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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 have noted the recent increase in the trading price and volume of the shares of the Company. The Directors wish to announce that the Company is in the process of negotiations and may enter into the Agreement relating to the Proposed Transaction. Detailed terms of the Proposed Transaction have not been agreed by the parties. The entering into of the Proposed Transaction by the Company may, if confirmed and entered into, constitute a discloseable transaction under the GEM Listing Rules, in which event a further announcement will be made.

The Directors confirm that save as disclosed in this Announcement, there was no Directors' or chief executives dealing in the shares of the Company today and other than the Proposed Transaction, 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.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited.

The directors (the “**Directors**”) of Grandy Applied Environmental Technology Corporation (the “**Company**”) have noted recent increase in the price of the shares of the Company and wish to state that the Company is in the process of negotiations and may enter into an agreement (the “**Agreement**”) relating to a placing of new ordinary shares (the “**Placing Shares**”) of the Company (the “**Proposed Transaction**”). The value of the Placing Shares is expected to exceed 15% but not more than 50% of the consolidated net tangible assets of the Company as at 31st March, 2003 and as such may constitute a discloseable transaction 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 (the “**GEM Listing Rule**”).

If the Company should enter into any agreement which constitutes a price-sensitive information or is discloseable under the applicable provisions of the Listing Rules, an announcement will be made.

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 other than the Proposed Transaction, 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.

**In the meantime, public investors are urged to exercise caution in dealing in the shares of the Company.**

This announcement is made by the order of the board of Directors which individually and collectively accept the responsibility for the accuracy of this statement.

By Order of the Board  
**Tsui Tai Hoi Raymond**  
*Chairman*

Hong Kong, 2nd October, 2003

*This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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 "Latest Company Announcements" page of the GEM website for at least 7 days from its date of publication and on the website of the Company at [www.grandy.com.hk](http://www.grandy.com.hk).*

\* *for identification purpose only*