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Unless defined herein, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus (the “Prospectus”) dated 29th April, 2002 issued by Grandy Applied Environmental Technology Corporation (the “Company”).



GRANDY APPLIED ENVIRONMENTAL TECHNOLOGY CORPORATION

泓迪應用環保科技有限公司*

(incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING AND PUBLIC OFFER

Number of Offer Shares	:	160,000,000 New Shares and 40,000,000 Sale Shares (subject to Over-allotment Option)
Number of Placing Shares	:	140,000,000 New Shares and 40,000,000 Sale Shares (subject to reallocation and Over-allotment Option)
Number of Public Offer Shares	:	20,000,000 New Shares (subject to reallocation)
Offer Price	:	\$0.28 per Share
Nominal value	:	\$0.01 each
Stock code	:	8143

Sponsor and Lead Manager



HANTEC CAPITAL LIMITED

Co-sponsor



SBI E2-CAPITAL (HK) LIMITED

Lead Managers



PHOENIX CAPITAL SECURITIES LIMITED



SBI E2-CAPITAL SECURITIES LIMITED

Co-managers

CEF Capital Limited

GC Securities Limited

Underwriters

**Tanrich Securities Company Limited
Core Pacific-Yamaichi International (H.K.) Limited
Guotai Junan Securities (Hong Kong) Limited
Mayfair Securities Limited
Taiwan Concord Capital Securities (Hong Kong) Limited
Sinomax Securities Limited**

**Sanfull Securities Limited
Christfund Securities Limited
Hung Sing Securities Limited
Shenyin Wanguo Capital (H.K.) Limited
Kaiser Securities Limited
Young Champion Securities Limited**

* For identification purpose only

Application has been made to the Stock Exchange for the listing of and permission to deal in the Shares in issue and to be issued as described in the Prospectus.

- The Share Offer comprises the Public Offer of initially 20,000,000 Public Offer Shares (subject to reallocation) to members of the public in Hong Kong and the Placing of initially 180,000,000 Placing Shares (subject to reallocation and Over-allotment Option) with professional, institutional and individual investors in Hong Kong.
- Use a **WHITE** application form if you want the Public Offer Shares to be issued in your own name.
- Use a **YELLOW** application form if you want the Public Offer Shares to be issued in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to your CCASS investor participant stock account or your designated CCASS participant's stock account.

Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Friday, 10th May, 2002. Subject to the granting of the listing of, and permission to deal in, the Shares on GEM, as well as compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Shares on GEM or such other date as determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Applications for the Public Offer Shares will only be considered on the basis of the terms and conditions of the Prospectus and the related application forms.

Multiple or suspected multiple applications or any application on a **WHITE** or **YELLOW** application form for more than 100% of the Public Offer Shares initially being offered to members of the public under the Public Offer will be rejected and only one application on a **WHITE** or **YELLOW** application form may be made for the benefit of any person. Applicants for the Public Offer Shares are required to undertake and confirm that they have not taken up any Placing Shares under the Placing or otherwise participated in the Placing.

The Share Offer is conditional upon the conditions set forth under the paragraph headed "Conditions of the Share Offer" in the section headed "Structure of the Share Offer" in the Prospectus.

If the Share Offer does not become unconditional on or before 29th May, 2002, all the application monies received from applicants under the Share Offer will be refunded, without interest on the terms set forth under the paragraph headed "Refund of your money" in the application forms.

Pursuant to the Underwriting Agreement and in connection with the Share Offer, the Company has granted to the Placing Underwriters the Over-allotment Option exercisable by Phoenix Capital Securities Limited in whole or in part, on behalf of the Placing Underwriters, at any time within 30 calendar days from the date of Prospectus, to require the Company to issue up to an aggregate of 30,000,000 additional new Shares, representing 15% of the number of Offer Shares initially available under the Share Offer. These shares will be issued at the Offer Price for the purpose of covering over-allocations in the Placing. In the event that the Over-allotment Option is exercised, the additional Shares to be issued will be allocated at the sole discretion of Phoenix Capital Securities Limited. Phoenix Capital Securities Limited may also, at its option, cover any over-allocations in the Placing through the stock borrowing arrangement with Achieve Century Limited and/or the purchase of the Shares in the secondary market or otherwise as may be permitted under the applicable laws.

