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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**

**(1) PROPOSED PRIVATISATION  
OF  
DELTA NETWORKS, INC.**

**BY**

**DELTA NETWORKS HOLDING LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT**

**(2) RESULTS OF THE RECONVENED COURT MEETING  
AND THE RECONVENED EGM**

**(3) PROPOSED WITHDRAWAL OF LISTING OF THE SHARES  
AND**

**(4) RESUMPTION OF TRADING IN THE SHARES**

**Financial Adviser to Delta Networks Holding Limited**



**RESULTS OF THE RECONVENED COURT MEETING AND THE  
RECONVENED EGM**

The Revised Scheme and the related matters were approved at the Reconvened Court Meeting and the Reconvened EGM, both held on Thursday, 20 August 2009.

## **CURRENT STATUS OF CONDITIONS OF THE IMPROVED PROPOSAL**

Among the Conditions set out 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 to 16 of the Supplemental Scheme Document, other than Conditions (a) and (b), the Revised Scheme remains conditional upon the fulfillment or waiver, as applicable, of Conditions (c), (d), (e), (f), (g), (h) and (i). Therefore, the Revised Scheme, and thus the Improved Proposal, may or may not become effective.

Subject to such Conditions being fulfilled or waived, as applicable, it is expected that the Revised Scheme will become effective on Friday, 25 September 2009.

## **WITHDRAWAL OF LISTING OF THE SHARES**

The Company will make an application to the Stock Exchange for withdrawal of the listing of the Shares on the Stock Exchange with effect from 9:30 am on Monday, 28 September 2009 in accordance with Rule 6.15 of the Listing Rules, subject to the Revised Scheme being duly sanctioned by the Grand Court and all other Conditions having been fulfilled or waived, as applicable.

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:30 am on 20 August 2009 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 am on 21 August 2009.

## **WARNING**

**Shareholders, MS Participants and investors should be aware that the implementation of the Improved Proposal is still subject to the Conditions being fulfilled or waived, as applicable, and thus may or may not become effective. Shareholders, MS Participants and investors are advised to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

Reference is made to the scheme document dated 15 May 2009 (the “**Scheme Document**”) 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.

Any information or statements in relation to the voting results of the Reconvened Court Meeting and the Reconvened EGM (and the process in arriving at such results) referred to in this announcement is based on the confirmation provided by the Company to the Offeror, with the results of the Reconvened Court Meeting and the Reconvened EGM having been certified by Tricor Investor Services Limited (“**Tricor**”), the Company’s branch share registrar. Tricor was also appointed as the scrutineer for the purpose of vote-taking at the Reconvened Court Meeting and the Reconvened EGM.

## **RESULTS OF THE RECONVENED COURT MEETING AND THE RECONVENED EGM**

The Reconvened Court Meeting and the Reconvened EGM were held on Thursday, 20 August 2009 at Beijing Suite I, 3/F, Marco Polo Prince Hotel, Harbour City, 23 Canton Road, Kowloon, Hong Kong. Both meetings were chaired by Mr. Liang Ker-Uon, Sam, the Chairman of the Company.

### **Results of the Reconvened Court Meeting**

	<b>Votes cast by the Independent Shareholders either in person or by proxy</b>	<b>Votes cast by the Independent Shareholders either in person or by proxy in FAVOUR of the Revised Scheme</b>	<b>Votes cast by the Independent Shareholders either in person or by proxy AGAINST the Revised Scheme</b>
Number of Scheme Shares represented	172,437,242	151,958,242 <i>(Note 1)</i>	20,479,000 <i>(Notes 2 and 3)</i>
Number of Independent Shareholders	154 <i>(Note 4)</i>	127	28

*Notes:*

- Such number represents approximately 88.12% of the number of the Scheme Shares held by Independent Shareholders present and voting either in person or by proxy at the Reconvened Court Meeting.
- Such number represents approximately 11.88% of the number of the Scheme Shares held by Independent Shareholders present and voting either in person or by proxy at the Reconvened Court Meeting.

3. Such number represents approximately 4.38% of the number of the Scheme Shares held by all the Independent Shareholders (whether or not present and voting either in person or by proxy at the Reconvened Court Meeting).
4. HKSCC Nominees Limited, being the nominee for and on behalf of different ultimate beneficial Independent Shareholders, has voted both in favour of and against the Revised Scheme. Therefore, the aggregate number of Independent Shareholders voting for and against the Revised Scheme (ie, 155) is more than the number of Independent Shareholders present and voting either in person or by proxy at the Reconvened Court Meeting (ie, 154).

