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## **ARCONTECH CORPORATION**

*(Incorporated in the Cayman Islands with limited liability)*

### **WINDING UP PETITION AND DELAY OF PUBLICATION OF AUDITED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003**

The Company refers to certain articles appearing in today's newspapers and confirm that a winding up petition has been filed against each of the Company and ATL by a bank creditor.

The Company intends to defend the Petition and has engaged its legal adviser to advise on and prepare its defence.

The issue of the audited accounts for the year ended 31 March 2003 will be postponed to on or about 30 July 2003 and the annual report will be despatched on or about 1 August 2003. The unaudited management accounts of the Company for the year ended 31 March 2003 originally scheduled to be released today will not be issued as the audited accounts will be released shortly.

Trading in the shares of the Company will remain suspended pending the release of the Company's audited accounts for the year ended 31 March 2003, further information to update shareholders on the Petition and the financial position and operation of the Group.

The Company refers to certain articles appearing in today's newspapers and confirm that a winding up petition ("Petition") has been filed against (1) its subsidiary Arcon Technology Limited ("ATL") by a bank creditor of the Group in respect of sums owing by ATL to the bank creditor and (2) the Company under a corporate guarantee given by the Company to the bank creditor as security for loan facilities granted to ATL.

The operations of the Group will be adversely affected if the facilities available to the Group for its ongoing business are reduced as a result of the Petition. At this time, other facilities available to the Group totalling approximately HK\$56 million from other bank creditors have not been withdrawn or revoked.

The Company intends to defend the Petition and has engaged its legal adviser to advise on and prepare its defence. The hearing for the Petition is scheduled to take place on 27 August 2003. The Company will issue further announcements to update shareholders on the progress of those proceeding.

The issue of the audited accounts for the year ended 31 March 2003 will be postponed to on or about 30 July 2003 and the annual report will be despatched on or about 1 August 2003. The unaudited management accounts of the Company for the year ended 31 March 2003 originally scheduled to be released today will not be issued as the audited accounts will be released shortly.

Trading in the shares of the Company will remain suspended pending the release of the Company's audited accounts for the year ended 31 March 2003, further information to update shareholders on the Petition and the financial position and operation of the Group.

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

Hong Kong, 18 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.*