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DELTA NETWORKS HOLDING LIMITED
(Incorporated in the Cayman Islands with limited liability)

Delta Networks, Inc.
達創科技股份有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 722)

JOINT ANNOUNCEMENT
PROPOSED PRIVATISATION
OF
DELTA NETWORKS, INC.
BY
DELTA NETWORKS HOLDING LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document was despatched to the Shareholders on Friday, 15 May 2009.

The respective notices of the Court Meeting and the EGM to be held on Thursday, 11 June 2009 are set out in the Scheme Document.

Independent Shareholders and MS Participants should consider carefully the recommendations of the IBC and the factors, reasons and recommendations relating to the Proposal as set out in the IFA Letter before making a decision on the Proposal.

Shareholders, MS Participants and investors should note that the implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable. Therefore, the Proposal may or may not become effective. Shareholders and investors should exercise caution when dealing in the Shares.

INTRODUCTION

Reference is made to the joint announcement made on 12 March 2009 by Delta Networks, Inc. (the “**Company**”) and Delta Networks Holding Limited (the “**Offeror**”) regarding the proposed privatisation of the Company by the Offeror. Reference is also made to the announcement dated 2 April 2009 issued jointly by the Company and the Offeror in relation to the delay in despatch of the Scheme Document.

Unless the context otherwise requires, terms defined in the Scheme Document have the same meanings when used in this announcement.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document was despatched to the Shareholders on Friday, 15 May 2009.

The Scheme Document contains, among other things, the Board Letter, the IBC Letter, the IFA Letter, the Explanatory Statement in relation to the Scheme, the expected timetable relating to the Proposal and the notices of the Court Meeting and the EGM.

RECOMMENDATIONS OF THE IBC AND THE IFA

The IBC was established to make a recommendation to the Independent Shareholders and the MS Participants in relation to the Proposal and the IFA was appointed as the independent financial adviser to advise the IBC in respect of the Proposal.

The advice of the IFA and the recommendations of the IBC are set out in the Scheme Document.

Independent Shareholders and MS Participants should consider carefully the recommendations of the IBC and the factors, reasons and recommendations in relation to the Proposal as set out in the IFA Letter before making a decision on the Proposal.

MEETINGS

The Court Meeting and the EGM will be held at 11:00 am and 11:30 am (or, in the case of the EGM, immediately after the conclusion or adjournment of the Court Meeting) respectively on Thursday, 11 June 2009, at Beijing Suite I, 3/F, Marco Polo Prince Hotel, Harbour City, 23 Canton Road, Kowloon, Hong Kong.

Notices of those meetings are set out in the Scheme Document. For the purpose of those meetings, dealing in the Shares are expected to be suspended from 9:30 am on Thursday, 11 June 2009 until the release of the results of those meetings, which is expected to be no later than 7:00 pm on the same day.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Scheme Shareholders to attend (and the Independent Shareholders to vote at) the Court Meeting and the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 9 June 2009 to Thursday, 11 June 2009 (both days inclusive) and, during such period, no transfer of Shares will be effected.

In order to qualify to vote at the Court Meeting and the EGM, all duly completed transfers of Shares (accompanied by the relevant share certificates) must be lodged with the Company's branch share registrar in Hong Kong (being Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong) by not later than 4:30 pm on Monday, 8 June 2009.

If the resolutions to be proposed at the Court Meeting and the EGM are duly approved by the requisite majority of Independent Shareholders attending and voting at the Court Meeting (and the requisite majority of Shareholders attending and voting at the EGM), the latest time for dealing in the Shares on the Stock Exchange is expected to be 4:00 pm on Friday, 10 July 2009.

The Record Date for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme is expected to be Thursday, 16 July 2009. For that purpose, the register of members of the Company will be closed from Thursday, 16 July 2009 to Friday, 17 July 2009 (both days inclusive) and, during such period, no transfer of Shares will be effected.

To qualify for entitlements under the Scheme, all duly completed transfers of Shares (accompanied by the relevant share certificates) must be lodged with the Company's branch share registrar in Hong Kong (being Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong) by not later than 4:30 pm on Wednesday, 15 July 2009.

