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Grandy Corporation

泓迪有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8143)

**SHARE CONSOLIDATION AND CHANGE OF BOARD LOT SIZE
RESULTS OF EGM**

The Board is pleased to announce that at the EGM of the Company held on 11 May 2005, the ordinary resolution approving the Share Consolidation has been duly passed by the Shareholders present and voting in person or by proxy, on a show of hands. The GEM Listing Committee of the Stock Exchange has also granted the listing of, and permission to deal in, the Consolidated Shares. All the conditions of the Share Consolidation have therefore been satisfied. Accordingly, the Share Consolidation will become effective on 12 May 2005 and trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares in the form of existing share certificate in pink or blue will commence at 9:30 a.m. on 12 May 2005.

SHARE CONSOLIDATION AND CHANGE OF BOARD LOT SIZE

Results of EGM

Reference is made to the announcement and the circular of the Company dated 14 April 2005 and 25 April 2005 respectively in relation to the Share Consolidation and change of board lot size. Unless the context otherwise requires, defined terms used herein shall have the same meanings as given to them in the said announcement and circular.

The Board is pleased to announce that at the EGM of the Company held on 11 May 2005, the ordinary resolution approving the Share Consolidation has been duly passed by the Shareholders present and voting in person or by proxy, on a show of hands. The GEM Listing Committee of the Stock Exchange has also granted the listing of, and permission to deal in, the Consolidated Shares. All the conditions of the Share Consolidation have therefore been satisfied. Accordingly, the Share Consolidation will become effective on 12 May 2005 and trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares in the form of existing share certificate in pink or blue will commence at 9:30 a.m. on 12 May 2005.

* *for identification purpose only*

Following the Share Consolidation, the authorised share capital of the Company remains at HK\$15,000,000 divided into 300,000,000 Consolidated Shares of HK\$0.05 each, of which 278,080,333 Consolidated Shares are in issue and fully paid or credited as fully paid.

Administrative arrangements

Where the Share Consolidation will result in fractions of Consolidated Shares, such fractional Consolidated Shares will not be issued but will be aggregated, sold and retained for the benefit of the Company.

Shareholders are reminded that the Company has appointed Phoenix Capital Securities Limited to arrange for the sale and purchase of odd lots on behalf of the Shareholders from 27 May 2005 to 17 June 2005 (both dates inclusive). Shareholders who wish to acquire odd lots of Consolidated Shares to make up a full board lot of 20,000 Consolidated Shares, or to dispose of their holdings of odd lots of Consolidated Shares may directly or through their own brokers contact Mr. Chan Siu Ning, Ricky of Phoenix Capital Securities Limited at Room 3203-04, 32/F., Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong at telephone number 852-2850-0728 during such period.

Shareholders are also reminded that they may on or after 12 May 2005 and until 22 June 2005 (both dates inclusive), submit their pink or blue share certificates for Shares to the Registrar, Tengis Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for exchange of green share certificates for the Consolidated Shares at the expense of the Company. After the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for exchange of each share certificate.

Shareholders may refer to the circular of the Company dated 25 April 2005 for detailed information on, and the related timetable for the operation of the odd lot matching facility, the free exchange of share certificates and trading arrangement for the Consolidated Shares.

With effect from 9:30 a.m. on 18 June 2005, trading will only be in Consolidated Shares in board lots of 20,000 Consolidated Shares. Share certificates in pink or blue for Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

GENERAL

Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the matter contained in this announcement.

As at the date of this announcement, the executive Directors are Mr. Yung Kwok Leong, Mr. Chan Hon Chiu and Mr. Yeung Kam Yan and the independent non-executive Directors are Mr. Hsu Shiu Foo, Mr. Yu Chai Mei and Mr. Chan Ping Kuen, Francis.

By order of the Board of
Grandy Corporation
Yung Kwok Leong
Chairman

Hong Kong, 11 May 2005

This announcement, for which the Directors 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 seven days from the date of its posting and on the website of the Company at www.grandy.com.hk.