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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Satellite Devices Corporation, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



SATELLITE DEVICES CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8172)

**NOTICE OF ANNUAL GENERAL MEETING
AND
PROPOSED GENERAL MANDATES TO REPURCHASE SHARES
AND
ISSUE NEW SHARES
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

This circular, for which the directors of Satellite Devices Corporation collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Satellite Devices Corporation. The directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief:– 1. the information contained in this circular 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 circular misleading; and 3. all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

A notice of the annual general meeting of Satellite Devices Corporation to be held at 10:00 a.m. on 26 July 2004 is set out on pages 8 to 17 of this circular. Whether you are able to attend or not, please complete and return the enclosed form of proxy to Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not later than 5:00 p.m. on 21 July 2004. The completion and delivery of a form of proxy will not preclude you from attending and voting at the annual general meeting in person.

This circular will remain on the GEM Website on the “Latest Company Announcement” page for at least 7 days from the date of this posting and will also remain on the Company’s website at “www.satellite-devices.com” for the same date.

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.



SATELLITE DEVICES CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8172)

Board of directors

Executive Directors:

Tsoi Siu Ching, Leo

Ku Ngai

Independent non-executive Directors:

Liu Kwong Sang

Chan Chi Tong

*Head Office and Principal Place
of business in Hong Kong:*

Unit 5, 20/F

Jupiter Tower

No. 9 Jupiter Street, North Point

Hong Kong

Registered office:

Ugland House

P.O. Box 309

George Town

Grand Cayman

Cayman Islands

To shareholders of the Company

and, for information only, options holders

30 June 2004

Dear Sir and Madam,

**NOTICE OF ANNUAL GENERAL MEETING
AND
PROPOSED GENERAL MANDATES TO REPURCHASE SHARES
AND
ISSUE NEW SHARES
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the annual general meeting (the "AGM") of the Company to be held at 10:00 a.m. on 26 July 2004.

BACKGROUND

On 22 July 2003 resolutions were passed by the then shareholders of the Company granting general unconditional mandates to the directors of the Company to exercise the powers of the Company to:

LETTER FROM THE CHAIRMAN

- (a) allot, issue and deal with shares in the capital of the Company not exceeding 20 per cent. of the aggregate nominal value of the share capital of the Company in issue as at the date of the resolution;
- (b) repurchase shares of the Company not exceeding 10 per cent. of the aggregate nominal value of the shares of the Company in issue as at the date of resolution; and
- (c) add to the general mandate for issuing shares set out in paragraph (a) above the number of shares repurchased by the Company pursuant to the repurchase mandate set out in paragraph (b) above.

The above general mandates will expire at the conclusion of the AGM and the purpose of this circular is to request your approval to renew the general mandates as referred to below.

The Directors would also like to seek shareholders' approval of the proposed amendments to the Articles of Association of the Company ("Articles").

PROPOSED GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, it will be proposed, by way of an ordinary resolution, that the directors of the Company be given a general and unconditional mandate to exercise all powers of the Company to repurchase on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") shares in the Company up to a maximum of 10 per cent. of the shares of the Company in issue at the date of passing the ordinary resolution (the "Repurchase Mandate").

The Repurchase Mandate, if approved, will continue in force until the conclusion of the next annual general meeting of the Company or until revoked or varied by ordinary resolution of shareholders in general meeting prior to the next annual general meeting, whichever occurs first.

The Company may only repurchase its shares on GEM if:

- (i) the shares proposed to be repurchased by the Company are fully paid up;
- (ii) the Company has previously sent to its shareholders the explanatory statement set out in the schedule to this letter; and
- (iii) the shareholders of the Company have in general meeting approved in Repurchase Mandate and the relevant documents in connection therewith have been delivered to the Stock Exchange.

