



Proposed Dividend Policy for D-Link's FY 2003 Earnings

As resolved by Board of Directors Meeting on April 12th, 2004, the following is the proposed dividend policy for FY2003 earnings, pending AGM approval scheduled on May 28th, 2004:

1. to appropriate NT\$ 1.5 of cash dividend and 5% of stock dividend. The divided yield is 3.3% (NT\$ 1.5/NT\$ 45.5), with a payout ratio of 54.5% (NT\$ 1.5/ NT\$ 2.75).
2. to appropriate NT\$ 100mln as employee stock bonus (equivalent to 10mln shares at par value), and NT\$ 54.59mln as the employee cash bonus. It is equivalent to 11.25% of FY2003 net earnings, or 9.0% of total earnings available for distribution.

If the employee bonus and compensation of Directors' & Supervisors' had been booked as expense items, the basic EPS (after tax) would change to NT\$ 2.39 from NT\$ 2.75 accordingly.

Full disclosure & consolidated FY2003 results will be released on April 29th, 2004. Should you have any further questions, please do not hesitate to contact us.

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