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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)

**CHANGE OF AUDITORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

CHANGE OF AUDITORS

The board of directors (the "Board") of the Company announces that on 31 March 2003, the Company received a notice from Messrs Ernst & Young in respect of their resignation as auditors of the Company with effect from 31 March 2003 as the Company and Messrs Ernst & Young could not reach a consensus about the auditors' remuneration. Messrs Ernst & Young confirmed in their notice of resignation that there were no circumstances connected with their resignation which they considered should be brought to the attention of the shareholders or creditors of the Company. The Company has accepted the resignation of Messrs Ernst & Young and now wishes to appoint Messrs Deloitte Touche Tohmatsu as the new auditors of the Company.

In accordance with the Articles of Association of the Company, the appointment of the new auditors will require the approval by the shareholders of the Company at an extraordinary general meeting. Accordingly, an extraordinary general meeting will be held at 10/F Luk Kwok Centre, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 25 April 2003 at 10:00 a.m. to approve ordinary resolution set out below.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the Company will be held at 10/F Luk Kwok Centre, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 25 April 2003 at 10:00 a.m. for the purpose of considering and if, thought fit, passing the following resolution as an ordinary resolution of the Company:

"THAT Messrs Deloitte Touche Tohmatsu be and are hereby appointed as the auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorise the Board to fix the auditors' remuneration."

By order of the Board
Grandy Applied Environmental Technology Corporation
Barbara Lau
Company Secretary

Hong Kong, 1 April 2003

* *For identification purpose only*

Registered Office:
Century Yard, Cricket Square
Hutchins Drive, P.O. Box 2681GT
George Town, Grand Cayman
British West Indies

Head Office and Principal Place of Business:
10/F Luk Kwok Centre
72 Gloucester Road
Wanchai, Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, at the Company's head office and principal place of business at 10/F Luk Kwok Centre, 72 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting.
3. In the case of joint registered holders of any shares of the Company, any one of them may vote at the meeting, either personally or by proxy, in respect of such shares as if he/she was solely entitled thereto; but if more than one of such joint registered holders are present at the meeting, either personally or by proxy, that one of them so present whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.

This announcement, for which the directors of the Company (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing The Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of Grandy at www.grandy.com.hk