



Delta Networks, Inc.

達創科技股份有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 722)

**CLARIFICATION ANNOUNCEMENT
UNAUDITED QUARTERLY RESULTS FOR THE
THREE MONTH ENDED 31 MARCH 2008**

Reference is made to the announcement of Delta Networks, Inc. (the “Company”) dated 21 May 2008 (the “Announcement”) in relation to the unaudited quarterly results of the Company and its subsidiaries for the three months ended 31 March 2008.

The Company wishes to clarify that due to editing errors, the unaudited condensed consolidated statement of changes in equity contained in the Announcement, as shown in table 1 below, should be read as table 2 below.

Table 1**The original unaudited condensed consolidated statement of changes in equity as shown in the Announcement**

	Attributable to equity holders of the Company						US\$'000		
	Share Capital	Retained Earnings	Contributed Reserves	Statutory Reserves	Share-based Payment Reserves	Share Premium	Subtotal	Minority	Total
Balance at 1 January 2007	<u>41,880</u>	<u>36,754</u>	<u>17,274</u>	<u>3,907</u>	<u>5,174</u>	—	<u>104,989</u>	<u>190</u>	<u>105,179</u>
Profit for the period	—	5,005	—	—	—	—	5,005	37	5,042
MSSS scheme reward	—	—	—	—	867	—	867	—	867
EIS reward	—	—	—	—	2,301	—	6,789	—	6,789
Share-based payment settled in Parent shares without recharge	—	—	4,062	—	(4,062)	—	—	—	—
Replacement of employee incentive scheme award with ultimate holding company's shares	—	—	4,488	—	—	—	—	—	—
Balance at 31 March 2007	<u>41,880</u>	<u>41,759</u>	<u>25,824</u>	<u>3,907</u>	<u>4,280</u>	—	<u>117,650</u>	<u>227</u>	<u>117,877</u>
Balance at 1 January 2008	<u>59,840</u>	<u>66,158</u>	<u>30,697</u>	<u>5,859</u>	<u>7,009</u>	<u>117,024</u>	<u>286,587</u>	<u>287</u>	<u>286,874</u>
Profit for the period	—	7,429	—	—	—	—	7,429	(25)	7,404
MSSS scheme reward	—	—	—	—	467	—	467	—	467
EIS reward	—	—	—	—	2,290	—	3	—	3
EIS payment	—	—	—	—	(2,287)	—	—	—	—
Balance at 31 March 2008	<u>59,840</u>	<u>73,587</u>	<u>30,697</u>	<u>5,859</u>	<u>7,479</u>	<u>117,024</u>	<u>294,486</u>	<u>262</u>	<u>294,748</u>

Table 2**The revised unaudited condensed consolidated statement of changes in equity**

	Attributable to equity holders of the Company						US\$'000		
	Share Capital	Retained Earnings	Contributed Reserves	Statutory Reserves	Share-based Payment Reserves	Share Premium	Subtotal	Minority	Total
Balance at 1 January 2007	<u>41,880</u>	<u>36,754</u>	<u>17,274</u>	<u>3,907</u>	<u>5,174</u>	—	<u>104,989</u>	<u>190</u>	<u>105,179</u>
Profit for the period	—	5,005	—	—	—	—	5,005	37	5,042
MSSS scheme reward	—	—	—	—	867	—	867	—	867
EIS reward	—	—	—	—	2,301	—	2,301	—	2,301
Share-based payment settled in Parent shares without recharge	—	—	4,488	—	—	—	4,488	—	4,488
Replacement of employee incentive scheme award with ultimate holding company's shares	—	—	<u>4,062</u>	—	<u>(4,062)</u>	—	—	—	—
Balance at 31 March 2007	<u>41,880</u>	<u>41,759</u>	<u>25,824</u>	<u>3,907</u>	<u>4,280</u>	—	<u>117,650</u>	<u>227</u>	<u>117,877</u>
Balance at 1 January 2008	<u>59,840</u>	<u>66,158</u>	<u>30,697</u>	<u>5,859</u>	<u>7,009</u>	<u>117,024</u>	<u>286,587</u>	<u>287</u>	<u>286,874</u>
Profit for the period	—	7,429	—	—	—	—	7,429	(25)	7,404
MSSS scheme reward	—	—	—	—	467	—	467	—	467
EIS reward	—	—	—	—	2,290	—	2,290	—	2,290
EIS payment	—	—	—	—	<u>(2,287)</u>	—	<u>(2,287)</u>	—	<u>(2,287)</u>
Balance at 31 March 2008	<u>59,840</u>	<u>73,587</u>	<u>30,697</u>	<u>5,859</u>	<u>7,479</u>	<u>117,024</u>	<u>294,486</u>	<u>262</u>	<u>294,748</u>

By order of the Board
Delta Networks, Inc.
LIANG Ker Uon, Sam
Chairman

Taipei, Taiwan, 23 May 2008

As at the date of this announcement, the executive directors of the Company are Mr. LIANG Ker Uon, Sam and Mr. CHENG An, Victor; the non-executive directors of the Company are Mr. CHENG Chung Hua, Bruce and Mr. HAI Ing-Jiunn, Yancey; and the independent non-executive directors of the Company are Mr. ZUE Wai To, Victor, Mr. LIU Chung Laung and Mr. SHEN Bing.

**For identification purposes only*