An explanatory statement containing information relating to the Repurchase Mandate and as required pursuant to the Rules Governing the Listing of Securities on GEM of the Stock Exchange, in particular Rule 13.08, is set out in the schedule to this letter. This explanatory statement provides you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

LETTER FROM THE CHAIRMAN

PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

At the AGM, it will also be proposed, by way of ordinary resolution, that the directors of the Company be given a general and unconditional mandate to exercise all powers of the Company to issue new shares in the Company up to 20 per cent. of the aggregate nominal value of the issued share capital of the Company on the date of the passing of the ordinary resolution (“New Issue Mandate”). In addition, it is further proposed, by way of a separate ordinary resolution, that the New Issue Mandate be extended so that the directors of the Company be given a general mandate to issue further shares in the Company of an aggregate nominal value equal to the aggregate nominal value of the share capital of the Company repurchased under the Repurchase Mandate. Any issue of new shares in the Company is subject to approval from the Stock Exchange for the listing of and permission to deal in such new shares.

PROPOSED AMENDMENTS TO THE ARTICLES

In view of certain amendments made to the Rules Governing the Listing on the GEM of the Stock Exchange (“GEM Listing Rules”) relating to corporate governance issues which become effective on 31 March 2004 subject to certain transitional arrangements, the board of Directors (“Board”) proposes to the Shareholders for approval of certain amendments to the Articles including, inter alia, the following provisions:

- (a) the period for lodgement by shareholders of the notice to nominate a director shall be 7 days commencing from the date immediately after the despatch of the notice of meeting appointed for such election;
- (b) subject to such exceptions specified in the Articles, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting; and
- (c) where any Shareholder is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting for or against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

The Board also proposes to clarify the right to demand a poll by restating certain provisions contained in the Articles.

In addition, the Board also propose that the new memorandum and articles of association of the Company, consolidating all changes previously adopted by the Company and all the changes to be passed by the shareholders of the Company at the AGM, be adopted in replacement of the memorandum and the Articles with effect from the date of passing of the relevant special resolution.

Details of the proposed amendments to the Articles are set out in special resolution in the Notice of Annual General Meeting set out on pages 10 to 17 of this circular.

LETTER FROM THE CHAIRMAN

THE AGM

The following are the details of the AGM:

Date: 26 July 2004

Time: 10:00 a.m.

Venue: Grand Royal Club, Opal Hall
Level 6, Tower 2, Metroplaza
223 Hing Fong Road, Kwai Fong
New Territories, Hong Kong

The notice convening the AGM is set out on page 8 to 17 of this circular. Resolutions nos. 4 to 6 as set out in the notice of AGM relate to the general mandates and will be proposed as ordinary resolutions at the AGM for your consideration and approval. A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not later than 5:00 p.m. on 21 July 2004. The completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person.

RECOMMENDATION

The directors of the Company consider that the granting of the general mandates referred to in this circular are in the best interests of the Company and its shareholders and so recommend shareholders to vote in favour of the resolutions at the AGM.

Yours faithfully,
Tsoi Siu Ching, Leo
Chairman

EXPLANATORY STATEMENT

The following is the explanatory statement required to be sent to shareholders pursuant to Rule 13.08 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”) in connection with the proposed Repurchase Mandate which, if approved, would authorize directors of the Company to repurchase shares of HK\$0.10 each (“Shares”) in the Company.

(a) Number of Shares which may be repurchased

Exercise in full of the Repurchase Mandate, on the basis of 590,916,000 Shares in issue as at 28 June 2004 (being the latest practicable date (the “Latest Practicable Date”) for ascertaining certain information prior to the printing of this circular), would result in 59,091,600 Shares being repurchased by the Company during the period prior to the next annual general meeting of the Company following the passing of the resolution approving the Repurchase Mandate.

(b) Reasons for proposed repurchase of Shares

The directors of the Company (“Directors”) believe that it is in the interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to repurchase Shares on GEM. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that such purchases will benefit the Company and its shareholders.

(c) Source of funds

In repurchase Shares, the Company may only apply funds legally available for such purpose in accordance with its articles of association and the laws of the Cayman Islands.

(d) Effect of exercising the Repurchase Mandate

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 March 2004) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which, in the opinion of the Directors, are from time to time appropriate of the Company.

(e) Who may sell Shares in the event the Repurchase Mandate is exercised

No connected person (as defined in GEM Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company or has undertaken not to do so in the event that the Repurchase Mandate is approved by the shareholders.

