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GRANDY CORPORATION

泓迪有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8143)

RESULTS OF THE RIGHTS ISSUE

The Directors are pleased to announce that as at 4:00 p.m. on Tuesday, 11 April 2006, being the latest time for acceptance of, and payment for the Rights Shares and application for the excess Rights Shares, 116 valid acceptances for provisional allotment of the Rights Shares have been received for an aggregate of 169,495,615 Rights Shares (representing approximately 98.28% of the total number of Rights Shares offered under the Rights Issue) and 1,751 valid applications for excess Rights Shares have been received for an aggregate of 2,415,043,968 excess Rights Shares (representing approximately 1,400.31% of the total number of Rights Shares offered under the Rights Issue). Accordingly, an aggregate of 2,584,539,583 Rights Shares were applied for, representing approximately 1,498.59% of the total number of Rights Shares offered under the Rights Issue. The Rights Issue was oversubscribed.

The Rights Issue, which was underwritten on a fully underwritten basis, became unconditional at 4:00 p.m. on Tuesday, 18 April 2006. Based on the results above, the Rights Issue was oversubscribed and accordingly, the Underwriter does not have further obligation under the Underwriting Agreement.

Share certificates for the fully-paid Rights Shares will be despatched by ordinary post to those Qualifying Shareholders who have validly applied and paid for the Rights Shares and excess Rights Shares, at their own risks, on or before Thursday, 20 April 2006. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares will also be despatched by ordinary post at their own risks on or before Thursday, 20 April 2006. Dealings in the fully-paid Rights Shares will commence on Monday, 24 April 2006.

* *for identification purpose only*

Reference is made to the prospectus of the Company dated 27 March 2006 (the “**Prospectus**”) in relation to, amongst other things, the Rights Issue. Capitalized terms used herein shall have the same meaning as defined in the Prospectus unless otherwise stated.

Pursuant to the Rights Issue, the Qualifying Shareholders were entitled to (i) apply for the Rights Shares with assured allotments at the price of HK\$0.06 each on the basis of one Rights Share for every two Shares held on the Record Date; and (ii) apply for any excess Rights Shares at the same price each.

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All subscription money for the Rights Issue have been received by the Company as at the date of this announcement.

EXCESS APPLICATION

The Directors have determined that the 2,969,551 Rights Shares available for excess application would be allotted on the following basis:

No. of excess Rights Shares applied for	No. of valid applications	Total number of excess Rights Shares applied for	Total number of Rights Shares allotted	Approximate percentage of allocation based on the total number of excess Rights Shares applied for in this category	Basis of allotment
1 to 19,999	1,450	28,856,552	418,755	1.451	24 out of 1,450 applications to receive the odd lot applied for in full
20,000 to 999,999	225	17,281,054	160,000	0.926	8 out of 225 applications to receive 20,000 Shares
1,000,000 to 15,999,999	59	296,892,583	920,000	0.310	46 out of 59 applications to receive 20,000 Shares
16,000,000 to 29,999,999	4	83,907,999	80,000	0.095	Approximately 0.12% of the excess Rights Shares applied for and round down to the nearest board lot
30,000,000 to 99,999,999	6	323,488,497	280,000	0.087	Approximately 0.11% of the excess Rights Shares applied for and round down to the nearest board lot
100,000,000 to 299,999,999	6	879,958,000	720,000	0.082	Approximately 0.09% of the excess Rights Shares applied for and round down to the nearest board lot
784,659,283	1	784,659,283	390,796	0.050	Approximately 0.05% of the excess Rights Shares applied for
	<u>1,751</u>	<u>2,415,043,968</u>	<u>2,969,551</u>		

The above allocation of excess Rights Shares was based on the level of valid applications received in each tranche of excess Rights Shares set out in the first column of the above table and (subject to balloting due to excess demand for excess Rights Shares in each tranche of excess Rights Shares) made on a pro-rata basis and on a sliding ratios (that is, the higher the tranche level of the excess Rights Shares applied for, the lower the percentage ratio of excess Rights Shares allocated to such tranche). The Directors consider that the allocation of the excess Rights Shares is on a fair and equitable basis.

SHAREHOLDING STRUCTURE

To the best knowledge of the Directors, the shareholding structure of the Company immediately before and after completion of the Rights Issue is as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Easeglory Holdings Limited & Mr. Yung Kwok Leong (Note 1)	49,096,000	14.23	73,644,000	14.23
Win Triple Limited & Mr. Lee Kun Hung (Note 2)	48,230,000	13.98	71,645,000	13.85
Top Rainbow Ltd. (Note 3)	44,901,258	13.02	67,351,887	13.02
Mr. Yeung Kam Yan (Note 4)	3,415,237	0.99	5,312,855	1.02
Mr. Chan Hon Chiu (Note 5)	3,856,798	1.12	5,935,197	1.15
Public	195,431,040	56.66	293,506,560	56.73
Total	344,930,333	100.00	517,395,499	100.00

Notes:

1. 73,644,000 Shares of the Company are beneficially owned by Mr. Yung, who is an executive Director and chairman of the Company, of which 69,519,000 Shares are held by Easeglory Holdings Limited which is 100% owned by Mr. Yung.
2. 71,645,000 Shares of the Company are beneficially owned by Mr. Lee Kun Hung of which 70,245,000 Shares are held by Win Triple Limited which is 100% owned by Mr. Lee Kun Hung.
3. The entire issued share capital of Top Rainbow Ltd. is owned by Mr. Yang Pei Gen.
4. Mr. Yeung Kam Yan is an executive Director of the Company.
5. Mr. Chan Hon Chiu is a former executive Director of the Company whose resignation was effective on 1 April 2006.

DESPATCH OF SHARE CERTIFICATES AND REFUND CHEQUES AND COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Share certificates for the fully-paid Rights Shares will be despatched by ordinary post to those Qualifying Shareholders who have validly applied and paid for the Rights Shares and excess Rights Shares, at their own risks, on or before Thursday, 20 April 2006. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares will also be despatched by ordinary post at their own risks on or before Thursday, 20 April 2006. Dealings in the fully-paid Rights Shares will commence on Monday, 24 April 2006

By order of the Board
Grandy Corporation
Yung Kwok Leong
Chairman

Hong Kong, 18 April 2006

As at the date of this announcement, the executive Directors are Mr. Yung Kwok Leong and Mr. Yeung Kam Yan. The independent non-executive Directors are Mr. Chan Francis Ping Kuen, 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.