Digital Video Networks

DVN (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(stock code: 500)

NOTICE OF THE SGM

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of DVN (Holdings) Limited (the "**Company**") will be held at Fuji Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Monday, 16 October 2006 at 10:30 a.m. for the purpose of considering and, if though fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS

(1) "**THAT**:

(a) the strategic cooperation agreement dated 13 June 2006 entered into by the Company and Easy Flow Investments Limited (the "**Strategic Partner**") (as amended by a supplemental agreement dated 10 July 2006 entered into by the Company and the Strategic Partner) (collectively, the "**Strategic Cooperation Agreement**"), pursuant to which the Strategic Partner has agreed (i) to procure the Priority Supply Rights (as defined in the circular ("**Circular**") sent to the shareholders of the Company dated 29 September 2006) be transferred to the Company and its subsidiaries (collectively, the "**Group**"); and (ii) to use reasonable endeavours to procure the Group be appointed on a priority basis as application service and set top box provider to the Relevant Cable Service Providers (as defined in the Circular) (the "**Cooperation**") (a copy of the Strategic Cooperation Agreement and the Circular having been produced to the meeting marked "**A**" and "**B**" respectively and initialed for the purposes of identification by the chairman of the meeting) be and it is hereby approved, confirmed and ratified, and that the Cooperation and the consummation thereof be and they are hereby approved;

(b) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting or agreeing to grant the listing of, and permission to deal in, the Consideration Shares (as defined below), the directors of the Company be and they are hereby generally and unconditionally authorized to issue and allot such number of new shares (the "**Consideration Shares**") of HK$0.10 each in the capital of the Company, credited as fully paid, to the Strategic Partner (or its nominee), as consideration for the Cooperation pursuant to the terms of the Strategic Cooperation Agreement, and that the Consideration Shares, when issued and allotted, shall rank pari passu in all respects with all other shares of HK$0.10 each in the capital of the Company in issue as at the date of such issue and allotment; and

(c) any one director of the Company be and he is hereby generally and unconditionally authorized to do all such acts and things, to sign and execute all such further documents for and on behalf of the Company by hand, or in case of execution of documents under seal, to do so jointly with any of a second director, a duly authorized representative of the director or the secretary of the Company and to take such steps as he may in his absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Cooperation or any of the transactions contemplated thereunder and contemplated in sub-paragraphs (a) and (b) above."

(2) "**THAT**:

(a) the CITIC Continuing Transactions (as defined and more particularly described in the Circular referred to in resolution numbered 1 set out in the notice of which this resolution forms part) and the implementation thereof be and they are hereby approved;

(b) the proposed annual caps in respect of the CITIC Continuing Transactions for the term of the Strategic Cooperation Agreement (as more particularly described in the Circular referred to in resolution numbered 1 set out in the notice of which this resolution forms part) be and they are hereby approved; and

(c) any one director of the Company be and he is hereby generally and unconditionally authorized to do all such acts and things, to sign and execute all such further documents for and on behalf of the Company by hand, or in case of execution of documents under seal, to do so jointly with any of a second director, a duly authorized representative of the director or the secretary of the Company and to take such steps as he may in his absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the implementation of the CITIC Continuing Transactions or any and all matters contemplated thereunder or ancillary thereto."

(3) "**THAT**, subject to the occurrence of completion of the Strategic Cooperation Agreement (as defined in resolution numbered 1 as set out in the notice of which this resolution forms part), Mr. Luo Ning (羅寧) be appointed as an executive director of the Company with effect from the date of such completion."

(4) **"THAT**, subject to the occurrence of completion of the Strategic Cooperation Agreement (as defined in resolution numbered 1 as set out in the notice of which this resolution forms part), Mr. Qiu Yiyong (邱毅勇) be appointed as an executive director of the Company with effect from the date of such completion."

(5) **"THAT**, subject to the occurrence of completion of the Strategic Cooperation Agreement (as defined in resolution numbered 1 as set out in the notice of which this resolution forms part), Mr. Jin Wei (金微) be appointed as an executive director of the Company with effect from the date of such completion."

(6) **"THAT**, subject to the occurrence of completion of the Strategic Cooperation Agreement (as defined in resolution numbered 1 as set out in the notice of which this resolution forms part), Mr. Wang Daoyi (王道誼) be appointed as an executive director of the Company with effect from the date of such completion."

(7) **"THAT**, subject to the occurrence of completion of the Strategic Cooperation Agreement (as defined in resolution numbered 1 as set out in the notice of which this resolution forms part), Mr. Hu Qinggang (胡慶剛) be appointed as an executive director of the Company with effect from the date of such completion."

(8) "**THAT**:

(a) the supplemental agreement (the "**Supplemental Agreement**") dated 12 July 2006 which was entered into by Digital Video Networks Company Ltd. ("**DVNCL**"), a wholly-owned subsidiary of the Company, General Instrument Corporation ("**GIC**") and Motorola (China) Electronics Ltd ("**MCEL**"), pursuant to which (i) the Group has agreed to purchase set top boxes from MCEL from time to time on normal commercial terms and in the ordinary and usual course of business of the Group; (ii) DVNCL has agreed to purchase specified amounts of set top boxes from MCEL for the three (3) years ending 31 December 2009 upon fulfilment of certain conditions set out therein ((i) and (ii) are collectively defined as the "**Purchases**"); and (iii) the terms of the Non-exclusive Distributor Agreement (as defined in the Circular referred to in resolution numbered 1 set out in the notice of which this resolution forms part) has been extended by another term of three (3) years to 31 December 2009 unless otherwise terminated (a copy of which has been produced to the meeting marked "**C**" and initialed for the purposes of identification by the chairman of the meeting) be and it is hereby approved, confirmed and ratified, and that the performance and implementation of the transactions contemplated thereof, including the Purchases, be and are hereby approved;

(b) the Purchase Caps (as defined and more particularly described in the Circular referred to in resolution numbered 1 set out in the notice of which this resolution forms part) be and they are hereby approved; and

(c) any one director of the Company be and he is hereby generally and unconditionally authorized to do all such acts and things, to sign and execute all such further documents for and on behalf of the Company by hand, or in case of execution of documents under seal, to do so jointly with any of a second director, a duly authorized representative of the director or the secretary of the Company and to take such steps as he may in his absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Non-exclusive Distributor Agreement and the Supplemental Agreement or any of the transactions contemplated thereunder and contemplated in sub-paragraphs (a) and (b) above."

By order of the Board
Ho Te Hwai, Cecil
Company Secretary

Hong Kong, 29 September 2006

Principal place of business in Hong Kong:
Rooms 1304-05, 13th Floor
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Notes:

1. A shareholder of the Company entitled to attend and vote at the SGM is entitled to appoint another person as his/her/its proxy to attend and vote in his/her/its stead in accordance with the bye-laws of the Company. A proxy need not be a shareholder of the Company.

2. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified true copy of that power or attorney of authority must be deposited at the Company's registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.

3. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register.

4. As required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, ordinary resolutions numbered 2 and 8 will be conducted by poll.

5. As at the date hereof, the Board comprises two executive directors, namely, Mr. Ko Chun Shun, Johnson and Mr. Lui Pan, Terry; three non-executive directors, namely, Mr. Shaw Sun Kan, Gordon, Mr. Jerry Sze, and Mr. Itzhak Shenberg; and three independent non-executive directors, namely, Mr. Chu Hon Pong, Mr. Liu Tsun Kie and Mr. Yap Fat Suan Henry.

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