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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.

On 15 September 2003, the Company was notified by Top Accurate Limited (“Top Accurate”), a substantial shareholder holding approximately 13.68% of the issued share capital of the Company, that it had signed a share sale and purchase agreement (the “Agreement”) with Genesis Southstar Limited (“Genesis”), a company incorporated in Bermuda and an independent third party not connected with the Company and/or the Directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or an associate of any of them (as defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”)) regarding its disposal of 60,000,000 shares in the Company, representing approximately 6.88% of its issued share capital, at HK\$0.035 each. Completion of the Agreement took place on 15 September 2003. After that, Top Accurate still holds 59,229,995 shares in the Company, representing approximately 6.80% of its issued share capital.

Up to the date of this announcement, Top Accurate has not nominated any representative to serve on the board of Directors (the “Board”). The Company has not received any request from Top Accurate or Genesis to change the composition of the Board so far.

Save for matters disclosed above, the Directors confirm that there was no Directors’ or chief executives’ dealing in the shares of the Company today and there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 to 20 of the GEM Listing Rules, neither is 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.

\* *For identification purposes only*

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, 15 September 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](http://www.grandy.com.hk).*