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SATELLITE DEVICES CORPORATION
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8172)

EFFECTIVE DATE OF THE CAPITAL REORGANISATION

The Board is pleased to announce that the order for the Capital Reduction has been granted by the Grand Court of the Cayman Islands on 16 June 2006. Copies of the court order and the minutes containing the particulars required under the Companies Law were filed and duly registered with the Registrar of Companies in the Cayman Islands on 22 June 2006.

Accordingly, all the conditions precedent for the implementation of the Capital Reorganisation have been fulfilled and the Capital Reorganisation has become effective on 22 June 2006.

Reference is made to the announcements dated 25 November 2005 and 20 June 2006 (the "Announcements") and the circular dated 27 March 2006 (the "Circular") issued by the Company. Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular.

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Accordingly, all the conditions precedent for the implementation of the Capital Reorganisation have been fulfilled and the Capital Reorganisation has become effective on 22 June 2006.

Please refer to the Announcements and the Circular for the timetable and the details of the arrangement proposed for dealings in the New Shares.

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

22 June 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 circular 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.