The allocation of the Offer Shares between the Public Offer and the Placing is subject to adjustment. Please refer to the paragraph headed "Offer mechanism – reallocation of the Offer Shares between the Placing and the Public Offer" for the details of the reallocation of the Offer Shares.

If the Public Offer Shares are not fully subscribed, the Lead Managers (for themselves and on behalf of the Sponsors and the Underwriters) have the authority to reallocate all or any unsubscribed Public Offer Shares to the Placing in such proportions as it considers appropriate. If the Placing Shares are not fully subscribed, the Lead Managers (for themselves and on behalf of the Sponsors and the Underwriters) have the authority to reallocate all or any unplaced Placing Shares to the Public Offer in such proportion and in such manner as it considers appropriate.

Copies of the **WHITE** application forms together with the Prospectus are available during normal business hours from 9:00 a.m. on 29th April, 2002 until 12:00 noon on 3rd May, 2002 from:–

- 1. Hantec Capital Limited, 45th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong;**
- 2. SBI E2-Capital (HK) Limited, 4th Floor, Henley Building, 5 Queen's Road Central, Hong Kong;**
- 3. Phoenix Capital Securities Limited, Rooms 3203-04, 32nd Floor, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong;**
- 4. SBI E2-Capital Securities Limited, 20th Floor, Henley Building, 5 Queen's Road Central, Hong Kong;**
- 5. CEF Capital Limited, Suite 2001, 20th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong;**
- 6. GC Securities Limited, Suite 2812, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong;**
- 7. Tanrich Securities Company Limited, 16th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong;**
- 8. Sanfull Securities Limited, 20th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong;**
- 9. Core Pacific-Yamaichi International (H.K.) Limited, 30th Floor, Two Pacific Place, 88 Queensway, Hong Kong;**
- 10. Christfund Securities Limited, Suite 2808-2811, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong;**
- 11. Guotai Junan Securities (Hong Kong) Limited, 27th Floor, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong;**
- 12. Hung Sing Securities Limited, Room 605-608, Wing Shan Tower, 173 Des Voeux Road Central, Hong Kong;**
- 13. Mayfair Securities Limited, 23rd Floor, Arion Commercial Centre, 2-12 Queen's Road West, Hong Kong;**
- 14. Shenyin Wanguo Capital (H.K.) Limited, 28th Floor, Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong;**
- 15. Taiwan Concord Capital Securities (Hong Kong) Limited, Room 3005-6, The Center, 99 Queen's Road Central, Central, Hong Kong;**

16. **Kaiser Securities Limited, Unit A3, 32nd Floor, United Centre, 95 Queensway, Hong Kong;**
17. **Sinomax Securities Limited, Room 1601, 16th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong;**
18. **Young Champion Securities Limited, Room 904-905, 9th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong;**
19. **any one of the following branches of Standard Chartered Bank:–**

Hong Kong Island:	The Landmark Branch	The Landmark, 15 Queen’s Road Central
	Des Voeux Road Branch	Standard Chartered Bank Building, 4-4A Des Voeux Road, Central
	Leighton Centre Branch	Shop 12-16, UG/F., Leighton Centre, 77 Leighton Road, Causeway Bay
	CIG Building Branch	Shop B, G/F., CIG Building, 141 Des Voeux Road Central
	North Point Centre Branch	284 King’s Road, North Point
	Taikoo Place Branch	G/F., 969 King’s Road, Quarry Bay
Kowloon:	Kwun Tong Branch	88-90 Fu Yan Street, Kwun Tong
	Mongkok Bank Centre Branch	Bank Centre, 630-636 Nathan Road, Mongkok
	Tsimshatsui Branch	10 Granville Road, Tsimshatsui
	Cheung Sha Wan Branch	828 Cheung Sha Wan Road, Cheung Sha Wan
New Territories:	Tsuen Wan Branch	Basement 1/F., Emperor Plaza, 263 Sha Tsui Road, Tsuen Wan