As at the date of the Reconvened Court Meeting, the total number of the Shares in issue was 1,196,886,000 Shares. The total number of Scheme Shares held by Independent Shareholders present either in person or by proxy at the Reconvened Court Meeting which were voted in respect of the Revised Scheme was 172,437,242 Scheme Shares. The total number of Scheme Shares held by the Independent Shareholders entitling their holders to attend and vote for or against the Revised Scheme at the Reconvened Court Meeting was 467,569,000 and the total number of Scheme Shares held by Independent Shareholders entitling their holders to attend and vote only against the Revised Scheme at the Reconvened Court Meeting was nil.

In compliance with Section 86 of the Companies Law, the Revised Scheme was approved (by way of a poll) by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Reconvened Court Meeting.

In compliance with Rule 2.10 of the Takeovers Code, the Revised Scheme was also approved (by way of a poll) by Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Independent Shareholders present and voting either in person or by proxy at the Reconvened Court Meeting, and the number of votes cast (by way of a poll) against the resolution to approve the Revised Scheme at the Reconvened Court Meeting was not more than 10% of the votes attaching to the Scheme Shares held by all the Independent Shareholders.

The Shares held by the Offeror and the Concert Parties were not represented or voted at the Reconvened Court Meeting.

## **Results of the Reconvened EGM**

As at the date of the Reconvened EGM, the total number of Shares held by Shareholders present in person or by proxy at the Reconvened EGM which were voted in respect of the special resolution was 871,843,273 Shares. The total number of Shares held by the Shareholders entitling their holders to attend and vote for or against the special resolution at the Reconvened EGM was 1,196,886,000 and the total number of Shares held by Shareholders entitling their holders to attend and vote only against the special resolution at the Reconvened EGM was nil.

At the Reconvened EGM, a total of 871,843,273 Shares were voted either in person or by proxy at the Reconvened EGM, of which 852,332,273 Shares voted in favour of the special resolution (representing approximately 97.76% of the total number of Shares voted), and 19,511,000 Shares voted against the special resolution (representing approximately 2.24% of the Shares voted).

Accordingly, the special resolution to approve and give effect to the Revised Scheme including the Reduction was duly passed by a majority of at least three-fourths of the votes cast by the Shareholders present and voting either in person or by proxy at the Reconvened EGM (by way of a poll).

All Shareholders were entitled to vote at the Reconvened EGM.

## **CURRENT STATUS OF CONDITIONS OF THE IMPROVED PROPOSAL**

Among the Conditions set out 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 to 16 of the Supplemental Scheme Document, other than Conditions (a) and (b), the Revised Scheme remains conditional upon the fulfillment or waiver, as applicable, of Conditions (c), (d), (e), (f), (g), (h) and (i). Therefore, the Revised Scheme, and thus the Improved Proposal, may or may not become effective.

Subject to such Conditions being fulfilled or waived, as applicable, it is expected that the Revised Scheme will become effective on Friday, 25 September 2009.

## **WITHDRAWAL OF LISTING OF THE SHARES**

The Company will make an application to the Stock Exchange for withdrawal of the listing of the Shares on the Stock Exchange with effect from 9:30 am on Monday, 28 September 2009 in accordance with Rule 6.15 of the Listing Rules, subject to the Revised Scheme being duly sanctioned by the Grand Court and all other Conditions having been fulfilled or waived, as applicable.

## **REVISED MS OFFER**

The MS Participants who wish to accept the Revised MS Offer are reminded to complete and return the Revised MS Acceptance Form, to the Company at its head office and principal place of business in Taiwan at 186 Ruey Kuang Road, Neihu, Taipei 11491, Taiwan (marked for the attention of “**Mr. Lee Yipin — Chief Financial Officer**”), before the Revised MS Cut-Off Time (ie, 4:00 pm on Friday, 9 October 2009).

## **REVISED EXPECTED TIMETABLE**

The revised expected timetable of the Revised Scheme as set out in the Supplemental Scheme Document remains valid. In the event that there is any change to the revised expected timetable, the Company will inform the Shareholders as soon as practicable by way of further announcement(s).

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:30 am on 20 August 2009 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 am on 21 August 2009.

## **WARNING**

**Shareholders, MS Participants and investors should be aware that the implementation of the Improved Proposal is still subject to the Conditions being fulfilled or waived, as applicable, and thus may or may not become effective. Shareholders, MS Participants and investors are advised to 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, 20 August 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*