

**ARCONTECH CORPORATION AND SATELLITE DEVICES CORPORATION:
THE WALLS ARE CRUMBLING FOR CHAIRMAN LEO TSOI SIU CHING**

With just a fortnight to go before a High Court Judge of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) will make a determination as to whether or not [Arcontech Corporation](#) should be permitted to continue to trade, ICEA Capital Ltd, a merchant banker of the HKSAR, has put in its oar, stirring up the muddy waters of this publicly listed company, claiming \$HK511,475.41 from Arcontech's 65.64-percent publicly listed subsidiary.

ICEA Capital has filed a Writ in the District Court of the HKSAR, alleging that [Satellite Devices Corporation](#) (Code: 8172, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) has owed it \$HK300,000 since March 31, 2003 and another \$HK211,475.41 since August 8, 2003.

The money is owed in respect of services, rendered by ICEA with reference to its duties to Satellite Devices as its Sponsor for the period, October 1, 2002, to August 7, 2003.

According to The Rules, Governing the Listing of Securities on The GEM, all applicant companies are required to appoint a Sponsor in order to ensure, inter alia, that there is compliance with The Listing Rules of The GEM for a period of about 3 years, at least.

On March 11, 2002, ICEA alleges, in its Statement of Claim, attached to its Writ of Summons, Number 1283, that it was appointed Sponsor of Satellite Devices *'to provide the Defendant (Satellite Devices) with inter alia professional advice and guidance on issues relating to the continuous compliance with the GEM Listing Rules ...'* (Paragraph 6.(a))

The agreement between ICEA and Satellite Devices was terminated by mutual agreement on August 8, 2003, it is stated at Paragraph 7.

But ICEA, now, alleges that it has not been fully paid for its services; it wants its money.

On August 13, 2003, according to **TOLFIN** (the Computerised Online Financial Intelligence Service and Credit-Checking Provider), Satellite Devices announced that it had dispensed of the services ICEA Capital Ltd as its Continuing Sponsor *'due to cost consideration'* with effect from August 8, 2003.

A little more than 2 months prior to this announcement, Satellite Devices announced that Messrs **PricewaterhouseCoopers** (PwC) had resigned as one of the Joint Auditors of the company and its subsidiaries with effect from May 21, 2003, *'due to the fact that PwC and the Board (of Directors of Satellite Devices Corporation) could not reach a consensus on the audit fees for the year ended 31 March 2003.'*

Since becoming a fully fledged member of The GEM, Satellite Devices has sunk deeper and deeper into the smelly stuff, having lost money, consistently.

In the 2002 Financial Year, ended March 31, 2003, the company reported a Loss Attributable to Shareholders of about \$HK4.93 million.

The following Year, the company ... [CLICK TO ORDER FULL ARTICLE](#)

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