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Delta Networks, Inc.

DELTA NETWORKS HOLDING LIMITED 達創科技股份有限公司*

(Incorporated in the Cayman Islands with limited liability) (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 SUPPLEMENTAL SCHEME DOCUMENT

DESPATCH OF THE SUPPLEMENTAL SCHEME DOCUMENT

The Supplemental Scheme Document was despatched to the Shareholders on 23 July 2009.

RECOMMENDATIONS OF THE IBC AND THE IFA

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

THE RECONVENED MEETINGS

The respective notices of the Reconvened Court Meeting and the Reconvened EGM to be held on Thursday, 20 August 2009 are set out in the Supplemental Scheme Document.

CONDITIONS OF THE IMPROVED PROPOSAL

As at the LPD, none of the Conditions have been fulfilled or waived.

WARNING

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

INTRODUCTION

Reference is made to the scheme document dated 15 May 2009 (the “**Scheme Document**”), the announcement in relation to the proposed increase in the Cancellation Consideration made on 2 June 2009 and the supplemental scheme document dated 23 July 2009 (the “**Supplemental Scheme Document**”), all jointly issued by Delta Networks, Inc. (the “**Company**”) and Delta Networks Holding Limited (the “**Offeror**”).

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

DESPATCH OF THE SUPPLEMENTAL SCHEME DOCUMENT

The Supplemental Scheme Document was despatched to the Shareholders on 23 July 2009.

The Supplemental Scheme Document contains, among other things:

- (i) the revised expected timetable relating to the Improved Proposal;
- (ii) the Supplemental Board Letter,
- (iii) the Supplemental IBC Letter,
- (iv) the Supplemental IFA Letter,

- (v) modifications to the Scheme;
- (vi) information relating to the actions to be taken by Independent Shareholders, Registered Owners, Beneficial Owners and MS Participants in respect of the Improved Proposal; and
- (vii) the notices of the Reconvened Court Meeting and the Reconvened EGM.

Supplemental Proxy Forms for the Reconvened Court Meeting and the Reconvened EGM are also enclosed with the Supplemental Scheme Document. These should be completed if eligible Shareholders wish to make any proxy appointment (or to revoke or revise any proxy appointment which the relevant Shareholders have already made pursuant to the previously submitted Proxy Forms) in connection with the Reconvened Court Meeting and/or the Reconvened EGM. For details of the status of previously submitted Proxy Forms, eligible Shareholders should refer to Appendix II headed “Actions to be Taken” on pages 42 to 47 of the Supplemental Scheme Document.

Shareholders and MS Participants should be reminded that the Supplemental Scheme Document should be read in conjunction with the Scheme Document and they should not rely purely on the information contained in the Supplemental Scheme Document.

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 Improved Proposal and the IFA was appointed as the independent financial adviser to advise the IBC in respect of the Improved Proposal.

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

THE RECONVENED MEETINGS

The Reconvened Court Meeting and the Reconvened EGM will be held at 9:00 am and 9:30 am or, in the case of the Reconvened EGM, immediately after the conclusion or adjournment of the Reconvened Court Meeting) respectively on Thursday, 20 August 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 Supplemental Scheme Document. For the purpose of those meetings, dealing in the Shares are expected to be suspended from 9:30 am on Thursday, 20 August 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 Reconvened Court Meeting and the Shareholders to attend and vote at the Reconvened EGM, the register of members of the Company will be closed from Tuesday, 18 August 2009 to Thursday, 20 August 2009 (both days inclusive) and, during such period, no transfer of Shares will be effected.

In order to qualify to vote at the Reconvened Court Meeting and the Reconvened 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, 17 August 2009.

If the resolutions to be proposed at the Reconvened Court Meeting and the Reconvened EGM are duly approved by the Independent Shareholders attending and voting at the Reconvened Court Meeting (and by the Shareholders attending and voting at the Reconvened EGM), the latest time for dealing in the Shares on the Stock Exchange is expected to be 4:00 pm on Friday, 18 September 2009.

The Record Date for the purpose of determining the entitlements of the Scheme Shareholders under the Revised Scheme is expected to be Friday, 25 September 2009. For that purpose, the register of members of the Company will be closed from Thursday, 24 September 2009 to Friday, 25 September 2009 (both days inclusive) and, during such period, no transfer of Shares will be effected.

