

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

CAUSE NO. 178 OF 2009

In the matter of **Delta Networks, Inc.**  
And in the matter of the Companies Law (2007 Revision)  
And Grand Court Rules 1995 Order 102 rule 21

PETITION

TO: The Grand Court of the Cayman Islands

THE PETITION of **Delta Networks, Inc.** shows as follows:

1. The object of this Petition is to seek the sanction of the Court to a Scheme of Arrangement pursuant to section 86 of the Companies Law (2007 Revision) (the "Companies Law") the Petitioner, **Delta Networks, Inc.** (the "Company") and the Scheme Shareholders (as defined in the Scheme of Arrangement incorporated in the Scheme Document (as defined in paragraph 11 below)).

Incorporation of the Company

2. The Company was incorporated under the Companies Law on 25 November 2002 and registered in the Cayman Islands as an exempted company with registration number CR-121284.

The Company's Registered Office

3. The registered office of the Company is situated at the offices of Offshore Incorporations (Cayman) Limited, PO Box 2804, Scotia Centre, 4<sup>th</sup> Floor, George Town, Grand Cayman, Cayman Islands.

The Company's Share Capital

4. As at the date of this petition, the authorised share capital of the Company is US\$80,000,000 divided into 1,600,000,000 Shares of US\$0.05 each and its issued

share capital is US\$59,844,300 divided into 1,196,886,000 Shares which have been fully paid-up or credited as fully paid-up.

5. The Shares are listed on the Main Board ("Main Board") of The Stock Exchange of Hong Kong Limited.

#### **The Company's Objects**

6. The objects for which the Company was established are unrestricted and include carrying on the business as an investment company and as an investment holding company and to acquire and hold shares, stocks, debenture stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wherever constituted or carrying on business, and shares, stock, debenture stock, bonds, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioner, trust, local authority or other public body, and to vary, transpose, dispose of or otherwise deal with from time to time as may be considered expedient to any of the Company's investments for the time being.

#### **Purpose of the Scheme**

7. The purpose of the proposed scheme of arrangement (the "Scheme") is to privatise the Company by cancelling and extinguishing on the effective date of the Scheme, all of the Scheme Shares (as defined in the Scheme) that is to say all the issued shares in the capital of the Company other than those held by Delta Networks Holding Limited, in consideration of which the holders of such cancelled and extinguished Scheme Shares shall receive the Cancellation Consideration (as defined in the Scheme) that is to say HK\$1.83 per Scheme Share in cash, such that the Company shall, thereafter, be wholly owned by Delta Networks Holding Limited.
8. The Cancellation Consideration is in excess of the average closing prices of the Shares from the last trading date of the Shares being 20 February 2009 as detailed in the explanatory memorandum referred to in the Scheme of Arrangement. The Directors believe, under the current market conditions and based on the past performance of the Scheme Shares preceding the latest practicable date, the Cancellation Consideration is

in excess of the price at which the Scheme Shareholders might receive for their Scheme Shares in the open market without the Scheme of Arrangement.

9. The Directors (other than members of the independent committee of the Board) believe that, in view of the relatively thin trading liquidity and persistently weak performance of the Shares since their listing on 6 July 2007, access to the equity capital markets does not provide the Company with an attractive fund raising avenue, and that the costs and management resources associated with the maintenance of the Company's listing status are not warranted.
10. The proposed Scheme will not alter the underlying assets, trading operations or financial position of the Company nor will it affect the interests of its creditors.
11. The Company proposes to convene a court meeting in accordance with section 86 of the Companies Law to be held on or about 1 June 2009 (the "Court Meeting") at which the following resolution will be considered :

*"THAT a scheme of arrangement (the "Scheme of Arrangement") dated 2009 between the Company and the holders of the Scheme Shares (as defined in the Scheme of Arrangement) in the form of the printed document contained in a composite document which has been submitted to this meeting marked "A" and, for the purpose of identification, signed by the chairman of this meeting, with any modification thereof or addition thereto or subject to any conditions approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved."*

Each of the capitalised terms referred to in the resolution above are defined in the composite scheme document (the "Scheme Document") exhibited as exhibit "SKUL-1" to the affidavit of Sam Ker-Uon Liang.

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Scheme approved at the Court Meeting convened at the direction of this Honourable Court as set forth in paragraph 11 of this Petition may be sanctioned by this Honourable Court.

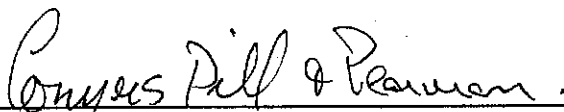
- (2) That to this end, all necessary inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

NOTE: It is intended to serve this Petition on Delta Networks, Inc., at its registered office located at the offices of Offshore Incorporations (Cayman) Limited, PO Box 2804, Scotia Centre, 4<sup>th</sup> Floor, George Town, Grand Cayman, Cayman Islands.

Notice of Hearing

This Petition, having been presented to the Court on the 15th day of April 2009, will be heard at the Law Courts, George Town, Grand Cayman on the \_\_\_\_<sup>th</sup> day of \_\_\_\_\_ 2009 at 10:00 am or as soon thereafter as the Petition can be heard.

DATED THIS 15th DAY OF April 2009.

  
**CONYERS DILL & PEARMAN**  
Attorneys-at-Law for the Petitioner herein

This Petition was filed by Conyers Dill & Pearman, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its said Attorneys-at-Law, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.