MS OFFER

The Offeror and the Company have, by the MS Notice, made the MS Offer to the MS Participants for their agreement to cancel their outstanding MS Awards. The MS Offer is conditional upon the Scheme becoming effective.

The MS Participants should consider carefully the information set out in the MS Notice and the MS Acceptance Form, which are enclosed with the Scheme Document to them. The MS Participants who wish to accept the MS Offer need to return the completed and signed MS Acceptance Form to the Company before the MS Cut-Off Time (ie, 4:00 pm on Friday, 31 July 2009, or such later date and time as may be notified to the MS Participants by the Company and the Offeror).

CONDITIONS OF THE PROPOSAL

Shareholders, MS Participants and investors should note that the implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable. Therefore, the Proposal may or may not become effective. Shareholders and investors should exercise caution when dealing in the Shares.

Subject to all the Conditions being fulfilled or waived, as applicable, the Scheme is expected to become effective on or before Friday, 31 July 2009. Details of the Conditions are set out in the Explanatory Statement. The Scheme will lapse if it does not become effective on or before the Long Stop Date (ie, 18 August 2009, or such later date as the Company and the Offeror may agree in writing or as the Court on application of the Offeror or the Company may allow).

Shareholders, MS Participants and investors are also reminded that the listing of the Shares on the Stock Exchange will be withdrawn if the Scheme becomes effective. If the Scheme is withdrawn or not approved or lapses, the Shares will remain listed on the Stock Exchange.

EXPECTED TIMETABLE

Hong Kong time
(unless otherwise stated)

Latest time for lodging transfers of the Shares
in order to qualify for attending and voting
at the Court Meeting and the EGM4:30 pm on Monday, 8 June 2009

Register of members of the Company closed
for determination of entitlements of the
relevant Shareholders to attend and vote
at the Court Meeting and at the EGM^(Note 1)Tuesday, 9 June 2009 to
Thursday, 11 June 2009
(both days inclusive)

Latest time for lodging forms of proxy
with the Share Registrar in respect of the:

Court Meeting ^(Note 2)11:00 am on Tuesday, 9 June 2009

EGM ^(Note 2)11:30 am on Tuesday, 9 June 2009

Suspension of dealing in the Shares9:30 am on Thursday, 11 June 2009

Court Meeting ^(Note 3)11:00 am on Thursday, 11 June 2009

EGM ^(Note 3)11:30 am on Thursday, 11 June 2009
(or immediately after the conclusion or
adjournment of the Court Meeting)

Announcement of the results
of the Court Meeting and the EGM
published on the website of the
Stock Exchange and the website
of the Companyno later than 7:00 pm
on Thursday, 11 June 2009

Resumption of dealing in the Shares9:30 am on Friday, 12 June 2009

Grand Court's hearing of the Company's
summons for directions in
respect of the Reduction ^(Note 4)Thursday, 18 June 2009

Latest time for dealing in the Shares4:00 pm on Friday, 10 July 2009

Grand Court Hearing ^(Note 4)Friday, 10 July 2009

Suspension of dealing in the
Shares pending withdrawal of
listing on the Stock Exchange9:30 am on Monday, 13 July 2009

Announcement of: (1) the results
of the Grand Court Hearing;
(2) the Effective Date;
and (3) the withdrawal of listing
of the Company from
the Stock Exchangeno later than 7:00 pm
on Monday, 13 July 2009

Latest time for lodging transfers
of the Shares to qualify for
entitlements under the Scheme4:30 pm on Wednesday, 15 July 2009

Register of members of the Company
closed for determination of the
Scheme Shareholders who are
qualified for entitlements
under the SchemeThursday, 16 July 2009 to
Friday, 17 July 2009
(both days inclusive)

Record Time4:00 pm on Thursday, 16 July 2009

Effective Date ^(Notes 4 & 5)Thursday, 16 July 2009

Withdrawal of the listing of the Shares
on the Stock Exchange9:30 am on Friday, 17 July 2009

