



Company Registration No. 200407031R

ARTIVISION TECHNOLOGIES LTD.

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2013

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Canaccord Genuity Singapore Pte. Ltd. for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Chia Beng Kwan, Director, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.

1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2013**

	3 Months		
	1 Apr 2013 to 30 Jun 2013	1 Apr 2012 to 30 Jun 2012	+/-
	S\$'000	S\$'000	%
Revenue	19	71	(73)
Cost of sales	-	(11)	N.M.
Gross profit	19	60	(68)
Gross profit - %	100%	85%	
Distribution expenses	(153)	(259)	(41)
Administrative expenses	(766)	(517)	48
Other operating expenses (including research and development expense)	(432)	(500)	(14)
Other income	8	7	14
Share of loss of joint venture	(23)	-	N.M.
Loss before income tax	(1,347)	(1,209)	11
Income tax expense	(5)	(7)	(29)
Net loss for the period	(1,352)	(1,216)	11
Other comprehensive loss:			
Currency translation differences arising from consolidation - Gains/(losses)	15	(28)	N.M.
Total comprehensive loss	(1,337)	(1,244)	7

N.M. – not meaningful

1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

(i) Loss for the period is arrived at after (charging)/crediting the following:

	3 Months		
	1 Apr 2013 to 30 Jun 2013	1 Apr 2012 to 30 Jun 2012	+/-
	S\$'000	S\$'000	%
Depreciation of plant and equipment	(16)	(21)	(24)
Amortisation of intangible assets	(2)	(3)	(33)
Allowance for of inventories obsolescence	(-)*	(1)	(100)
Plant and equipment written off	(1)	-	N.M.
<u>Other income</u>			
Interest income from bank deposits	4	8	(50)
Currency translations gain/(losses) - net	4	(1)	N.M.
	8	7	14

N.M. – not meaningful

** - Amount less than S\$1,000*

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Group		Company	
	30 Jun 2013 S\$'000	31 Mar 2013 S\$'000	30 Jun 2013 S\$'000	31 Mar 2013 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	3,969	5,624	3,496	5,287
Trade and other receivables	670	38	3,808	2,283
Other current assets	316	355	127	167
Inventories	20	21	20	21
	4,975	6,038	7,451	7,758
Non-current assets				
Available-for-sale financial asset	.*	.*	.*	.*
Investments in subsidiaries	-	-	1	1
Investment in joint venture	-	.*	-	-
Plant and equipment	138	79	78	17
Intangible assets	12	13	-	-
	150	92	79	18
Total assets	5,125	6,130	7,530	7,776
LIABILITIES				
Current liability				
Trade payables and other liabilities	543	413	395	403
Non-current liability				
Loans from shareholder	2,750	2,750	2,750	2,750
Total liabilities	3,293	3,163	3,145	3,153
NET ASSETS	1,832	2,967	4,385	4,623
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	37,738	37,718	37,738	37,718
Other reserves	1,722	1,525	1,749	1,567
Accumulated losses	(37,628)	(36,276)	(35,102)	(34,662)
Total equity	1,832	2,967	4,385	4,623

* - Amount less than S\$1,000

1 (b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one (1) year or less, or on demand

	As at 30 June 2013		As at 31 March 2013	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bank borrowings	-	-	-	-
Loans from shareholder	-	-	-	-

Amount repayable after one (1) year

	As at 30 June 2013		As at 31 March 2013	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bank borrowings	-	-	-	-
Loans from shareholder	-	2,750	-	2,750

Details of any collateral

The loans from shareholder are interest-free and unsecured. The settlement of the amount is neither planned nor likely to occur in the next twelve (12) months.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2013**

