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ARCONTECH CORPORATION

(Incorporated in the Cayman Islands with limited liability)

PROGRESS OF WINDING UP PETITION, WITHDRAWAL OF APPLICATION FOR APPOINTMENT OF PROVISIONAL LIQUIDATORS AND CHANGE OF PRINCIPAL PLACE OF BUSINESS

The board of directors (the “Board”) of Arcontech Corporation (the “Company”) refers to the announcement dated 18 July 2003 regarding the winding up petition filed by a bank creditor against the company and its subsidiary, Arcon Technology Limited and the announcement dated 22 August 2003 regarding the progress of appointment of provisional liquidators. The Company announces that the first hearing of the winding up petition originally scheduled to be held on 27 August 2003 was postponed to 1 September 2003. During the hearing on 1 September 2003, it was decided that the next hearing of the winding up petition will be held on 13 October 2003 and 14 October 2003 and the bank creditor had withdrawn the application for appointment of provisional liquidators.

The board further announces that the principal place of business of the Company has been changed to Unit 5, 11/F., Goodluck Industrial Centre, 808 Lai Chi Kok Road, Kowloon, Hong Kong with effect from 1 September 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.

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

Hong Kong, 3 September 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 and will remain on the GEM website on the "Latest Company Announcement" page for at least 7 days from the date of publication.