GAY GIANO INTERNATIONAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 686)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH, 2008

FINANCIAL SUMMARY

The board of directors (the "Board") of Gay Giano International Group Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March, 2008 with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2008

	Notes	**2008** ***HK$'000***	2007 *HK$'000*
Revenue	*3*	**131,081**	131,447
Cost of sales		**(50,752)**	(45,936)
Gross profit		**80,329**	85,511
Other income		**1,571**	931
Distribution costs		**(48,393)**	(47,641)
Administrative expenses		**(54,742)**	(40,509)
Finance costs	*4*	**(409)**	(278)
Loss before tax		**(21,644)**	(1,986)
Income tax expense	*5*	**—**	(572)
Loss for the year	*6*	**(21,644)**	(2,558)
Dividends	*7*	**—**	—
Loss per share			
— Basic	*8*	**HK(10.28) cents**	HK(1.28) cents
— Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET
As at 31st March, 2008

	Notes	2008 HK$'000	2007 HK$'000
Non-current assets			
Property, plant and equipment		**13,423**	12,361
Rental deposits		**4,761**	4,459
		18,184	16,820
Current assets			
Inventories		**21,794**	25,603
Trade receivables, deposits and prepayments	*9*	**35,693**	2,128
Rental deposits		**4,926**	4,607
Tax recoverable		**292**	181
Pledged bank deposits		**3,500**	3,500
Bank balances and cash		**6,176**	10,790
		72,381	46,809
Current liabilities			
Trade payables and accruals	*10*	**8,440**	6,298
Amount due to a director		**1,200**	—
Secured bank borrowings		**7,600**	5,212
Obligation under a finance lease		**59**	279
		17,299	11,789
Net current assets		**55,082**	35,020
Non-current liabilities			
Obligation under a finance lease		**—**	159
Provision for long service payments		**3,689**	1,503
		3,689	1,662
		69,577	50,178
Capital and reserves			
Share capital		**21,884**	20,013
Reserves		**47,693**	30,165
		69,577	50,178

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2008

1. GENERAL

The Company was incorporated in Bermuda on 3rd February, 2000 as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

During the year, the then ultimate holding company, Gay Giano (BVI) Group Limited, a company incorporated in the British Virgin Islands, disposed of its entire shareholding of the Company. Consequently, the directors consider the Company to be the ultimate holding company of the Group as at 31st March, 2008.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 35 to the consolidated financial statements in the annual report.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(S)")/CHANGE OF ACCOUNTING ESTIMATES

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1st April, 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) — Int 8	Scope of HKFRS 2
HK(IFRIC) — Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) — Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) — Int 11	HKFRS 2 — Group and Treasury Share Transactions

The adoption of the new HKFRSs has had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) — Int 12	Service Concession Arrangements[3]
HK(IFRIC) — Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

1 Effective for annual periods beginning on or after 1st January, 2009
2 Effective for annual periods beginning on or after 1st July, 2009
3 Effective for annual periods beginning on or after 1st January, 2008
4 Effective for annual periods beginning on or after 1st July, 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The Group is in the process of making an assessment of what the impact of these amendments, new and revised standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

2A. Change of accounting estimates

In previous years, leasehold improvements were depreciated at 20% per annum. With effect from 1st April, 2007, leasehold improvements are to be depreciated at 33.3% per annum. After reviewing the depreciation policy of comparable companies and the expected duration during which the Group's leasehold improvements can be utilised, the directors of the Company are of the opinion that the estimated useful life of the Group's leasehold improvements should be changed from 5 years to 3 years in order to reflect the real performance of the Group and help providing a clear financial comparison with other comparable companies. This constitutes a change in accounting estimate and is applied prospectively. This change in depreciation rate has increased the depreciation charge for the year by approximately HK$612,000.

3. SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold to outside customers during the year.

(a) Business segments

The Group is principally engaged in one business segment, which is the retail of fashion apparel.

(b) Geographical segments

The Group's operations and assets are located in Hong Kong and elsewhere in the People's Republic of China (the "PRC").

