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SATELLITE DEVICES CORPORATION

衛科創業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8172)

FURTHER DELAY IN DESPATCH OF CIRCULAR

The Company announces that the circular containing, among other things, further details of the (i) Loan Capitalisation; (ii) Proposed Capital Reorganisation; (iii) Proposed Open Offer; (iv) Proposed Acquisition; (v) letter of advice from the Independent Board Committee to the Independent Shareholders in respect of the Proposed Open Offer; (vi) letter of advice from the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of the Proposed Open Offer; and (vii) a notice of EGM will be further postponed pending, among other things, the preparation of business performance information and the financial report of HKR to be set out in the Circular so as to allow the Shareholders better understanding on the Proposed Acquisition and the prospect of the Company.

Given that additional time and effort are required for further analysis and compilation of, among other things, the abovementioned HKR's information to be set out in the Circular, the Directors consider that the despatch of the Circular has to be postponed and the Company has applied to the Stock Exchange for a waiver from the strict compliance with Rule 19.38 of the GEM Listing Rules by extending the despatch date of the Circular from 7 March 2006 to a date falling on or before 28 March 2006.

References are made to the announcements (the "Announcements") dated 25 November 2005, 19 December 2005 and 25 January 2006 made by Satellite Devices Corporation (the "Company"). Terms used herein shall bear the same respective meanings as those defined in the Announcements unless the context requires otherwise.

FURTHER DELAY IN DESPATCH OF CIRCULAR

In accordance with Rule 19.38 of the GEM Listing Rules, a circular of the Company (the "Circular") containing, among other things, further details of the (i) Loan Capitalisation; (ii) Proposed Capital Reorganisation; (iii) Proposed Open Offer; (iv) Proposed Acquisition; (v) letter of advice from the Independent Board Committee to the Independent Shareholders in respect of the Proposed Open

Offer; (vi) letter of advice from the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of the Proposed Open Offer; and (vii) a notice of EGM to be convened for the purpose of considering and, if thought fit, approving the Proposed Capital Reorganisation, the Proposed Open Offer and the Proposed Acquisition has to be despatched to the Shareholders within 21 days after the publication of the Company's initial announcement dated 25 November 2005, which is on or before 19 December 2005 and subsequently extended to a date falling on or before 7 March 2006.

Given that additional time and effort are required for further analysis and compilation of, among other things, the business performance and financial report of HKR to be set out in the Circular so as to allow the Shareholders better understanding on the Proposed Acquisition and the prospect of the Company, the Directors consider that the despatch of the Circular has to be postponed and the Company has applied to the Stock Exchange for a waiver from the strict compliance with Rule 19.38 of the GEM Listing Rules by extending the despatch date of the Circular from 7 March 2006 to a date falling on or before 28 March 2006.

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

7 March 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.