



Digital Video Networks

DVN (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(stock code: 500)

COMPLETION OF THE SECOND TRANCHE SUBSCRIPTION

The Board is pleased to announce that the Second Tranche Completion has taken place on 14 January 2005. The Company has issued 58,500,000 Subscription Shares (representing approximately 10.18% of the thereby enlarged share capital of the Company) to Motorola-Dragon Investment, Inc. at the Subscription Price of HK\$1.00 per Subscription Share.

Reference is made to the circular of the Company dated 23 June 2004 (the “Circular”) and the Company’s announcement dated 15 July 2004 in respect of the First Tranche Completion. Unless otherwise specified, terms used herein shall have the same meanings as defined in the Circular.

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The exchange price (the “Exchange Price”) of the exchangeable preference shares issued by DVN (Group) Limited (a wholly-owned subsidiary of the Company) and exchangeable into Shares of the Company has been adjusted, in accordance with their terms, from HK\$4.40 per Share to HK\$4.13 per Share as a result of the issue of 58,500,000 Subscription Shares by the Company to Motorola-Dragon Investment, Inc. at the Subscription Price of HK\$1.00 per Subscription Share. The adjusted Exchange Price has been certified by Ernst & Young Corporate Finance Limited.

At the date of this announcement, the Board comprises Mr. Ko Chun Shun, Johnson (Chairman), Mr. Lui Pan, Terry (Executive Director) and Ms. Cheung Sum Yu, Fiona, Mr. Shaw Sun Kan, Gordon, Mr. Jerry Sze, and Mr. Itzhak Shenberg (each of whom is a non-executive Director), and Mr. Chu Hon Pong, Mr. Liu Tsun Kie and Mr. Yap Fat Suan, Henry (each of whom is an independent non-executive Director).

By Order of the Board
DVN (Holdings) Limited
Johnson Ko Chun Shun
Chairman

Hong Kong, 14 January 2005

Please also refer to the published version of this announcement in the China Daily.