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GRANDY CORPORATION
泓迪有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8143)

**RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES
HELD ON THE RECORD DATE**

INFORMATION ON OVERSEAS SHAREHOLDERS

Reference is made to the Company's announcement dated 2 March 2006 in relation to the Rights Issue. Capitalized term used herein shall bear the same respective meanings as defined in the Company's announcement dated 2 March 2006 unless otherwise stated.

The Directors announce that based on the written confirmation from the Company's Hong Kong share registrar and transfer office in respect of the information on the members of the Company as at 13 March 2006, there was one Shareholder whose registered address as appeared on the register of members of the Company is outside Hong Kong, namely Korea.

Accordingly, in compliance with Rule 17.41 of the GEM Listing Rules, the Directors are in the process of making enquiries as to whether the issue of Rights Shares to that Overseas Shareholder may contravene the applicable securities legislation of the Korea or the requirements of the relevant regulatory body or stock exchange in Korea. If, after making such enquiry, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Rights Shares to such Overseas Shareholder, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholder, being Excluded Shareholder. Accordingly, the Rights Issue will not be extended to that Overseas Shareholder. **As such, if as at the close of business on the Record Date, the Overseas Shareholder's address as recorded on the register of members of the Company remains a place outside Hong Kong, it may not be eligible to take part in the Rights Issue. The Company has drawn the attention of the Overseas Shareholder of**

* For identification purpose only

the aforesaid in writing once it had knowledge of the existence of the Overseas Shareholder. The Company will use its best endeavours to procure the results of the enquiries and make further announcement on the results of the enquires before 20 March 2006.

If the Overseas Shareholder is in any doubt as to any aspect of the Rights Issue or as to the action to be taken, it should consult its own legal adviser.

The Company will therefore send the Prospectus to Excluded Shareholder for their information only, but will not send the provisional allotment letters or forms for application for excess Rights Shares to Excluded Shareholders.

In the event that there is any Excluded Shareholder on the Record Date, arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, to be sold as soon as practicable after dealings in nil-paid Rights Shares commence, if a premium, net of expenses, can be obtained. The proceeds of each sale, less expenses, of HK\$100 or more will be paid to the relevant Excluded Shareholders in Hong Kong dollars pro rata to their respective shareholdings as soon as possible. The Company will keep individual amounts of less than HK\$100 for its own benefit. Any unsold Rights Shares will be available for excess application.

By order of the Board
Grandy Corporation
Yung Kwok Leong
Chairman

Hong Kong, 14 March 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.