

Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



DVN (HOLDINGS) LIMITED

天地數碼(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00500)

PROFIT WARNING

The Board wishes to inform the Shareholders and potential investors that the consolidated profit of the Group for the year ended 31 December 2009 may have a significant decline as compared with that of previous year.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by DVN (Holdings) Limited (the “Company”, together with its subsidiaries as the “Group”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the consolidated profit of the Group for the year ended 31 December 2009 may have a significant decline as compared with that of previous year.

The expected significant decline is mainly attributable to:

(i) *the possible making of provisions for certain set-top box inventories*

The management is actively seeking potential buyers to acquire certain set-top box inventories. Provisions against such inventories will only be made if at the time the Company publishes its annual results announcement, the management cannot sell these inventories at a price not less than their net book value.

(ii) *the possible making of provisions for certain outstanding trade receivables related to the previous set-top boxes sales*

Based on the recent negotiations with certain debtors of such trade receivables, and despite the efforts made by the management to recover the amounts outstanding, the management is unable to confirm with these debtors that the full amount of such outstanding trade receivables can be recovered. The management will continue to negotiate with these debtors and provisions will only be made if at the time the Company publishes its annual results announcement, there is no sufficient evidence or confirmation satisfied by the management that such trade receivables will be fully recovered by the Group.

* For identification purpose only

As disclosed in the announcement of the Company dated 2 November 2009 and the corresponding circular dated 27 November 2009, the Group has entered into agreements for the disposal of the set-top box business. The Board considers that the amount of provisions against the inventories or/and trade receivables (if any) will not cause material impact to the operation of the Group.

This profit warning announcement is made based on the preliminary assessment by the management of the Company in accordance with the information currently available to the management and is not based on any figures or information that has been audited or reviewed by the Company's auditors.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
DVN (Holdings) Limited
Dr Lui Pan
Chief Executive Officer

Hong Kong, 19 March 2010

As at the date of this announcement, the Board comprises the following members:

Executive Directors

Mr Ko Chun Shun, Johnson (*Chairman*)
Dr Lui Pan (*Chief Executive Officer*)
Mr Luo Ning
Mr Jin Wei
Mr Xu Qiang (*Chief Operating Officer*)
Mr Hu Qinggang (*Chief Financial Officer*)

Independent Non-Executive Directors

Mr Chu Hon Pong
Mr Liu Tsun Kie
Mr Yap Fat Suan, Henry