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SATELLITE DEVICES CORPORATION

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8172)

VERY SUBSTANTIAL ACQUISITION – PROPOSED ACQUISITION OF HIP KIN RETAILING LIMITED

COMPLETION ANNOUNCEMENT

The Board of the Company is pleased to announce that the acquisition by the Company of the entire shareholding interest in HKR was completed on 31 July 2006.

Reference is made to the announcement issued by the Company dated 25 November 2005 (the “Announcement”) and the circular issued by the Company dated 27 March 2006 (the “Circular”) regarding the very substantial acquisition in relation to the Proposed Acquisition. Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Announcement and the Circular.

The Board is pleased to announce that all conditions precedent to the completion of the Proposed Acquisition had been satisfied and that the Proposed Acquisition was completed on 31 July 2006 pursuant to the terms of the Sale and Purchase Agreement.

The consideration of HK\$80.0 million for the Proposed Acquisition was satisfied in full by the Company as to (a) HK\$18.48 million in cash out of the proceeds from the Open Offer; and (b) the remaining balance of HK\$61.52 million in the form of Convertible Notes to the nominee of the Vendor, First Vantage Limited, a wholly-owned subsidiary of the Vendor, in accordance of the terms of the Sale and Purchase Agreement and the Convertible Notes.

By order of the board of
Satellite Devices Corporation
Leung Tak Wah
Executive Director

1 August 2006, Hong Kong

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Lo Mun Lam, Raymond, Mr. Leung Tak Wah and Ms. Yu Wai Yin, Vicky; and three independent non-executive Directors, namely Mr. Wan Kwok Pan, Mr. Sum Chun Ho and Mr. Lum Pak Sum.

This announcement, for which the Directors 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, 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 no 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.