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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)

ANNOUNCEMENT

The directors (the “Directors”) of Grandy Applied Environmental Technology Corporation (the “Company”) have noted today’s increase in the price of the shares of the Company and wish to state that the Directors are not aware of any reasons for such increase.

The Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 to 20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”), neither is the board of Directors (the “Board”) aware of any matter discloseable under the general obligation imposed by rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the Directors of which collectively and individually accept responsibility for the accuracy of this announcement.

By order of the Board
Grandy Applied Environmental Technology Corporation
Raymond Tsui
Director

Hong Kong, 29 May 2003

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 the Company at www.grandy.com.hk.

* *For identification purposes only*