,126
Jiangxi Ganrun (RMB'000)	2,323	2,323	4,470	4,094
Equity Pinghong	0	0	0	0
Equity Airui <i>(Note 2)</i>	—	—	—	—
Equity Realty Shenzhen (RMB'000)	87	62	(1,562)	(1,562)

### Net asset value

Company	As at 31 December 2007 Net asset/liability value (Audited) <i>(Approximate)</i>
Million Alliance (HK\$'000) (as at 31 May 2008) <i>(unaudited) (Note 1)</i>	78
Equity Holdings (HK\$'000)	2,841
Union Sheen (HK\$'000)	(7,355)
Equity Realty HK (HK\$'000) <i>(unaudited)</i>	551
Jiangxi Ganyi (RMB'000)	87,190
Jiangxi Ganrun (RMB'000)	88,250
Equity Pinghong (RMB'000)	233,337
Equity Airui (RMB'000) (as at 31 March 2008) <i>(unaudited) (Note 2)</i>	0
Equity Realty Shenzhen (RMB'000)	43,141

*Note 1:* Million Alliance was incorporated on 2 January 2008 and no financial information thereon is available for the financial years ended 31 December 2006 and 2007. Based on the unaudited management accounts of Million Allinace for the period from 2 January 2008 to 31 May 2008, the company had a net asset value of approximately HK\$78,000 and a shareholder's loan due to the Vendor of approximately HK\$478 million as at 31 May 2008. As at the date of this announcement, no consolidated financial statements have been prepared for Million Alliance. Accountants' report on Million Alliance and its subsidiaries setting out, among other things, consolidated financial information on the Target Group will be included in the circular in relation to the Acquisition to be issued by the Company.

*Note 2:* Equity Airui was established on 23 October 2007 and no financial information thereon is available for the financial years ended 31 December 2006 and 2007.

*Note 3:* The above financial information on (i) Million Alliance, Equity Holdings, Union Sheen and Equity Realty HK was prepared in accordance with the generally accepted accounting principles of Hong Kong; and (ii) other companies listed above was prepared in accordance with the generally accepted accounting principles of the PRC. All of the above financial information is prepared at individual company level only.

Upon Completion, the companies within the Target Group will become subsidiaries of the Company and their financial results will be consolidated with those of the Group.

## **REASONS FOR AND THE BENEFITS OF THE ACQUISITION**

The Group is currently principally engaged in the manufacture, retail and wholesale of fashion apparel and complementary accessories. Based on the information set out in the Company's latest published annual report and interim report, approximately 98.5% of the Group's audited consolidated turnover for the year ended 31 March 2007 and 100% of its unaudited consolidated turnover for the six months ended 30 September 2007 were attributable to sales to external customers in Hong Kong. In addition, the Group recorded audited net loss of approximately HK\$2.56 million for the year ended 31 March 2007 and unaudited net loss of approximately HK\$5.38 million for the six months ended 30 September 2007. The Directors consider that the Group's business is subject to pressure of increase in operating costs, and keen competition in the fashion apparel retail market in Hong Kong. The Directors therefore are of the view that it will be in the interest of the Group and the Shareholders as a whole if the Group is able to diversify its business and markets as well as to broaden its source of income. The Directors consider that the Acquisition provides the Group with an opportunity to attain these objectives.

## **PROPOSED CHANGE OF COMPANY NAME**

The Board proposes to change the name of the Company from "Gay Giano International Group Limited" to "Time Infrastructure Holdings Limited". Upon the change of name becoming effective, the Company will adopt the new Chinese name "太一控股有限公司" for identification purpose only. The Company will issue a further announcement in relation to the change of the stock short name.

The proposed change of name of the Company is subject to the approval by the Shareholders by way of a special resolution at the SGM and the issue of the relevant certificate of incorporation on change of name by the Registrar of Companies in Bermuda to the Company approving such change.

The proposed name change is to reflect the diversification of the businesses of the Group, and to signify the new identity of the Company following the completion of the Acquisition.

The proposed change of name of the Company will not affect any of the rights of the Shareholders. All existing Share certificates in issue bearing the present name of the Company will, after the proposed change of name of the Company becoming effective, continue to be evidence of title to the Shares and will be valid for trading, settlement and registration purposes. Accordingly, there will not be any arrangement for free exchange of existing Share certificates for new Share certificates under the Company's new name. Any issue of Share certificates thereafter will be under the new name of the Company.