SCHEDULE

No directors or any associates of the directors, and to the best of the knowledge of the directors having made all reasonable enquiries, who have a present intention, in the event that the proposal is approved by shareholders, to sell shares to the Company, or an appropriate negative statement.

(f) Directors' undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

(g) The Hong Kong Code on Takeovers and Mergers

If, as a result of a repurchase of Shares, pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Code"). As a result, a shareholder, or a group of shareholders acting in concert (within that term's meaning under the Code), depending on the level of increase in the shareholders interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Code.

As at the Latest Practicable Date, Arcon Solutions (BVI) Limited, held approximately 65.64 per cent. (i.e. 387,888,000 shares) of the issued Shares. Arcon Solutions (BVI) Limited is 100 per cent. owned by Arcontech Corporation which is, in turn owned by Upgrade Technology Limited as to 57.61 per cent. as at the Latest Practicable Date. Mr. Tsoi Siu Ching, Leo, the chairman and an executive director of the Company wholly and beneficially owns Upgrade Technology Limited. As at the Latest Practicable Date, the Directors are not aware of any consequences for any of Mr. Tsoi Siu Ching, Leo, Upgrade Technology Limited, Arcontech Corporation or Arcon Solutions (BVI) Limited under the Code as a result, solely, of the Directors exercising the Repurchase Mandate in full. Arcon Solution (BVI) Limited will hold 72.94% of the Company if the Directors exercised the Repurchase Mandate in full. The minimum public float required under GEM Listing Rules is still maintained upon the Repurchase Mandate in full.

(h) No purchases of Shares by the Company

The Company has not purchased any Shares in the previous six months preceding the Latest Practicable Date.

SCHEDULE

(i) Shares prices

The highest and lowest prices at which the Shares were traded on GEM during each of the calendar months since 1 April 2003 were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2003		
April	0.055	0.028
May	0.047	0.025
June	0.058	0.040
July	0.056	0.030
August	0.044	0.020
September	0.033	0.022
October	0.033	0.024
November	0.036	0.028
December	0.035	0.021
2004		
January	0.032	0.020
February	0.034	0.026
March	0.033	0.020
April	0.035	0.020
May	0.034	0.020
June (Up to the Latest Practicable Date)	0.030	0.020



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NOTICE IS HEREBY GIVEN that the Annual General meeting of the members of Satellite Devices Corporation (the “Company”) will be held at Grand Royal Club, Opal Hall, Level 6, Tower 2, Metroplaza, 223 Hing Fong Road, Kwai Fong, New Territories, Hong Kong on 26 July 2004 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 March 2004.
2. To re-elect the retiring director and to authorize the board of directors to fix remuneration of all directors.
3. To re-appoint auditors of the Company and to authorize the board of directors to fix their remuneration.
4. To consider as special business, and if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

THAT:

- (A) subject to paragraph (C) of this resolution, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”), the exercise by the directors of the Company during the Relevant Period (as hereafter defined) of all the powers of the Company to allot, issue and deal with (otherwise than by way of rights issue or pursuant to the exercise of options granted under any of the Company’s share option schemes or any scrip dividend scheme or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the articles of association of the Company from time to time) additional shares in the share capital of the Company and to make or grant any offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution shall be in addition to any other authorization given to the directors and shall authorize the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant any offers, agreements and options which would or might require the exercise of such powers either during or after the end of the Relevant Period (as hereinafter defined);

NOTICE OF ANNUAL GENERAL MEETING

- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (A) above shall not exceed 20 per cent. of the aggregate nominal value of the issued share capital of the Company at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (D) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

“rights issue” means the allotment or issue of shares in the Company or other securities which would or might enquire shares to be allotted and issued pursuant to an offer made to all shareholders of the Company (excluding for such purpose any shareholder who is resident in a place where such offer is not permitted under the laws of that place) and, where appropriate, the holders of other equity securities of the Company entitled to such offer, pro rata (apart from fractional entitlements) to their existing holdings of shares or such other equity securities.

