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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Grandy Applied Environmental Technology Corporation (the "Company") will be held at 10/F., Luk Kwok Centre, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 7 November 2003 at 9:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

"THAT:

- (a) the placing and subscription agreement entered into between Key Engineering Co., Ltd ("Key Engineering") and the Company dated 6 October 2003 (the "Placing and Subscription Agreement"), a copy of which marked "A" has been produced to the Meeting and signed by the Chairman hereof for the purpose of identification whereby Key Engineering has agreed to subscribe for 287,000,000 new ordinary shares (the "Placing Shares") of HK\$0.01 each in the Company at a placing price of HK\$0.035 each, be and is hereby approved, ratified and confirmed in all respects;
- (b) any director of the Company ("Director(s)") be and is hereby authorised for and on behalf of the Company to do all such further acts and things and execute such further documents as he may consider necessary, expedient or desirable to effect and implement the Placing and Subscription Agreement and the transactions contemplated thereby with any changes as such Director may consider necessary, desirable or expedient; and
- (c) the Directors be and hereby authorised to allot and issue the Placing Shares to Key Engineering, subject to payment therefor, pursuant to the terms of the Placing and Subscription Agreement, which the Placing Shares shall not be deemed to be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 25 July 2003, and shall rank *pari passu* in all respects with the existing shares in the capital of the Company."

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

Hong Kong, 21 October 2003

* *For identification purposes 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, signed 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 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 the Company at www.grandy.com.hk.