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ARCONTECH CORPORATION

(Incorporated in the Cayman Islands with limited liability)

POSTPONEMENT OF THE RESULTS ANNOUNCEMENT AND DESPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2003

The Board of Arcontech Corporation announces that the meeting of the board of directors originally scheduled to be held on 26 June 2003 has been postponed to 25 July 2003. The publication of the Results Announcement and the despatch of the Annual Report has been postponed to 25 July 2003 and 28 July 2003 respectively.

The main reason for such delays is that as at 26 June 2003, the Group had not received audit confirmations for sales transactions and settlement of trade receivables from some of the Group's customers and for purchase transactions from some of the Group's suppliers and the Group was made aware that a bank creditor has taken legal action against two of the debtors of the Group. The unpaid amount of the accounts receivables of the Group from those two debtors are approximately HK\$87 million and HK\$68 million respectively.

Such delay has inevitably delayed the progress of the audit work on the Company. The resulting delays of publication and despatch have placed the Company in breaches of Rules 18.49 and 18.03 of the GEM Listing Rules. The Stock Exchange has indicated that it reserves the right to take appropriate action regarding the above breaches of the GEM Listing Rules.

To enable investors to gain preliminary information in relation to the performance of the Company during the year ended 31 March 2003, the Company will, at the request of the Stock Exchange, publish its **unaudited management accounts** for the year ended 31 March 2003 on or about 11 July 2003.

Trading in the securities of the Company was suspended from 9:30a.m. on 27 June 2003 and will remain suspended pending the release of the announcement containing the Company's unaudited management accounts.

The board of directors (the "Board") of Arcontech Corporation (the "Company") announces that the meeting of the board of directors originally scheduled to be held on 26 June 2003 has been postponed to 25 July 2003.

The publication of the Company's audited results for the year ended 31 March 2003 (the "Results Announcement") and the despatch of the Company's annual report for the year ended 31 March 2003 (the "Annual Report") will be postponed to 25 July 2003 and 28 July 2003 respectively, as the Board has been advised that the auditors of the Company have not received audit confirmation letters (i) for sales transaction and settlement of trade receivables from some of the customers of the Company and its subsidiaries ("Group") and (ii) for purchase transactions with some of the Group's suppliers and therefore the audited financial results of the Group for the year ended 31 March 2003 could not be presented at the originally scheduled board meeting for approval.

The Board has further been advised on or about 23 June 2003 and 2 July 2003 respectively that a bank creditor of two debtors of the Group recently took legal action for debt recovery against those debtors. In order for the Board to report to the auditors of the Company as to the impact this may have on the recoverability of accounts receivables of the Group from those debtors, the Company needs to meet with the management of those debtors. When the Board has formed its view and has reported to the auditors, the auditors can then decide if it is necessary to write off or make provision for the accounts receivables of the Group from those debtors. The unpaid amount of the accounts receivables from those debtors are approximately HK\$87 million and HK\$68 million respectively.

Such delay in receiving confirmation from the customers and suppliers and the legal action taken against the Group's debtors was not originally anticipated by the Company and has inevitably delayed the progress of the audit work on the Company. The Directors believe that the Company's auditors have used their best efforts to finish their audit work as soon as practicable such that the Results Announcement and the Annual Report can be published without further delay. Based on the current progress of the audit of the Company's accounts, the Directors anticipate that the audited accounts of the Company for the year ended 31 March 2003 will be ready on 25 July 2003 for its approval at a meeting of the Board to be held on the same day. The Results Announcement will also be issued on 25 July 2003.

The postponement of the publication of the Results Announcement and the despatch of the Annual Report to 25 July 2003 and 28 July 2003 respectively constitute breaches of Rules 18.03 and 18.49 of the GEM Listing Rules. The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has indicated that it reserves the right to take appropriate action regarding the above breaches of the GEM Listing Rules.

To enable investors to gain preliminary information in relation to the performance of the Company during the year ended 31 March 2003, the Company will, at the request of the Stock Exchange, publish its **unaudited management accounts** for the year ended 31 March 2003 on or about 11 July 2003.

The Directors have confirmed that they would comply with Rule 5.51 of the GEM Listing Rules. They have not dealt in any securities of the Company since 25 April, 2002 and the Directors will not deal in the securities of the Company until the announcement of the Company’s audited results for the year ended 31 March 2003 is published.

Trading in the securities of the Company was suspended from 9:30 a.m. on 27 June 2003 and will remain suspended pending the release of the announcement containing the Company’s unaudited management accounts.

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

Hong Kong, 8 July, 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 circular 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 and will remain on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of publication.