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GRANDY CORPORATION

泓迪有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8143)

**COMPLETION
OF
PLACING OF UNLISTED CONVERTIBLE NOTES**

Placing Agent



Hantec Capital Limited

Reference is made to the announcement of the Company dated 1 December 2005 and the circular of the Company dated 15 December 2005 in relation to the placing of unlisted convertible notes of the Company.

The Board is pleased to announce that completion of the Placing Agreement took place on 11 January 2006.

Reference is made to the announcement of Grandy Corporation (the “Company”) dated 1 December 2005 (the “Announcement”) and the circular of the Company dated 15 December 2005 (the “Circular”) in relation to the placing of unlisted convertible notes of the Company. Unless the context requires otherwise, terms used in this announcement shall have the same meanings as defined in the Announcement and the Circular.

Completion of the Placing Agreement

As all the conditions precedent of the Placing Agreement have been fulfilled, the Board is pleased to announce that completion of the Placing Agreement took place on 11 January 2006.

* *for identification purpose only*

36 Notes in an aggregate principal amount of HK\$18,000,000 have been placed through the Placing Agent, and issued by the Company, to 13 Placees, 11 of which are individual investors and two of which are corporate investors. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Noteholders are not connected with the directors, chief executive, substantial shareholders or management shareholders of the Company or its subsidiaries or their respective associates.

As at the date of this announcement, there will not be any new substantial shareholder (as defined under the GEM Listing Rules) of the Company as a result of the full conversion of the Notes by the Noteholders.

The Notes are convertible into Conversion Shares at the Conversion Price of HK\$0.268 per Conversion Share, subject to adjustment. The maximum number of Conversion Shares which may be allotted and issued upon full conversion of the Notes based on the Conversion Price of HK\$0.268 per Conversion Share is approximately 67,164,179 Shares, representing (a) approximately 19.47% of the existing issued share capital of the Company comprising 344,930,333 Shares (6,250,000 Shares of which were allotted and issued pursuant to the exercise of options by a Director and employees of the Company under the Post-IPO Share Option Scheme); (b) approximately 16.30% of the Company's issued share capital comprising 412,094,512 Shares as enlarged by the issue of the Conversion Shares.

Use of Proceeds

As stated in the Announcement and the Circular, the Directors currently intend to apply the net proceeds of approximately HK\$17,500,000 (after deducting placing commission, legal fees and other expenses payable by the Company for the Placing), as to approximately one-fourth towards environmentally-related projects, approximately one-fourth towards general working capital of the Group and the balance towards projects or investments in the healthcare sector in Hong Kong and the PRC with a promising future, has high growth potential and are expected to bring positive return to the Company in the long term. Up to the date of this announcement, no suitable investment in the healthcare sector has been identified nor any concrete plan or arrangement has been made and there has not been any material progress on the status of negotiations or arrangements of such investments. The Company will make further announcement disclosing the details of the investment in the healthcare sector as and when appropriate in accordance with the GEM Listing Rules.

By order of the Board
Grandy Corporation
Yung Kwok Leong
Chairman

Hong Kong, 11 January 2006

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.

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 Group. 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 the date of its posting and on the website of the Company at www.grandy.com.hk.