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Digital Video Networks

DVN (HOLDINGS) LIMITED

(Incorporated in the Bermuda with limited liability)

PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES
RESUMPTION OF TRADING

Prime Pacific has sold 75,000,000 Shares at HK$0.82 per Share to more than six independent investors through DBS Vickers (Hong Kong) Limited as placing agent.

Prime Pacific has agreed to subscribe for 75,000,000 new Shares respectively at HK$0.82 per Share. The net proceeds of approximately HK$59.8 million to be received from the Subscription are intended to be used (i) as to approximately HK$44.8 million for general working capital of the Group mainly for marketing and research and development costs; and (ii) as to approximately HK$15 million for capital expenditure for the expansion of our digital businesses in China. The Subscription is conditional upon: (i) completion of the Placing; (ii) the Stock Exchange granting listing of and permission to deal in the Subscription Shares; and (iii) the SFC granting the Waiver.

The Placing Shares represent approximately 19.91% of the existing issued ordinary share capital of the Company. The Subscription Shares represent approximately 19.91% of the existing issued ordinary share capital of the Company and approximately 16.60% of the issued ordinary share capital of the Company as enlarged by the Subscription.

Prime Pacific is currently beneficially interested in approximately 31.43% of the existing issued ordinary share capital of the Company. Prime Pacific is a 67% subsidiary of UHL. UHL is itself currently beneficially interested in approximately 9.02% of the existing issued ordinary share capital of the Company. Mr. Ko with his family member in person or through Mr. Ko's wholly-owned companies are beneficially interested in approximately 2.22% of the issued ordinary share capital of the Company. UHL, Prime Pacific, Mr. Ko and their concert parties are together currently beneficially interested in an aggregate of approximately 42.67% of the existing issued ordinary share capital of the Company. The Placing will reduce the aggregate holding of UHL, Prime Pacific and Mr. Ko and their concert parties to approximately 22.76% of the Company's existing issued ordinary share capital and the Subscription will then increase such shareholding to approximately 35.58% of the Company's enlarged issued ordinary share capital.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 am on 19th September, 2003 pending the release of this announcement. Trading in the Shares will be resumed at 9:30 am on 22nd September, 2003.

PLACING AGREEMENT DATED 19TH SEPTEMBER, 2003

Vendor:	Prime Pacific, a company owned as to 67% by UHL, and as to 33% by Prime Gold Limited. Prime Gold Limited is owned as to 82.45% by Kwan Wing Holdings Limited, a wholly-owned company of Mr. Ko. Mr. Ko also controls 18.71% of UHL as at the date of this announcement and subject to the completion of the top-up subscription of new shares of UHL on or before 29th September, 2003, Mr. Ko will control 31.12% of UHL.
Placees:	more than six individual and institutional investors who are independent of, not acting in concert and not connected with the vendor and its concert parties, directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Listing Rules)
Placing Agent:	DBS Vickers (Hong Kong) Limited, which is independent of, not acting in concert and not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Listing Rules)
Placing Shares:	75,000,000 Shares held by Prime Pacific representing approximately 19.91% of the existing issued ordinary share capital of the Company

Placing price:	HK$0.82 per Share, representing a discount of approximately 7.9% to the closing price of HK$0.89 per Share quoted on the Stock Exchange on 18th September, 2003 and a discount of approximately 9.5% to the average closing price of approximately HK$0.906 per Share for the 10 trading days up to and including 18th September, 2003. The directors of the Company believe that the Placing price is fair and reasonable.
Rights:	the Placing Shares are sold free of any third party rights and shall be entitled to receive all dividends and distributions which may be declared, made or paid after the date of completion of the Placing
Condition:	the Placing is unconditional and is expected to be completed on or before 24th September, 2003.

CONDITIONAL SUBSCRIPTION AGREEMENT DATED 19TH SEPTEMBER, 2003

Subscriber:	Prime Pacific
Subscription Shares:	75,000,000 new Shares to be issued to Prime Pacific representing approximately 19.91% of the existing issued ordinary share capital of the Company and approximately 16.60% of the issued ordinary share capital of the Company as enlarged by the Subscription respectively
Subscription price:	HK$0.82 per Share, same as the Placing price. Expenses of approximately HK$1.7 million relating to the Placing and the Subscription will be borne by the Company
Conditions:	— completion of the Placing; — the Stock Exchange granting listing of and permission to deal in the Subscription Shares; and — the SFC granting the Waiver The subscription agreement does not provide for any waiver on any condition by any parties.

