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SATELLITE DEVICES CORPORATION

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8172)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Satellite Devices Corporation (the "Company") will be held at 10:00 a.m. on Thursday, 20 April 2006 at Chater Room I, Function Room Level, The Ritz Carlton Hong Kong, 3 Connaught Road, Central, Hong Kong for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions:

SPECIAL RESOLUTION

- 1 (A) **"THAT** conditional upon (i) compliance with any conditions which the Grand Court of the Cayman Islands (the "Court") may impose, (ii) the confirmation of the Capital Reduction (as defined below) by the Court and the registration by the Registrar of Companies in the Cayman Islands of a copy of the court order confirming the Capital Reduction (as defined below) and the minutes approved by the Court containing the particulars required under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands; and (iii) the Listing Committee of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting the listing of, and permission to deal in, shares of HK\$0.01 each in the issued share capital of the Company upon the Capital Reduction (as defined below) the date on which becomes effective (the "**Effective Date**"):
 - (a) every five (5) issued and unissued shares of HK\$0.10 each in the share capital of the Company be consolidated into one (1) share of HK\$0.50 each (the "**Consolidated Share**") in the capital of the Company (the "**Share Consolidation**");

- (b) subject to and forthwith upon the Share Consolidation taking effect:
- (i) the issued share capital of the Company be reduced by cancelling paid-up capital to the extent of HK\$0.49 on each Consolidated Share in the capital of the Company in issue on the Effective Date (the “**Capital Reduction**”) so that each issued share in the capital of the Company shall be treated as one fully-paid up share of HK\$0.01 each in the capital of the Company (the “**New Share**”) and any liability of the holders of New Shares to make any further contribution to the capital of the Company on each such New Share shall be treated as satisfied, such New Shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company;
 - (ii) all factions of the New Shares to which holders of issued shares of HK\$0.50 each in the share capital of the Company would otherwise be entitled to be aggregated, sold and retained for the benefit of the Company; and
 - (iii) the authorised but unissued share capital of the Company shall be sub-divided by subdividing each of the authorised but unissued shares of HK\$0.50 each in the capital of the Company into fifty (50) new shares of HK\$0.01 each in the capital of the Company (the “**Subdivision**”);
- (c) subject to and forthwith upon the Capital Reduction being effective, the credit amount arising from the Capital Reduction be applied to a distributable reserve of the Company where it may be utilised by the directors of the Company in accordance with the articles of association of the Company and all applicable laws, including to eliminate the accumulated losses of the Company as at the Effective Date (the “**Application of Credit**”).”
- (B) “**THAT** the directors of the Company be and are hereby authorised generally to do all such acts, deeds and things as they shall, in their absolute discretion, deem appropriate to effect and implement the Capital Reduction, the Share Consolidation, the Subdivision and the Application of Credit, including but not limited to making an application to the Grand Court of the Cayman Islands for a court order confirming the Capital Reduction.”

ORDINARY RESOLUTIONS

- 2 (A) **“THAT** subject to the passing of special resolution numbered 1 set out in the notice convening this extraordinary general meeting and conditional upon:
- (a) the Capital Reduction, the Share Consolidation and the change in the board lot size having become effective (together the **“Capital Reorganisation”**);
 - (b) the signing by or on behalf of all of the directors of the Company (the **“Directors”**) of one printed copy of each of the Open Offer (as defined below) prospectus, the application form to be used for the application of the Offer Shares (as defined below) and the form of application for excess Offer Shares (as defined below) (together, the **“Prospectus Documents”**) and the certification by any two Directors (or by their agents);
 - (c) the passing of ordinary resolution numbered 3 set out in the notice convening this extraordinary general meeting;
 - (d) the delivery of the signed copy by all the Directors of each of the Prospectus Documents to Kingston Securities Limited (the **“Underwriter”**) on or before the date to be agreed between the Company and the Underwriter for the despatch of the Prospectus Documents (the **“Posting Date”**);
 - (e) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents each duly certified by any two Directors (or by their agents duly authorised in writing) in compliance with section 342C of the Companies Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies Ordinance and the GEM Listing Rules on or before the Posting Date;
 - (f) compliance by the Company with all its obligations under the underwriting agreement dated 10 October 2005 entered into between the Company and the Underwriter (the **“Underwriting Agreement”**) in respect of its offer of shares of HK\$0.10 each in the capital of the Company prior to the Share Consolidation and delivery of documents to the Underwriter;
 - (g) compliance with the relevant legal procedures and requirements under Cayman Islands laws, which include, among other things, the sanction of the Cayman Islands court, to effect the Capital Reduction;

