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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: 686)

JOINT ANNOUNCEMENT

**COMPLETION OF ACQUISITION OF SHARES IN THE COMPANY
BY TI YU INVESTMENTS LIMITED**

AND

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 BY OR
AGREED TO BE ACQUIRED BY TI YU INVESTMENTS LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

The Board announces that the Sale and Purchase Agreement was completed on 10 July 2007. Following the Completion, Ti Yu, Mr. Wong and parties acting in concert with them owned an aggregate of 120,000,000 Shares, representing approximately 59.35% of the entire issued share capital of the Company as at the date of this announcement. Accordingly, Ti Yu, Mr. Wong and parties acting in concert with them are required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by Ti Yu, Mr. Wong and parties acting in concert with them) pursuant to Rule 26.1 of the Takeovers Code and to make a comparable offer for all the outstanding Options pursuant to Rule 13 of the Takeovers Code.

The Composite Offer Document is expected to be dispatched on or before 26 July 2007.

Reference is made to the announcement (the “Joint Announcement”) jointly issued by the Ti Yu Investments Limited (the “Offeror”) and Gay Giano International Group Limited (the “Company”) dated 5 July 2007 in relation to the Share Purchase and the Offer. Terms used in this announcement shall have the same meanings as those defined in the Joint Announcement unless otherwise stated herein.

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Pursuant to the Takeovers Code, within 21 days after the date of the Joint Announcement or such later date as the Executive may approve and subject to the Completion, Ti Yu, Mr. Wong and parties acting in concert with any one of them are required to despatch an offer document in relation to the Offer. Ti Yu and the Company intend to combine the offer document and the Company's response document and despatch such composite document (the "Composite Offer Document") to the Shareholders and the Optionholders, setting out, inter alia, the terms of the Offer, information on the Group, the letter from the Independent Board Committee containing its recommendation and advice to the Independent Shareholders and the Optionholders in respect of the Offer and the letter from the independent financial adviser containing its recommendation and advice to the Independent Board Committee in respect of the Offer, together with forms of acceptance and transfer/cancellation, within such period. The Composite Offer Document is expected to be dispatched on or before 26 July 2007.

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
Cheung Yin Sheung, Subraina
Chairman

Hong Kong, 11 July 2007

As at the date of this announcement, the executive Directors are Ms. Cheung Yin Sheung, Subraina, Mr. Tong Kwong Fat, Ms. Yung Wing Sze, Vivian; the non-executive Director is Ms. To Ming Oi, Wendy; and the independent non-executive Directors are Mr. Chan Ka Ling, Edmond, Mr. Lo Wa Kei, Roy and Mr. Ching Kwok Ho, Samuel.

Mr. Wong Pak Lam Louis, being the sole director of Ti Yu, accepts full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Group) and Ti Yu's intention regarding 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 and Mr. Wong, 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.