	Group	
	3 months ended 30 Jun 2013 S\$'000	3 months ended 30 Jun 2012 S\$'000
Cash flows from operating activities		
Net loss	(1,352)	(1,216)
Adjustments for		
- Income tax expense	5	7
- Amortisation of intangible assets	2	3
- Depreciation of plant and equipment	16	21
- Unrealised currency translation losses	(1)	-*
- Interest income	(4)	(8)
- Plant and equipment written off	1	-
- Allowance for inventories obsolescence	-*	1
- Share of loss of joint venture	23	-
- Employee share option expenses	186	121
	<u>(1,124)</u>	<u>(1,071)</u>
Change in working capital:		
- Inventories	-	8
- Trade and other receivables	(5)	25
- Other current assets	43	26
- Trade payables and other liabilities	95	(99)
	<u>(991)</u>	<u>(1,111)</u>
Cash used in operations	(991)	(1,111)
Interest received	7	7
Income tax refund received/(paid)	29	(12)
Net cash used in operating activities	<u>(955)</u>	<u>(1,116)</u>
Cash flows from investing activities		
Additions to plant and equipment	(75)	(14)
Net cash used in investing activities	<u>(75)</u>	<u>(14)</u>
Cash flows from financing activities		
Proceeds from exercise of share options	16	10
Loan to joint venture	(650)	-
Net cash (used in)/from financing activities	<u>(634)</u>	<u>10</u>
Net decrease in cash and cash equivalents	(1,664)	(1,120)
Cash and cash equivalents		
Beginning of financial period	5,624	6,756
Effects of currency translation on cash and cash equivalents	9	(20)
End of financial period	<u><u>3,969</u></u>	<u><u>5,616</u></u>

* Amount less than S\$1,000

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2013/2012**

Group	Share capital	Currency translation reserve	Share option reserve	Capital reserve	Accumulated losses	Total attributable to equity holders of the Company
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2013						
Beginning of financial period	34,097	(45)	1,100	180	(31,430)	3,902
Total comprehensive loss for the period	-	(28)	-	-	(1,216)	(1,244)
Value of employee services received for issue of share options	-	-	121	-	-	121
Share options exercised	14	-	(4)	-	-	10
End of financial period	34,111	(73)	1,217	180	(32,646)	2,789
2014						
Beginning of financial period	37,718	(42)	1,567	-*	(36,276)	2,967
Total comprehensive loss for the period	-	15	-	-	(1,352)	(1,337)
Value of employee services received for issue of share options	-	-	186	-	-	186
Share options exercised	20	-	(4)	-	-	16
End of financial period	37,738	(27)	1,749	-*	(37,628)	1,832

* Amount less than S\$1,000

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.
(continued)

**STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2013/2012**

Company	Share capital S\$'000	Share option reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
2013					
Beginning of financial period	34,097	1,100	180	(32,034)	3,343
Total comprehensive loss for the period	-	-	-	(1,108)	(1,108)
Value of employee services received for issue of share options	-	121	-	-	121
Share options exercised	14	(4)	-	-	10
End of financial period	34,111	1,217	180	(33,142)	2,366
2014					
Beginning of financial period	37,718	1,567	-*	(34,662)	4,623
Total comprehensive loss for the period	-	-	-	(440)	(440)
Value of employee services received for issue of share options	-	186	-	-	186
Share options exercised	20	(4)	-	-	16
End of financial period	37,738	1,749	-*	(35,102)	4,385

* Amount less than S\$1,000

1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as, the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	Share Capital S\$'000
Issued and fully paid ordinary shares		
Balance at 1 April 2013	551,603,256	37,718
Exercise of employee share options	250,000	20
Balance at 30 June 2013	551,853,256	37,738

As at 30 June 2013, the total number of share options outstanding was 33,556,250 (31 March 2013: 35,936,250).

The Company did not have any treasury shares as at 30 June 2013 and 31 March 2013.

1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company has no treasury shares.