The analysis of segment information of the Group by geographical location of customers is presented as below:

Consolidated Income Statement
For the year ended 31st March, 2008

	Hong Kong *HK$'000*	The PRC *HK$'000*	Consolidated *HK$'000*
REVENUE	**131,081**	**—**	**131,081**
RESULT			
Segment result	**(11,497)**	**—**	**(11,497)**
Unallocated income			**291**
Unallocated corporate expenses			**(10,029)**
Finance costs			**(409)**
Loss before tax			**(21,644)**
Taxation			**—**
Loss for the year			**(21,644)**

Consolidated Balance Sheet
As at 31st March, 2008

	Hong Kong *HK$'000*	The PRC *HK$'000*	Consolidated *HK$'000*
ASSETS			
Segment assets	**80,597**	**—**	**80,597**
Unallocated corporate assets			**9,968**
Consolidated total assets			**90,565**
LIABILITIES			
Segment liabilities	**12,188**	**—**	**12,188**
Unallocated corporate liabilities			**8,800**
Consolidated total liabilities			**20,988**

Consolidated Income Statement
For the year ended 31st March, 2007

	Hong Kong	The PRC	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
REVENUE	129,533	1,914	131,447
RESULT			
Segment result	861	386	1,247
Unallocated income			219
Unallocated corporate expenses			(3,174)
Finance costs			(278)
Loss before tax			(1,986)
Taxation			(572)
Loss for the year			(2,558)

Consolidated Balance Sheet
As at 31st March, 2007

	Hong Kong	The PRC	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
ASSETS			
Segment assets	48,745	413	49,158
Unallocated corporate assets			14,471
Consolidated total assets			63,629
LIABILITIES			
Segment liabilities	8,228	11	8,239
Unallocated corporate liabilities			5,212
Consolidated total liabilities			13,451

In addition to the analysis by the geographical location of its customers, the following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, analysed by the geographical area in which the assets are located in different geographical location of the customers.

	Carrying amounts of segment assets		**Additions to property, plant and equipment**	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**71,418**	43,556	**2,861**	2,435
The PRC	**9,179**	5,602	**1,655**	36
	80,597	49,158	**4,516**	2,471

4. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest on:		
— bank borrowings repayable within five years	**379**	261
— finance lease	**30**	16
— other loan wholly repayable within five years	**—**	1
	409	278

5. TAXATION

	2008	2007
	HK$'000	*HK$'000*
Hong Kong Profits Tax — current year	**—**	(1)
Deferred tax charge	**—**	(571)
Taxation attributable to the Company and its subsidiaries	**—**	(572)

Hong Kong Profits Tax was calculated at 17.5% (2007: 17.5%) of the estimated assessable profit.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No provision for tax in other jurisdictions for both years has been made in the consolidated financial statements as neither the Company nor any of its subsidiaries had any assessable profit subject to tax in other jurisdictions.

On 16th March, 2007, the PRC promulgated the Law of the PRC on Enterprise Income (the "New Law") by Order No. 63 of the President of the PRC. On 6th December, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations have changed the tax rate from 15% to 25% for the PRC subsidiary from 1st January, 2008.

6. LOSS FOR THE YEAR

	2008	2007
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Directors' emoluments	**6,197**	3,174
Other staff costs	**37,909**	35,205
Retirement benefit scheme contributions, excluding directors	**913**	1,858
Provision for long service payments	**2,186**	—
Share-based payment expenses, excluding directors	**1,171**	—
Total employee benefit expense	**48,376**	40,237
Auditor's remuneration	**1,401**	310
Depreciation of property, plant and equipment	**3,011**	2,424
Minimum lease payments under operating leases on land and buildings	**34,448**	33,449
Write down of inventories	**4,769**	1,804
Cost of inventories recognised as expenses	**50,752**	45,936
Loss on disposal of property, plant and equipment	**1,051**	1,286
Foreign exchange losses, net	**1,042**	605
Share-based payment expenses to consultants	**475**	—
and after crediting to other income:		
Interest income	**291**	219
Royalty fee income	**475**	616

7. DIVIDENDS

No dividends were paid or proposed during each of the two years ended 31st March, 2008, nor has any dividend been proposed since the balance sheet date.

8. LOSS PER SHARE

The calculation of the basic loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	2008	2007
	HK$'000	*HK$'000*
Loss for the purpose of basic loss per share	**(21,644)**	(2,558)

Number of shares

	2008	2007
	'000	*'000*
Number of ordinary shares for the purpose of basic loss per share	**210,619**	200,130

No diluted loss per share has been presented because the exercise price of the Company's share options was higher than the average market price for shares for 2008 and 2007.

9. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

Sales to retail customers are settled in cash or using major credit cards while the Group allows an average credit periods of 30 to 60 days for royalty income receivables. The following is an aged analysis of trade receivables at the reporting date:

	2008	2007
	HK$'000	*HK$'000*
Trade receivables — not yet due	**237**	308
Deposits and prepayments	**35,456**	1,820
	35,693	2,128

As at 31st March, 2008, included in deposits and prepayments is a deposit of HK$32,900,000 (2007: Nil) paid in respect of acquisition of equity interests in three mining companies in the PRC. This deposit was fully refunded to the Group subsequent to the balance sheet date.

10. TRADE PAYABLES AND ACCRUALS

The following is an aged analysis of trade payables at the balance sheet date:

	2008	2007
	HK$'000	*HK$'000*
Trade payables		
Not yet due	**1,392**	2,368
Overdue up to 60 days	**263**	158
Overdue more than 60 days	**118**	80
	1,773	2,606
Accruals	**6,667**	3,692
	8,440	6,298

The amount of the Group's trade payables and accruals denominated in currency other than functional currencies of the relevant group entities are set out below:

	2008	2007
	HK$'000	*HK$'000*
EUR	**386**	910

11. CAPITAL COMMITMENTS

	2008	2007
	HK$'000	*HK$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**381**	—

12. POST BALANCE SHEET EVENTS

(a) On 3rd April, 2008, a proposed acquisition of a 70% equity interests in three mining companies was terminated due to non-fulfillment of certain conditions precedent as stated in the agreement. As such, the Company is not obligated to issue the convertible bonds which were initially proposed for payment of the acquisition. In addition, a deposit for the acquisition of HK$32.90 million was refunded to the Group on 23rd June, 2008.

(b) On 27th May, 2008, the Company entered into a sale and purchase agreement for the acquisition of 100% shareholding interest of a group of companies which is principally engaged in development and operation of highways and property investment in the PRC. The total consideration for the acquisition is RMB460 million, to be satisfied by RMB50 million in cash and RMB410 million in issuing of convertible bonds, subject to certain conditions including approval by the Company's shareholders in a general meeting. Further details of the transaction are set out in an announcement issued by the Company on 11th June, 2008.

BUSINESS AND OPERATION REVIEW

Business Review

During the year, the Group continued to apply different strategies to improve the overall performance. However, with cost of imported material, local rental and human resources climbing continuously, those efforts of the management had not been as effective as expected.

The Group continued to focus on the fashion apparel retail market in Hong Kong. Backed by distribution channels similar to last year, the Group maintained turnover at a steady level of approximately HK$131.1 million (2007: HK$131.4 million).

Thanks to the management's commendable efforts in controlling production cost, gross profit margin of the Group for the year ended 31st March, 2008 stayed at a relatively high level at approximately 61% (2007: 65%), representing a slight 4% decrease compared with last year. However, higher price of imported fabrics and fashion accessories from European countries and keen price competition had lowered the gross profit margin of the Group.

During the year, the Group continued to relocate existing retail outlets and renovated certain retail outlets in order to enhance brand image and provide a more comfortable shopping environment to customers. It had a total of 15 retail outlets as at 31st March, 2008 (2007: 16) with total retail area of 23,550 sq. ft. (2007: 24,408 sq. ft.).

Net loss for the year ended 31st March, 2008 was approximately HK$21.6 million (2007: net loss HK$2.6 million). The reason of deteriorated result during the year was mainly the worsened operating environment in the retail market. The ratio of distribution costs to turnover and administrative expenses to turnover for the year were maintained at approximately 37% (2007: 36%) and 42% (2007: 31%) respectively. Despite the tight fiscal discipline on operating expenses, the ratio of distribution and administrative expenses increased slightly due to inflated cost of human resources and rental. Also, the share options granted to directors, employees and consultants in November 2007 measured at market fair value resulted in an expense of HK$3.6 million for the year.

Prospect

Year 2008 marked an important year of the transition for the Group. During the year, the Group had a new major shareholder and brought in strategic institutional investors. Although the Group still focuses on its core business of fashion apparel, the new management team has identified to expand its future business in infrastructure including toll roads, ports, water plants and sewage plants etc. which is believed to be the best investment geared to the PRC's growth. The new major shareholder and the new management team of the Group have extensive experience in infrastructure and operation of toll roads in the PRC and they consider infrastructure and toll roads business as secure and high quality investments that can deliver sustainable earnings growth for the shareholders. In the future, toll roads will provide stable cashflows, lower cyclicality and potential for asset appreciation. Our strong expertise in toll roads and infrastructure business from the new management team shall add benefits to our shareholders.