To qualify for entitlements under the Revised 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, 23 September 2009.

CONDITIONS OF THE IMPROVED PROPOSAL

The Improved Proposal remains conditional upon the fulfilment or waiver, as applicable, of all the Conditions described in paragraph 4 headed “Conditions of the Proposal” on pages 56 to 58 of the Scheme Document and paragraph 9 headed “Conditions of the Improved Proposal” on pages 15 and 16 of the Supplemental Scheme Document. All Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date (ie, 31 October 2009). Otherwise the Improved Proposal will lapse.

Assuming that the Conditions are fulfilled (or, as applicable, waived), it is expected that the Revised Scheme will become effective on or before Friday, 25 September 2009 and the listing of the Shares on the Stock Exchange will be withdrawn on or about the Effective Date pursuant to Rule 6.15 of the Listing Rules. An announcement will be made in the event that there is any change to the expected Effective Date. Further, an announcement will be made by the Offeror and the Company if the Revised Scheme lapses and announcement(s) regarding the Improved Proposal will be made as and when appropriate.

As at the LPD, none of the Conditions have been fulfilled or waived.

REVISED MS OFFER

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

The MS Participants should consider carefully the information set out in the Revised MS Notice and the Revised MS Acceptance Form, which are enclosed with the Supplemental Scheme Document to them. The MS Participants who wish to accept the Revised MS Offer need to return the completed and signed Revised MS Acceptance Form to the Company before the Revised MS Cut-Off Time (ie, 4:00 pm on Friday, 9 October 2009, or such later date and time as may be notified to the MS Participants by the Company and the Offeror).

The MS Participants who have already completed and returned the MS Acceptance Forms are required to complete and return the Revised MS Acceptance Form, as the previous submitted MS Acceptance Forms in respect of the MS Offer are void and the submission of such MS Acceptance Forms will not be treated as valid acceptances of the Revised MS Offer.

For details of the actions to be taken by MS Participants, they should refer to Appendix II headed “Actions to be Taken” on pages 42 to 47 of the Supplemental Scheme Document.

REVISED 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 Reconvened Court Meeting and
the Reconvened EGM 4:30 pm on Monday,
17 August 2009

Register of members of the Company
closed for determination of entitlements
of the relevant Shareholders to attend and
vote at the Reconvened Court Meeting
and at the Reconvened EGM ^(Note 1) Tuesday, 18 August 2009
to Thursday, 20 August 2009
(both days inclusive)

Latest time for lodging Supplemental Proxy Forms
with the Share Registrar in respect of the:
Reconvened Court Meeting ^(Note 2) 9:00 am on Tuesday,
18 August 2009

Reconvened EGM ^(Note 2) 9:30 am on Tuesday,
18 August 2009

Suspension of dealing in the Shares 9:30 am on Thursday,
20 August 2009

Reconvened Court Meeting ^(Note 3) 9:00 am on Thursday,
20 August 2009

Reconvened EGM ^(Note 3) 9:30 am on Thursday,
20 August 2009
(or immediately after the
conclusion or adjournment of the
Reconvened Court Meeting)

Announcement of the results of the Reconvened Court Meeting and the Reconvened EGM published on the website of the Stock Exchange and the website of the Company	no later than 7:00 pm on Thursday, 20 August 2009
Resumption of dealing in the Shares	9:30 am on Friday, 21 August 2009
Grand Court's hearing of the Company's summons for directions in respect of the Reduction ^(Note 4)	Wednesday, 26 August 2009
Latest time for dealing in the Shares	4:00 pm on Friday, 18 September 2009
Grand Court Hearing ^(Note 4)	Friday, 18 September 2009
Suspension of dealing in the Shares pending withdrawal of listing on the Stock Exchange	9:30 am on Monday, 21 September 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 Exchange	no later than 7:00 pm on Monday, 21 September 2009
Latest time for lodging transfers of the Shares to qualify for entitlements under the Revised Scheme	4:30 pm on Wednesday, 23 September 2009
Register of members of the Company closed for determination of the Scheme Shareholders who are qualified for entitlements under the Revised Scheme	Thursday, 24 September 2009 to Friday, 25 September 2009 (both days inclusive)
Record Time	4:00 pm on Friday, 25 September 2009
Effective Date ^(Notes 4 & 5)	Friday, 25 September 2009