- (h) the Listing Committee of the Stock Exchange (1) granting or agreeing to grant listing of, and permission to deal in, the Offer Shares (as defined below) either unconditionally or subject to such conditions which the Underwriter in its absolute opinion accepts and the satisfaction of such conditions (if any), and (2) not having been withdrawn or revoked such listing and permission before 4:00 p.m. on 2 March 2006, or such other time or date as the Underwriter may agree in writing with the Company as the last date for application of and payment for Offer Shares (as defined below) which is to be determined with reference to the timing of completion of the Capital Reorganisation;
- (i) the Underwriting Agreement not being terminated in accordance with its terms; and
- (j) the posting of the Prospectus Documents to the shareholders, (1) whose names appear on the register of members of the Company as at the close of business on the date by reference to which entitlements to the proposed issue of the Offer Shares (as defined below) by way of Open Offer (as defined below) will be determined, and (2) whose addresses as shown in the register of members are in Hong Kong (the “**Qualifying Shareholders**”),

the issue by way of open offer (the “**Open Offer**”) of 395,101,116 shares of HK\$0.01 each in the share capital of the Company upon the Capital Reorganisation (the “**Offer Shares**”) to the Qualifying Shareholders (excluding those Shareholders with registered addresses outside Hong Kong) for subscription on the basis of an assured allotment of three (3) offer shares for every one (1) share of HK\$0.01 held on such date as the Underwriter may agree in writing with the Company as the date and to be determined with reference to the time of completion of the Capital Reorganisation.”

- (B) “**THAT** the directors of the Company be and are hereby authorised generally to do all such acts, deeds and things as they shall, in their absolute discretion, deem appropriate to effect and implement the Open Offer.”

- 3 **“THAT** subject to the passing of special resolution numbered 1 set out in the notice convening this extraordinary general meeting:
- (A) the conditional sale and purchase agreement dated 10 October 2005 and made between the Company and Chung Chiu Limited (the **“Vendor”**) (a copy of which has been produced to this meeting marked **“A”** and initialled by the Chairman of this meeting for the purpose of identification) (the **“Agreement”**) pursuant to which the Company would, subject to the terms and conditions therein contained, acquire from the Vendor the entire issued share capital of Hip Kin Retailing Limited (the **“Transaction”**) for an aggregate consideration of HK\$80,000,000 (the **“Consideration”**) which is to be satisfied as follows: (i) as to HK\$40,000,000 in cash, or by the issue of a series of non-interest bearing, 3-year convertible notes in substantially the same form as that contained in Appendix C to the Agreement (the **“Convertible Notes”**) to the Vendor or as it may direct in writing, in lieu of part or all the cash consideration of HK\$40,000,000 subject to the terms and conditions; and (ii) as to the remaining balance of HK\$40,000,000 by the issue of Convertible Notes to the Vendor or as it may direct in writing, provided that the Convertible Notes shall not be convertible within the first six months form the date of its issuance, be and are hereby ratified, confirmed and approved;
 - (B) the Transaction contemplated in the Agreement be and is hereby approved;
 - (C) the directors of the Company be and are hereby authorised actions to implement and give effect to the proposals, arrangements, terms and transactions contemplated in the Transaction, the Agreement, and to do all acts and things and to execute all documents, instruments and agreements which may in their opinion be necessary or desirable for the purpose of implementing and giving effect to the Transaction and the Agreement.”
- 4 **“THAT** subject to the passing of ordinary resolution numbered 3 set out in the notice convening this extraordinary general meeting, the directors of the Company be and are hereby authorised to issue the Convertible Notes and allot and issue shares of the Company to the holder of the Convertible Notes or as it may direct upon the exercise of the conversion rights under the Convertible Notes on and subject to the terms and conditions of the Agreement

By the Order of the Board
Leung Tak Wah
Executive Director

Hong Kong, 27 March 2006

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Notes:

1. Any member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company but must be present in person to represent the member.
2. Where there are joint registered holders of any Share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such Shares as if he is solely entitled thereto, but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members in respect of such Share shall alone be entitled to vote in respect thereof.
3. The form of proxy and power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be delivered to the office of Computershare Hong Kong Investor Services Ltd. of 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be) and in default the form of proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should they so wish. If a member who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.

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.