



Digital Video Networks

DVN (HOLDINGS) LIMITED
天地數碼（控股）有限公司 +
(incorporated in Bermuda with limited liability)
(stock code: 500)

POSSIBLE CHANGE IN SHAREHOLDING

The Board was informed by UHL, a substantial shareholder of the Company, that, on 11 May 2006, the board of directors of UHL passed a resolution to distribute 113,318,812 Shares held by UHL to its shareholders subject to the approval of UHL's shareholders. The Company understands from UHL that the 113,318,812 Shares represent the entire ordinary shareholding interests held by UHL in the Company. Shareholders of the Company may refer to the announcement made by UHL on 11 May 2006 in respect of, among other things, the Proposed Distribution.

The Board would like to announce that it was informed by UHL, a substantial shareholder of the Company, that, on 11 May 2006, the board of directors of UHL resolved that the Proposed Distribution of 113,318,812 Shares held by UHL be made to the shareholders of UHL subject to the approval of UHL's shareholders at a general meeting.

As at the date of this announcement, UHL held 113,318,812 Shares, representing about 19.29% of the issued ordinary share capital of the Company, and 15,000,000 preference shares issued by DVN (Group) Limited, a wholly-owned subsidiary of the Company. Such preference shares give UHL rights to exchange into approximately 28 million Shares. The Company further understands from UHL that the board of UHL also resolved to seek a mandate from its shareholders to dispose of such preference shares from time to time (subject to the approval of UHL's shareholders). The Board composition and the business of DVN will not be changed as a result of the Proposed Distribution.

Shareholders of the Company may refer to the announcement of UHL dated 11 May 2006 for details of the Proposed Distribution.

The existing shareholding structure of the Company and that immediately after the Proposed Distribution becoming effective (based on the information on the shareholding structure of UHL as at the date of this announcement provided by UHL and assuming that there is no change in the shareholding structure of UHL on or before the record date for the Proposed Distribution) are set out below:

	Existing		Immediately after the Proposed Distribution becoming effective	
	Number of Shares	%	Number of Shares	%
UHL	113,318,812	19.3	—	—
Motorola-Dragon Investment, Inc.	117,000,000	19.9	117,000,000	19.9
Directors and their respective associates (excluding UHL's interests as disclosed in this table)	32,938,084	5.6	79,397,581	13.5
Public shareholders	324,142,926	55.2	391,002,241	66.6
	<u>587,399,822</u>	<u>100</u>	<u>587,399,822</u>	<u>100</u>

* Save as disclosed in the table above and to the best knowledge of the Board, no connected persons (as defined in the Listing Rules) of the Company held any UHL's shares as at the date of this announcement and thereby will become a shareholder of the Company as a result of the Proposed Distribution.

The Board comprises Mr. Ko Chun Shun, Johnson, Mr. Lui Pan, Terry (each of whom is an executive director) and Ms. Cheung Sum Yu, Fiona, Mr. Shaw Sun Kan, Gordan, 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).

DEFINITIONS

“associates”	has the meaning ascribed thereto under the Rules Governing of the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Board”	the board of Directors
“Company”	DVN (Holdings) Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Proposed Distribution”	the proposed distribution of all the Shares held by UHL to its shareholders
“Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

“UHL”

Universal Holdings Limited, a company incorporated in the Cayman Inlands with limited liability, the ordinary shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited

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

Hong Kong, 11 May 2006

+ *For identification purpose only*

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