As per the announcement dated 10th June, 2008, the Company entered into a conditional sale and purchase agreement with an independent third party to acquire several investment properties and toll roads in the PRC ("the Acquisition"). A circular to the shareholders of the Company is being prepared since the acquisition constituted a very substantial acquisition for the Company and as such, it is subject to shareholders approval. As a whole, we expect our targeted businesses development areas to include but not limited to infrastructure industry in the PRC. The Company will announce, as appropriate any new businesses in the future. In order to cope with the development of the Company, 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).

For the apparel retail business, the Group is seeking strategic partners with solid experience in brand building to develop the "Gay Giano" and "Cour Carré" brands in the PRC. The two brands mainly target middle class white-collar employees who wish to project a professional and upbeat image. The banking, insurance, finance, securities, properties and other commercial segments in the PRC will translate into thriving demand for stylish, business-project apparel products like the Group's. Regarding the Hong Kong market, sales performance is expected to improve as the Hong Kong economy continues to pick up steadily and the financial and commerce sectors raise salaries in 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and financial resources

As at 31st March, 2008, net current assets and current ratio of the Group were approximately HK$55.1 million (2007: HK$35.0 million) and 4.2 (2007: 4.0) respectively. The current assets mainly comprised inventories of approximately HK$21.8 million (2007: HK$25.6 million), deposits and prepayments of approximately HK$35.5 million (2007: HK$1.8 million), accounts receivable of approximately HK$0.2 million (2007: HK$0.3 million) and cash and bank balances of approximately HK$6.2 million (2007: HK$10.8 million). Included in deposits and prepayments is a deposit of HK$32.9 million (2007: Nil) paid in respect of acquisition of equity interest in three mining companies in the PRC. The Group had total assets of approximately HK$90.6 million (2007: HK$63.6 million), current liabilities of approximately HK$17.3 million (2007: HK$11.8 million), non-current liabilities of approximately HK$3.7 million (2007: HK$1.7 million) and shareholders' equity of approximately HK$69.6 million (2007: HK$50.2 million).

The overall gearing ratio for the year was maintained at 11.1% (2007: 11.3%) with total borrowings of approximately HK$7.7 million (2007: HK$5.7 million) and net worth of approximately HK$69.6 million (2007: HK$50.2 million) as at 31st March, 2008. Overall gearing ratio is defined as total borrowings over net worth.

The Group recorded a net cash outflow from operating activities of approximately HK$7.5 million (2007: net cash inflow HK$0.3 million) for the year. The Group repaid aggregated secured bank and other loans of HK$23.8 million (2007: HK$19.2 million) and the aggregated proceeds received from secured bank loans are HK$25.9 million (2007: HK$19.3 million).

Treasury policies

The Group generally finances its operations with internally generated cash flows and loan facilities provided by banks and financial institutions in Hong Kong. As at 31st March, 2008, the total outstanding short-term borrowings stood at approximately HK$7.6 million (2007: HK$5.2 million). Borrowing methods used by the Group mainly included bank loans and other loans from financial institutions. The interest rates of most of these loans were determined by reference to the Hong Kong dollar prime rate. The Group had no interest rate hedging arrangement during the year. The directors believe that the Group has sufficient financial resources to discharge its debts and to finance its operations and capital expenditures.

Capital expenditure and commitments

Capital expenditures amounted to approximately HK$4.5 million (2007: HK$2.5 million) for the year ended 31st March, 2008. These expenditures were mainly used in retail network improvement. The amount of capital commitment of the Group as at 31st March, 2008 was HK$0.4 million (2007: Nil).

Pledge of assets and contingent liabilities

As at 31st March, 2008, the Group pledged the leasehold land and buildings in Hong Kong with an aggregate net book value of approximately HK$6.3 million (2007: HK$5.7 million). As at 31st March, 2008, the Group had no significant contingent liabilities (2007: Nil).

Investment in properties

The Group's leasehold land and buildings were valued at approximately HK$6.3 million (2007: HK$5.7 million) as at 31st March, 2008 by Savills Valuation and Professional Services Limited on an open market, existing use basis. This valuation gave rise to a revaluation surplus of approximately HK$0.7 million which has been credited to reserves.