Copies of the **YELLOW** application forms together with the Prospectus may be obtained during normal business hours from 9:00 a.m. on Monday, 29th April, 2002 until 12:00 noon on Friday, 3rd May, 2002 from the depository counter of HKSCC at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong or the Customer Service Centre of HKSCC at Upper Ground Floor, V-Heun Building, 128-140 Queen’s Road Central, Hong Kong.

Completed **WHITE** and **YELLOW** application forms (to which cheques or banker’s cashier orders should be securely stapled) should be deposited in the special collection boxes provided at any one of the branches of Standard Chartered Bank referred to above on the following dates during the following times:

Monday, 29th April, 2002	– 9:00 a.m. to 4:00 p.m.
Tuesday, 30th April, 2002	– 9:00 a.m. to 4:00 p.m.
Thursday, 2nd May, 2002	– 9:00 a.m. to 4:00 p.m.
Friday, 3rd May, 2002	– 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Friday, 3rd May, 2002.

Subject to the terms and conditions set out in the Prospectus and the application forms, applications must be received by no later than 12:00 noon on Friday, 3rd May, 2002 (or such later date as may apply in the case of a tropical cyclone warning signal No. 8 or above or a “black” rainstorm warning signal being in force as described under the paragraph headed “Effect of bad weather on the opening of the application lists” in the section headed “How to apply for the Public Offer Shares” in the Prospectus). Announcement of the indication of the level of interests in the Placing, the results of applications in respect of the Public Offer, the basis of allotment of the Public Offer Shares (with successful applicants’ identification number, where appropriate), the

number of Shares (if any) reallocated between the Placing and the Public Offer and the procedure for collecting share certificates and refund cheques are scheduled to be published on the GEM website and in Hong Kong iMail (in English) and in Hong Kong Economic Times (in Chinese) on or before Wednesday, 8th May, 2002.

If you have applied on a **WHITE** or **YELLOW** application form for 5,000,000 Public Offer Shares or above and have indicated on your application form that you wish to collect your share certificate(s) (where applicable) and/or refund cheque(s) (if any) in person, you may collect them in person from Tengis Limited, 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong between 9:00 a.m. and 1:00 p.m. on Wednesday, 8th May, 2002. You must show your identification documents to collect your share certificate(s) and/or refund cheque(s) (if any). If you do not collect your share certificate(s) and/or refund cheque(s) (if any) within the time specified, they will be sent to the address on your application form shortly after the despatch date, by ordinary post at your own risk. If you have not indicated on your application form that you will collect your share certificate(s) and/or refund cheque(s) (if any), then your share certificate(s) and/or refund cheque(s) (if any) will be sent to the address on your application form by ordinary post at your own risk on or about Wednesday, 8th May, 2002, respectively.

If you have applied for the Public Offer Shares on a **YELLOW** application form, your share certificate(s) will be issued in the name of HKSCC Nominees Limited and deposited into CCASS for credit to your investor participant stock account or your designated CCASS participant's stock account as instructed by you at the close of business on Wednesday, 8th May, 2002 or under contingent situation, on any other date HKSCC or HKSCC Nominees Limited chooses. You should check the number of Public Offer Shares allotted to you with your designated CCASS participant if you are applying through a designated CCASS participant, or via the CCASS Phone System and CCASS Internet System if you are applying as an investor participant. For investor participants, HKSCC will also mail to you an activity statement showing the number of Public Offer Shares credited to your investor participant stock account.

Hong Kong, 29th April, 2002

This announcement and a copy of the Prospectus will remain on the GEM website, in the case of the announcement, on the "Latest Company Announcement" page for at least seven days from the date of its posting.