An application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Subscription Shares. An application will be made by Prime Pacific and its concert parties to the Executive for the grant of the Waiver.

Expected Completion date:	on or before 3rd October, 2003, being the fourteenth day after the date of the Placing (or such later date as the Company and Prime Pacific may agree). Should the completion of the Subscription not happen on or before 3rd October, 2003, Prime Pacific and the Company will comply to the relevant requirements for connected transaction of the Listing Rules.
Mandate to issue new Shares:	the Subscription Shares will be issued under the general mandate granted to the board of directors of the Company at the annual general meeting held on 26th June, 2003.
Ranking:	the Subscription Shares, when fully paid, will rank pari passu in all respects with the existing Shares in issue

EFFECTS ON SHAREHOLDING

The effects of the Placing and the Subscription on the shareholding structure of the Company are as follows:

	Before Placing and Subscription	**After Placing but before Subscription**	**After Placing and Subscription**
Prime Pacific	31.43%	11.52%	26.21%
UHL	9.02%	9.02%	7.52%
Mr. Ko and family	2.22%	2.22%	1.85%
Sub-total of UHL, Prime Pacific and Mr. Ko and their concert parties	42.67%	22.76%	35.58%
Public	57.33%	77.24%	64.42%
Total	100%	100%	100%

To the best knowledge of the Company, there will not be a new substantial shareholder who holds more than 10% of the issued share capital of the Company as a result of the Placing.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND THE INTENDED USE OF PROCEEDS

The Company is principally engaged in the design, integration and installation of digital broadcasting equipment and trading of related products, and the provision of international financial market information and selective consumer data.

The directors of the Company consider that the Placing and the Subscription will broaden the shareholders' base and the capital base of the Company. The net proceeds of approximately HK$59.8 million to be received from the Subscription are intended to be used (i) as to approximately HK$44.8 million for general working capital of the Group mainly for marketing and research and development costs; and (ii) as to approximately HK$15 million for capital expenditure for the expansion of our digital businesses in China.

In the past 12 months, the Company did not issue any shares or securities to raise fund.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 am on 19th September, 2003 pending the release of this announcement. Trading in the Shares will be resumed at 9:30 am on 22nd September, 2003.

DEFINITIONS

"Code"	Hong Kong Code on Takeovers and Mergers
"Company"	DVN (Holdings) Limited, a company incorporated in Bermuda with limited liability
"Executive"	the Executive Director of the Corporate Finance Division of the SFC (or any delegate of the Executive Director)
"Group"	the Company and its subsidiaries
"Listing Rules"	Rules Governing The Listing of Securities on the Stock Exchange
"Mr. Ko"	Mr. Ko Chun Shun, Johnson, the Chairman of the Company and UHL
"Placing"	the plang of the Placing Shares
"Placing Shares"	75,000,000 existing Shares owned by Prime Pacific
"Prime Pacific"	Prime Pacific International Limited, a company incorporated in the British Virgin Islands with limited liability

"Shares"	ordnary shares of HK$0.10 each in the capital of the Company
"SFC"	The Securities and Futures Commission
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription by Prime Pacific of the Subscription Shares
"Subscription Shares"	75,000,000 new Shares to be subscribed by Prime Pacific
"UHL"	Universal Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
"Waiver"	the waiver by the Executive of any obligation arising as a result of the Subscription on the part of Mr. Ko, UHL, Prime Pacific and parties acting in concert with them to make a general offer for all the issued securities of the Company other than those already owned or agreed to be acquired or subscribed by any of them under Rule 26 of the Code

By Order of the Board
DVN (HOLDINGS) LIMITED
Ko Chun Shun, Johnson
Chairman

Hong Kong, 19th September, 2003

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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.

Please also refer to the published version of this announcement in The Standard.