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Grandy Corporation

泓迪有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8143)

CHANGE OF AUDITORS

The Board announces that Messrs. HLB Hodgson Impey Cheng have been appointed as auditors of the Company with effect from 13 May 2005 to fill the casual vacancy following the resignation of Messrs. Deloitte Touche Tohmatsu on 6 May 2005.

The board of directors (the “**Board**”) of Grandy Corporation (the “**Company**”) announces that Messrs. Deloitte Touche Tohmatsu (“**Deloitte**”) have resigned as auditors of the Company and its subsidiaries with effect from 6 May 2005. In filling the casual vacancy following Deloitte’s resignation, Messrs. HLB Hodgson Impey Cheng (“**HLB**”) have been appointed as auditors of the Company with effect from 13 May 2005 until the conclusion of the next annual general meeting of the Company.

In the notice of resignation, Deloitte have confirmed that there are no matters connected with their resignation that needs to be brought to the attention of the Stock Exchange, shareholders and/or creditors of the Company and its subsidiaries. The Board also confirms that there are no circumstances in respect of the change of auditors that should be brought to the attention of the Stock Exchange, shareholders and/or creditors of the Company and its subsidiaries.

The change of the Company’s auditors is mainly due to a lower audit fee chargeable by HLB which the Board considers it to be in the interests of the Company’s shareholders as a whole. Deloitte has already begun the audit work for the Company for the financial year ended 31 March 2005 and that they have completed up to the stage of inventory count. The working papers will be transferred to HLB as soon as practicable. The Board anticipates that the change of auditors will not affect the audit and the release of the annual results of the Company for the financial year ending 31 March 2005.

By Order of the Board
Grandy Corporation
Yung Kwok Leong
Chairman

Hong Kong, 18 May 2005

* *for identification purpose only*

This announcement, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing The Listing of Securities on the Growth Enterprises Market (“GEM”) of the Stock Exchange 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; and (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 “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and the website of the Company at www.grandy.com.hk.

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. Chan Ping Kuen, Francis, Mr. Hsu Shiu Foo, William and Mr. Yu Chai Mei.