Withdrawal of the listing of the Shares on the
Stock Exchange 9:30 am on Monday,
28 September 2009

Cheques for the Revised Cancellation Consideration
under the Revised Scheme to be despatched
on or before ^(Note 6) Monday, 5 October 2009

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

Cheques for the Revised MS Amount and
the Refund Amount under the Revised
MS Offer to be despatched on or before ^(Note 8) Monday, 19 October 2009

Shareholders, MS Participants and investors should note that the timetable is subject to change. Further announcement(s) 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 Revised Scheme. Instead, it is for the purpose of determining entitlements of the relevant Shareholders to attend and vote at the Reconvened Court Meeting and the Reconvened EGM.
- (2) The Supplemental Proxy Forms are to be completed and returned in accordance with the instructions printed on them and then submitted in accordance with the terms set out in Appendix II headed “Actions to be Taken” on pages 42 to 47 of the Supplemental Scheme Document.

Proxy Forms which have already been completed and returned by the Shareholders will remain effective for the Reconvened Court Meeting and/or the Reconvened EGM, respectively, unless Shareholders complete and return the Supplemental Proxy Forms (in which case the Supplemental Proxy Forms will supersede the Proxy Forms) or unless a person who has previously completed and returned the Proxy Forms has subsequently disposed of the Shares to which the Proxy Forms relates. Accordingly, any Shareholders who have previously submitted the Proxy Forms who wish to change their voting instructions for the relevant meetings, or to revoke or revise any proxy appointment, must complete and return the Supplemental Proxy Forms (the red Supplemental Proxy Form for the Reconvened Court Meeting and the yellow Supplemental Proxy Form for the Reconvened EGM). Shareholders who wish their existing Proxy Forms to remain effective are not required to take any further action.

The actions to be taken by Independent Shareholders, Registered Owners, Beneficial Owners and MS Participants are set out in Appendix II headed “Actions to be Taken” on pages 42 to 47 of the Supplemental Scheme Document.

- (3) The Reconvened Court Meeting and the Reconvened 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 Reconvened Court Meeting and the Notice of the Reconvened 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 Revised Scheme will become effective upon all the Conditions having been satisfied or waived, as applicable. An announcement will be made in the event that there is any change to the expected Effective Date. Further, an announcement will be made by the Offeror and the Company if the Revised Scheme lapses and announcement(s) regarding the Improved Proposal will be made as and when appropriate.
- (6) The cheques to the Scheme Shareholders for the Revised 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” on pages 67 to 68 of the Scheme Document, and paragraph 12 headed “Registration of Shares and Payment” in the Supplemental Board Letter.
- (7) The MS Participants who wish to accept the Revised MS Offer must return the signed Revised MS Acceptance Form to the Company in accordance with the terms set out in Appendix II headed “Actions to be Taken” on pages 42 to 47 of the Supplemental Scheme Document.

MS Participants who have already completed and returned the MS Acceptance Forms are required to complete and return the Revised MS Acceptance Form, as the previous submitted MS Acceptance Forms in respect of the MS Offer are void and the submission of such MS Acceptance Forms will not be treated as valid acceptances of the Revised MS Offer.

The actions to be taken by the MS Participants are set out in Appendix II headed “Actions to be Taken” on pages 42 to 47 of the Supplemental Scheme Document.

- (8) The cheques to the MS Participants for the Revised MS Amount and the Refund Amount will be despatched by post within 10 days of the Effective Date (in respect of acceptances received on or before the Effective Date) or within 10 days of the date of receipt of a duly completed Revised MS Acceptance Form (in respect of acceptances received after the Effective Date, provided that such Revised MS Acceptance Form must be completed and returned before the Revised MS Cut-Off Time). For further details, please refer to paragraph 17 headed “Registration and Payment” on pages 67 to 68 of the Scheme Document, and paragraph 12 headed “Registration of Shares and Payment” in the Supplemental Board Letter.

ACTIONS TO BE TAKEN

For details of the actions to be taken by Independent Shareholders, Registered Owners, Beneficial Owners and MS Participants in respect of the Improved Proposal, they should refer to Appendix II headed “Actions to be Taken” on pages 42 to 47 of the Supplemental Scheme Document.

WARNING

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

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, 23 July 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*