- 5. To consider as special business, and if though fit, pass, with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (A) subject to paragraph (B) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined in resolution 5(D) set out in the Notice of this Meeting) of all powers of the Company to repurchase the issued shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which shares in the capital of the Company may be listed and which is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the GEM Listing Rules or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved; and

NOTICE OF ANNUAL GENERAL MEETING

(B) the aggregate nominal amount of shares of the Company which the Company is authorized to repurchase pursuant to the approval in paragraph (A) of this resolution during the Relevant Period (as defined in resolution 5(D) set out in the Notice of this Meeting) shall not exceed 10 per cent. of the aggregate nominal value of the issued share capital of the Company at the date of the passing of this resolution, and the said approval shall be limited accordingly.”

6. To consider as special business, and if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of resolution Nos. 4 and 5 (as set out in the Notice of this Meeting), the unconditional general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with shares of the Company pursuant to resolution No.4 (as set out in the Notice of this Meeting) be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by directors of the Company pursuant to such unconditional general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution No. 5 (as set out in the Notice of this Meeting), provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal value of the issued share capital of the Company at the date of passing this resolution.”

7. To consider as special business, and if thought fit, pass, with or without amendments, the following resolution as special resolution:

(A) “THAT the Articles of Association of the Company be amended as follows:

(a) amending Article 2 as follows:

(i) By inserting the following new definition of “associate” in Article 2:

““associate” the meaning attributed to it in the rules of the Designated Stock Exchange.”

(ii) By deleting from the definition of “clearing house” in Article 2, the words “a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong or”

(iii) By adding the following words at the end of clause (e) of Article 2:

“, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document and the Member’s election comply with all applicable Statutes, rules and regulations”

NOTICE OF ANNUAL GENERAL MEETING

(iv) By adding the following new clause (h) to Article 2:

“(h) reference to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”

(b) amending Article 76 as follows:

(i) By re-numbering existing Article 76 as Article 76(1);

(ii) By inserting the following as new Article 76(2):

“(2) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

(c) By deleting the existing Article 88 in its entirety and replacing therewith the following new Article 88:

“88. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

- (d) By deleting the existing Article 103 in its entirety and replacing therewith the following new Article 103:

“103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director and/or his associate(s) is/are beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived); or
 - (vi) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.
- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.
- (3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.

NOTICE OF ANNUAL GENERAL MEETING

(4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.”

(e) By deleting the letter “A” at the beginning of Article 152 and replacing it with the following words “Subject to Article 152A,”

(f) By adding the following as Article 152A:

“152A Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 152 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company’s annual financial statement and the directors’ report thereon.”

(g) By adding the following as Article 152B:

“152B The requirement to send to a person referred to in Article 152 the documents referred to in that article or a summary financial report in accordance with Article 152A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 152

NOTICE OF ANNUAL GENERAL MEETING

and, if applicable, a summary financial report complying with Article 152A, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents."

- (h) By deleting Article 159 in its entirety and replacing it with the following:

"159 Any Notice or document (including any "corporate communication" within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders."

- (i) By deleting Article 160 in its entirety and replacing it with the following:

"160 Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving

NOTICE OF ANNUAL GENERAL MEETING

such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;

- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;
 - (c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
 - (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations."
- (B) THAT the new memorandum and articles of association of the Company, consolidating all changes previously adopted by the Company and all of the changes referred to in part (A) above, a copy of which has been produced to this meeting marked "A", be and is hereby adopted with immediate effect in replacement of the existing memorandum and articles of association of the Company."

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

Hong Kong, 30 June 2004

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. To be valid, the instrument appointing a proxy and (if required by the board of directors) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 5:00 p.m. on 21 July 2004.
3. Delivery of an instrument appointing a proxy will not preclude a member from attending and voting in person at the meeting if the member so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.

As at the date of this announcement, the board of directors of the Company comprises two executive directors, namely Messrs, Tsoi Sin Ching, Leo and Ku Ngai; and two independent non-executive directors, namely Messrs. Liu Kwong Sang and Chan Chi Tong.

This notice will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting.

This notice will also be posted on the website of the company at www.satellite-devices.com from the date of its posting.