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Grandy Corporation
泓迪有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8143)

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (“the Stock Exchange”).

The directors (the “Directors”) of Grandy Corporation (the “Company”) have noted today’s increase in the price and trading volume of the shares of the Company and wish to state that, save for the matter disclosed below, the Directors are not aware of any reasons for such increases.

The Directors wish to state the Company is in the intermediate stage of negotiation with a company in the PRC, who and whose ultimate beneficial owner, to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, are third parties independent of the Company and its connected persons (within the meaning of the GEM Listing Rules) (the “Independent Third Party”) on a possible acquisition of certain machineries in the PRC (the “Acquisition”) to be utilized by the Company’s subsidiary(ies) for manufacturing purpose and such Acquisition may or may not constitute a notifiable transaction for the Company. However, no legally binding agreement or memorandum of understanding, contract or other agreement has been entered into between the Company and the Independent Third Party, nor has any terms, including but not limited to the amount of consideration and payment terms, been determined or finalized. The Directors will make appropriate announcement in accordance with the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) as and when required.

As the Acquisition may or may not proceed, shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

* *for identification purpose only*

Save and except for the aforesaid, the Directors confirm that 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 of Directors (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.

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 Corporation
Yung Kwok Leong
Chairman

Hong Kong, 18 August 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 (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 GEM website at www.hkgem.com on the “Latest Company Announcements” page 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. The independent Non-executive Directors are Mr. Chan Ping Kuen, Francis, Mr. Hsu Shiu Foo, William and Mr. Yu Chai Mei.