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ARCONTECH CORPORATION

(incorporated in the Cayman Islands with limited liability)

CHANGE OF AUDITORS AND CHANGE OF MEMBERS OF THE AUDIT COMMITTEE

The Board of Directors (the “Board”) of Arcontech Corporation (the “Company”) hereby announces that Messrs. PricewaterhouseCoopers (“PwC”) resigned as one of the joint auditors of the Company and its subsidiaries with effect from 21 May, 2003 and the Board accepted their resignation. In the resignation letter from PwC which was received by the Company on 30 May 2003, nothing was brought to the attention of the Company regarding its resignation. The resignation was due to the fact that PwC and the Board could not reach a consensus on the audit fees for the year ended 31 March 2003.

The Board hereby further announces that the remaining joint auditor, Messrs. Graham H. Y. Chan & Co. has been appointed as auditor of the Company and its subsidiaries with effect from 21 May 2003, and to hold office until the conclusion of the next annual general meeting. PwC has given professional clearance confirming that PwC is not aware of any professional or other reasons why Graham H. Y. Chan & Co. should not remain as the auditor of the Company and its subsidiaries. Prior to its resignation, PwC did not engage in any audit work in respect of the accounts of the Company and its subsidiaries for the year ended 31 March 2003.

The Board further announces that Mr. YIP Ho Bun, Edwin, an existing Executive Director of the Company, has been appointed as a member of the audit committee of the Company while Mr. Tong Ka Ming, Patrick (“Mr. Tong”) will resign as a member of that committee with effect from 30 May 2003. Mr. Tong has confirmed that his resignation does not relate to any matter in respect of the audit of the accounts of the Company and its subsidiaries for the year ended 31 March 2003 and that there is nothing which should be brought to the attention of the members of the Company in respect of his resignation.

By order of the Board
Arcontech Corporation
Mr Tsoi Siu Ching, Leo
Chairman

Hong Kong, 3 June 2003

This announcement, for which the directors of the Company 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 of the Company, 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 not 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 be published on the Company's website at www.arcon.com.hk and will remain on the GEM website with the domain name of www.hkgem.hk on the "Latest Company Announcement" page for at least 7 days from the date of publication.