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ARCONTECH CORPORATION

(Incorporated in the Cayman Islands with limited liability)

RESIGNATION OF EXECUTIVE DIRECTOR AND RESIGNATION AND APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS AND MEMBERS OF THE AUDIT COMMITTEE

Mr. Mak has resigned as an Executive Director and Mr. Zhang has resigned as an Independent Non-Executive Director and a member of the audit committee of the Company with effect from 13 August 2003.

Mr. Lo and Mr. Ho have been appointed as Independent Non-Executive Directors and members of the audit committee of the Company with effect from 13 August 2003.

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 winding up petition against the Company as announced on 18 July 2003 and the financial position and operation of the Group.

The board of directors (the "Board") of Arcontech Corporation (the "Company") announces that Mr. Mak Kam Wah ("Mr. Mak") has resigned as an Executive Director of the Company with effect from 13 August 2003 to pursue his personal interest as he is fully occupied in his new project. Mr. Mak confirmed that he has not reviewed any financial statements for the period from 1 January 2003 to 13 August 2003 and there are no circumstances connected with his resignation which he considered should be brought to the attention of the members of the Company.

The board further announces that Mr. Zhang Xiaoming ("Mr. Zhang") has resigned as an Independent Non-Executive Director and a member of the audit committee of the Company with effect from 13 August 2003 to pursue his personal interest as he is fully occupied in his business in the P.R.C. and unable to perform his duties as an Independent Non-Executive Director of the Company. Mr. Zhang confirmed that he has not reviewed any financial statements for the period from 1 January 2003 to 13 August 2003 and there are no circumstances connected with his resignation which he considered should be brought to the attention of the members of the Company.

The Board would like to take this opportunity to express its appreciation to Mr. Mak and Mr. Zhang for their contribution towards the Company during their term of service.

The board further announces that Mr. Lo Chi Ko (“Mr. Lo”) and Mr. Ho Yung San (“Mr. Ho”) have been appointed as independent non-executive directors and members of the audit committee with effect from 13 August 2003.

Mr. Lo, aged 34, holds a bachelor degree from the Hong Kong Baptist University and a master degree in business administration from the University of Surrey, United Kingdom. He has over nine years of experience in corporate finance and accounting sector, particularly in auditing and taxation areas. Mr. Lo is a member of the Hong Kong Society of Accountants and the Australian Society of Certified Public Accountants. Mr. Lo is the principal of a C.P.A. firm.

Mr. Ho, aged 40, holds a higher diploma in production and industrial engineering from the Hong Kong Polytechnic University. He has over sixteen years of experience in project management and corporate administration in multinational companies in Hong Kong and in the P.R.C. Mr. Ho is the Project Director of an engineering company.

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 winding up petition against the Company as announced on 18 July 2003 and the financial position and operation of the Group.

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

Hong Kong, 21 August 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.