Properties leased in Hong Kong: the Group leases 15 (2007: 16) retail outlets from independent third parties with a total floor area of 23,550 sq.ft. (2007: 24,408 sq.ft). The Group also leases certain units at Siu Lek Yuen, Shatin, New Territories as warehouse and office space.

Properties leased in the PRC: the production facilities and dormitories of the Group are located in Shediju, Shenzhen, PRC.

Segment information

Details of segmental information are disclosed in note 7 to the financial statement in the Annual Report.

Hong Kong is the major geographical segment of the Group. Revenues derived by the Group in Hong Kong and the PRC for the year ended 31st March, 2008 were HK$131.1 million (2007: 129.5 million) and HK$Nil (2007: HK$1.9 million) respectively. The carrying amounts of segment assets located in Hong Kong and the the PRC as at 31st March, 2008 amounted to approximately HK$71.4 million (2007: HK$43.6 million) and approximately HK$9.2 million (2007: HK$5.6 million) respectively.

The additions to property, plant and equipment of the Group for the year ended 31st March, 2008 in Hong Kong and the PRC amounted to approximately HK$2.9 million (2007: HK$2.4 million) and HK$1.7 million (2007: HK$0.04 million) respectively.

Employees and remuneration policies

As at 31st March, 2008, the Group had 170 (2007: 171) full-time employees in Hong Kong and 254 (2007: 288) full-time employees in the PRC. The total number of full-time employees of the Group was 424 (2007: 459). The Group has a share option scheme for the benefit of its directors and eligible employees.

Foreign exchange exposure

Most of the transactions of the Group are conducted in Hong Kong dollars and EURO. Although EURO had kept appreciated during the year, the Group did not resort to any currency hedging facility for the year ended 31st March, 2008. Up to the date of this report, the Board had been of the view that the cost of any hedging facility would be higher than the potential risk of the costs incurred from currency fluctuation. However, the management will monitor the Group's foreign exchange exposure and consider hedging significant foreign currency exposure should the need arises.

Material acquisitions and disposals of subsidiaries and associated companies

Other than those as disclosed in note 12 above, there were no material acquisitions or disposals of subsidiaries and associated companies during the year ended 31st March, 2008.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 31st March, 2008, the Group has adopted and complied with the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a model code as set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors of the Company (the "Directors"), the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31st March, 2008.

AUDIT COMMITTEE

The Company has established an audit committee on 14th March, 2000 with written terms of reference in accordance with the requirements of the CG Code. The audit committee has three members, including the Company's three Independent Non-executive Directors, namely Mr. Chan Ka Ling, Edmond, Mr. Lo Wa Kei, Roy and Mr. Ching Kwok Ho, Samuel. Mr. Chan Ka Ling, Edmond is the Chairman of the audit committee. The audit committee acts as an important link between the Board and the Company's auditors in matters within the scope of the Group audit. The duties of the audit committee are to review and provide supervision over the financial reporting process of the Group. The audit committee meets regularly with the management and the external auditors to discuss the accounting principles and practices adopted by the Group and financial reporting matters. The financial statements of the Group for the year ended 31st March, 2008 have been reviewed by the audit committee and there were 2 meetings held during the year ended 31st March, 2008.

REMUNERATION COMMITTEE

The Company established a remuneration committee on 28th September, 2005 with terms of reference in compliance with the provisions set out in the CG Code. The principal responsibilities of the remuneration committee include making recommendations to the Board on the Company's policy and structure in relation to the remuneration of directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time. It comprises three members, including the Company's two Independent Non-executive Directors, namely Mr. Chan Ka Ling, Edmond and Mr. Lo Wa Kei, Roy and an Executive Director, Mr. Wong Kwong Lung, Terence. Mr. Chan Ka Ling, Edmond is the Chairman of the remuneration committee.

The remuneration committee meets at least once a year. During the financial year ended 31st March, 2008, the remuneration committee has held 1 meeting to review the existing remuneration packages of each Director and senior management of the Company, and to recommend to the Board the salaries and bonuses of the Directors and senior management and discuss the remuneration package of the newly appointed directors and senior managements.

PUBLICATION OF RESULTS ANNOUNCEMENT

The results announcement is published on the Stock Exchange's website at http://www.hkex.com.hk and the Company's website at http://www.gaygiano.com/investmain.html.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to our shareholders, customers, suppliers, bankers and professional advisors for their continued support. May I also thank my fellow directors and our staff for their dedication and contribution.

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

Hong Kong, 22nd July, 2008

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