## **GENERAL**

The Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to the Shareholders' approval at the SGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, no Shareholder has an interest in the Acquisition, which is materially different from the other Shareholders. Therefore, no Shareholder is required to abstain from voting on the resolution to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, inter alia, details of the Acquisition and further information on the Target Group, including the toll road projects on hand, will be dispatched to the Shareholders as soon as possible in accordance with the requirements of the Listing Rules.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 2:30 p.m. on 27 May 2008 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 11 June 2008.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the acquisition by the Purchaser of the Sale Shares beneficially and directly owned by the Vendor
“Adjusted Consideration”	the adjusted Consideration which will be determined after taking into account the downward adjustment (if any) to the Initial Consideration in accordance with the terms of the Sale and Purchase Agreement as details in the paragraph headed “Consideration” under the section headed “The Sale and Purchase Agreement” of this announcement

“Airui Highway”	a 31-kilometer highway to be built from Ailing (隘岭) at the border of Jiangxi Province and Fujian Province, to Ruijin (瑞金) of Jiangxi Province
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	Gay Giano International Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Completion”	Completion of the Acquisition pursuant to the terms of the Sale and Purchase Agreement
“Conditions”	the conditions of the Sale and Purchase Agreement, details of which are set out in the paragraph headed “Conditions” under the section headed “The Sale and Purchase Agreement” of this announcement
“Consideration”	the total consideration for the Acquisition, refers to the Initial Consideration or the Adjusted Consideration, as the case may be
“Conversion Period”	the period during which the holder(s) of the Convertible Bonds may exercise the conversion rights attaching to the Convertible Bonds to subscribe for the Shares at the Conversion Price, details of which are set out in the section headed “The Convertible Bonds” of this announcement
“Conversion Price”	the price of subscription of the Shares upon exercise of the conversion rights attaching to the Convertible Bonds by the holder(s) thereof, subject to reset and adjustment mechanism set out in the section headed “The Convertible Bonds” of this announcement
“Conversion Shares”	a total of up to 358,868,187 Shares to be issued upon exercise of the Convertible Bonds in full at the Initial Conversion Price
“Convertible Bonds”	the US\$ denominated convertible bonds in the total principal amount of US\$58,571,429 (subject to adjustment, if any) to be issued by the Company to the Vendor upon Completion for partial settlement of the Consideration
“Directors”	the directors of the Company
“Equity Airui”	大益隘瑞高速公路發展(江西)有限公司 (Equity Airui Highway Development (Jiangxi) Co., Ltd.), a company established in the PRC which is wholly owned by Equity Realty HK

“Equity Holdings”	Equity Holdings Investment Limited, a company incorporated in Hong Kong which is owned as to 99.99% by Million Alliance and as to 0.01% by the Vendor
“Equity Holdings Share”	1 share in Equity Holdings, representing 0.01% shareholding interest therein, which is beneficially held by the Vendor
“Equity Pinghong”	大益萍洪高速公路發展(江西)有限公司 (Equity Pinghong Highway Development (Jiangxi) Co., Ltd.), a company established in the PRC which is wholly owned by Equity Realty HK
“Equity Realty HK”	Equity Realty Development Company, Limited, a company incorporated in Hong Kong which is owned as to 75% by Million Alliance, as to 12.5% by an Independent Third Party, and as to 12.5% by another Independent Third Party
“Equity Realty Shenzhen”	大益置業建築(深圳)有限公司 (Equity Realty Development (Shenzhen) Co, Ltd.), a company established in the PRC which is wholly owned by Equity Realty HK
“Ganrun Highway”	a 28.1-kilometer toll highway from the end of Ganyi Highway to Zhongcunao (中村坳), border of Jiangxi Province and Guangdong Province
“Ganyi Highway”	a 27.8-kilometer toll highway from Liren (里仁) to Nanhang (南亨) in Longnan County (龍南縣) of Jiangxi Province
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Huang Guo Dong, the direct shareholder of the Vendor and is an Independent Third Party
“Heads of Agreement”	the heads of agreement dated 28 April 2008 entered into between the Company and the Guarantor setting out the principal terms of the Acquisition
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an independent third party(ies) which, to the best knowledge and belief of the Directors having made all reasonable enquiries, is/are not connected with the Directors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates

“Initial Consideration”	the initial Consideration in the amount of RMB460 million before any adjustment thereto in accordance with the terms of the Sale and Purchase Agreement as detailed in the paragraph headed “Consideration” under the section headed “Sale and Purchase Agreement” of this announcement
“Initial Conversion Price”	the initial Conversion Price of HK\$1.27305 per Share, subject to reset and adjustment mechanism
“Issue Date”	the date of issue of the Convertible Bonds
“Jiangxi Ganrun”	江西贛潤公路開發有限公司 (Jiangxi Ganrun Highway Development Co., Ltd.), a company established in the PRC, details of which is set out in the paragraph headed “Jiangxi Ganrun” under the section headed “Information on the Target Group” of this announcement
“Jiangxi Gannan”	江西省贛南公路發展總公司 (Jiangxi Province Gannan Highway Development Holding Co.), a company established in the PRC which is administered by 江西省贛州市公路局 (Highway Bureau of Ganzhou City, Jiangxi Province) and is an Independent Third Party
“Jiangxi Ganyi”	江西贛益公路開發有限公司 (Jiangxi Ganyi Highway Development Co., Ltd.), a company established in the PRC, details of which is set out in the paragraph headed “Jiangxi Ganyi” under the section headed “Information on the Target Group” of this announcement
“Jiangxi Highway Development”	江西公路開發總公司 (Jiangxi Highway Development Co.), a company established in the PRC which is administered by 江西省交通廳 (Department of Communications of Jiangxi Province) and is an Independent Third Party
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the maturity date of the Convertible Bonds, being the date falling three years after the Issue Date
“Million Alliance”	Million Alliance International Limited, a company incorporated in the BVI which is solely owned by the Vendor
“Million Alliance Shares”	10,000 shares in Million Alliance, representing 100% shareholding interest therein, which are beneficially held by the Vendor
“Million Alliance Shareholder’s Loan”	an interest free and unsecured shareholder’s loan due by Million Alliance to the Vendor from time to time, which amounted to approximately HK\$478 million as at 31 May 2008



“Options”	up to 40,026,000 call options granted by the Company to places for the allotment and issue of up to 40,026,000 new Shares upon exercise of the subscription rights attaching to the call options
“Pinghong Highway”	a 34.4-kilometer toll highway to be built from Pingxian City (萍鄉市) to Hongkoujie (洪口界) at the border of Hunan
“PRC”	the Peoples’ Republic of China, for the purpose of this announcement, not including Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan
“Pre-Completion Obligations”	the obligations of the Vendor and the Guarantor prior to the Completion under the Sale and Purchase Agreement, details of which are set out in the paragraph headed “Pre-Completion Obligations” under the section headed “The Sale and Purchase Agreement” of this announcement
“Purchaser”	Yield Long Limited, a company incorporated in the BVI which is a wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 27 May 2008 entered into amongst the Company, the Purchaser, the Vendor and the Guarantor in relation to the Acquisition
“Sale Shares”	refer to (i) the Million Alliance Shares, being 10,000 shares in Million Alliance which represent 100% shareholding interest of Million Alliance, and (ii) the Equity Holdings Share, being 1 share in Equity Holdings which represent 0.01% shareholding interest of Equity Holdings, which are beneficially held by the Vendor
“SGM”	a special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, among other things, (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the proposed change of name of the Company
“Share(s)”	share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Million Alliance and its subsidiaries
“Target Highways”	Airui Highway, Ganrun Highway, Ganyi Highway and Pinghong Highway

“Target Properties”	the investment properties held by the Target Group
“Union Sheen”	Union Sheen Investment Limited, a company incorporated in Hong Kong which is owned as to 75% by Million Alliance, as to 19.99% by an Independent Third Party and as to 5.01% by another Independent Third Party
“Vendor”	Universal Summit Investment Limited, a company incorporated in the BVI with limited liability which is solely owned by the Guarantor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States
“km”	kilometers
“%”	per cent

*In this announcement, unless otherwise specified, amounts in RMB are converted to HK\$ and US\$ at the conversion rates of RMB1.00 = HK\$1.11 and RMB7.00 = US\$1.00 respectively and amounts in HK\$ are converted to US\$ at the conversion rates of HK\$7.8 = US\$1.00 for illustration only. No representation is made that any amounts in RMB or HK\$ or US\$ could have been or could be converted at such rate or any other rates.*

*Certain English translation of Chinese names or words in this announcement are included for information purpose only and should not be regarded as the official English translation of such Chinese names or words.*

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

Hong Kong, 10 June 2008

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