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ARCONTECH CORPORATION
(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

We have noted the recent fluctuation in the price and increase in trading volume of the shares of the Company and wish to state that we are not aware of any reasons, except the second quarter and the six months results announcement of the Company for the period ended 30 September 2002 which was published on 1 November 2002, for such increase in the price and increase in trading volume.

We also 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 of the Company (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 individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board
Tsoi Siu Ching, Leo
Chairman

Hong Kong, 7 November 2002

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its publication.