Cheques for the Cancellation Consideration
under the Scheme to be despatched
on or before ^(Note 6)Friday, 24 July 2009

Latest time to complete and return the
MS Acceptance Form
by the MS Participants ^(Note 7)4:00 pm on Friday, 31 July 2009

Cheques for the MS Amount and
the Refund Amount under the
MS Offer to be despatched
on or before ^(Note 8)Monday, 10 August 2009

Shareholders, MS Participants and investors should note that the timetable is subject to change. A further announcement will be made in the event that there is any material change to the expected timetable.

Notes:

- (1) The closure of the register of members of the Company during this period is not for the purpose of determining entitlements under the Scheme. Instead, it is for the purpose of determining entitlements of the relevant Shareholders to attend and vote at the Court Meeting and the EGM.

- (2) The Proxy Forms are to be completed and signed in accordance with the instructions printed on them and then submitted in accordance with the terms set out under the paragraph headed “Actions to be Taken” in the section headed “Important Notice” on page 1 of the Scheme Document.
- (3) The Court Meeting and the EGM will be held at Beijing Suite I, 3/F, Marco Polo Prince Hotel, Harbour City, 23 Canton Road, Kowloon, Hong Kong at the times and dates specified above, details of which are set out in the Notice of the Court Meeting and the Notice of the EGM.
- (4) All references in this announcement to times and dates are references to Hong Kong times and dates, other than references to the expected dates of: (a) the Grand Court’s hearing of the Company’s summons for directions in respect of the Reduction; (b) the Grand Court Hearing; and (c) the Effective Date, which are the relevant dates in the Cayman Islands. Cayman Islands time is 13 hours behind Hong Kong time.
- (5) The Scheme will become effective upon all the Conditions having been satisfied or waived, as applicable.
- (6) The cheques to the Scheme Shareholders for the Cancellation Consideration will be despatched by post within 10 days after the Effective Date. For further details, please refer to paragraph 17 headed “Registration and Payment” in the Explanatory Statement.
- (7) The MS Participants who wish to accept the MS Offer must return the signed MS Acceptance Form to the Company before the MS Cut-Off Time. For further details, please refer to paragraph 22 headed “Actions to be Taken” in the Explanatory Statement.
- (8) The cheques to the MS Participants for the MS Amount and the Refund Amount will be despatched by post on or before the date which is 10 days after the expiry of the MS Offer Period. For further details, please refer to paragraph 17 headed “Registration and Payment” in the Explanatory Statement.

OVERSEAS SHAREHOLDERS AND OVERSEAS MS PARTICIPANTS

The Scheme Document has been prepared for the purpose of complying with the applicable laws, rules and regulations of the Cayman Islands and Hong Kong, and the information disclosed in the Scheme Document may not be the same as that which would have been disclosed if the Scheme Document has been prepared in accordance with the laws of any other jurisdiction.

The Scheme Document does not constitute an offer or invitation to sell, purchase, subscribe for or issue any securities (or the solicitation of an offer to buy or subscribe for securities) pursuant to the Scheme Document or otherwise in any jurisdiction in which such offer, invitation or solicitation is unlawful.

The distribution of the Scheme Document and the making of the Proposal to and acceptance of the Proposal by persons not resident in Hong Kong may be subject to the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Shareholders and any overseas MS Participants wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with such acceptance (including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities) and the payment of any issue, transfer or other taxes due in any such jurisdiction.

Any acceptance by such overseas Shareholders and overseas MS Participants will be deemed to constitute a representation and warranty from such persons to the Company and the Offeror that those local laws and requirements have been complied with.

By order of the board of
Delta Networks Holding Limited
CHENG An, Victor
Director

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

Taipei, Taiwan, 15 May 2009

As at the date of this announcement, the directors of the Offeror are Mr. Cheng Chung Hua, Bruce, Mr. Cheng An, Victor and Mr. Liang Ker Uon, Sam

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror Group), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* *For identification purpose only*