	As at 30 June 2013	As at 31 March 2013
Total issued shares	551,853,256	551,603,256

1 (d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting year as those applied in the preparation of the audited financial statements for the financial year ended 31 March 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Loss per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

(a) **Basic loss per share based on the weighted average number of ordinary shares on issue; and**

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	3 Months	
	1 Apr 2013 to 30 Jun 2013	1 Apr 2012 to 30 Jun 2012
Net loss attributable to equity holders of the Company (S\$'000)	(1,352)	(1,216)
Weighted average number of ordinary shares outstanding for basic loss per share	551,674,685	539,191,871
Basic loss per share (cents per share)	(0.25)	(0.23)

(b) **Diluted loss per share on a fully diluted basis (detailing any adjustments made to the earnings)**

For the purpose of calculating diluted loss per share, loss attributable to equity holders of the Company and the weighted average number of ordinary shares in issue are adjusted for the dilutive effects of potential share issues.

The Company has only one category of dilutive potential ordinary shares, which are share options as at 30 June 2013 and 31 March 2013.

For share options, the weighted average number of shares in issue has been adjusted as if all dilutive share options were exercised. The number of shares that would have been issued upon the exercise of all dilutive share options less the number of shares that would have been issued at fair value (determined as the Company's average share price for the financial period) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net loss.

Diluted loss per share attributable to equity holders of the Company is calculated as follows:

	3 Months	
	1 Apr 2013 to 30 Jun 2013	1 Apr 2012 to 30 Jun 2012
Net loss used to determine diluted loss per share (S\$'000)	(1,352)	(1,216)
Weighted average number of ordinary shares outstanding for basic loss per share	551,674,685	539,191,871
Adjustments for		
- Share options	2,920,648	7,696,836
- Call options	-	3,462,709
	554,595,333 [^]	550,351,416 [^]

6. Loss per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

(b) Diluted loss per share on a fully diluted basis (detailing any adjustments made to the earnings)

(continued)

The following share options were excluded from the diluted weighted average number of ordinary share calculation as their effect would have been anti-dilutive:

Date of grant of options	As at 30 June 2013	As at 31 March 2013
28 November 2007	Nil	Nil
16 January 2009	1,656,500	Nil
2 July 2009	Nil	Nil
20 July 2010	Nil	Nil
22 March 2011	Nil	Nil
23 June 2011	9,660,000	5,895,000
23 December 2011	Nil	Nil
22 August 2012	9,180,000	8,401,438

[^] In the current financial period, although the options granted were dilutive in nature, the diluted loss per share was computed based on the weighted average number of shares of 551,674,685 (30 June 2012: 539,191,871) shares for 3 months ended 30 June 2013 as the Group was making losses.

	3 Months	
	1 Apr 2013 to 30 Jun 2013	1 Apr 2012 to 30 Jun 2012
Diluted loss per share (cents per share)	(0.25)	(0.23)

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year:

	Group		Company	
	As at 30 June 2013	As at 31 March 2013	As at 30 June 2013	As at 31 March 2013
Net asset value per ordinary share (S\$ cents)	0.33	0.54	0.79	0.84

Net asset value per ordinary share is calculated based on 551,853,256 shares in issue as at 30 June 2013 (551,603,256 shares in issue as at 31 March 2013).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

GROUP FINANCIAL PERFORMANCE

Consolidated Statement of Comprehensive Income

Revenue for the first quarter ended 30 June 2013 ("Q1 2014"), comprising entirely of revenue from the Video Management Equipment and Solutions business, decreased by 73% to S\$19K from S\$71K for the previous corresponding quarter ended 30 June 2012 ("Q1 2013"). The decrease in revenue was mainly due to a S\$43k or 69.4% decrease in revenue from the Video Management Equipment and Solutions business due to lesser security projects undertaken by the Group. No revenue was generated for our Media Solutions business for Q1 2014, as compared to S\$9k in Q1 2013, as the Group is currently still in the process of phasing in our new advertisement server technologies.

The Group did not incur any costs of sales for Q1 2014 as the sales were related to the licensing of our software and the equipment was fully written off in previous years. For the reasons given above, the gross profit margin was 100% for Q1 2014 and 60% for Q1 2013.

The aggregate of distribution, administrative and other operating expenses for Q1 2014 were S\$1.4 million as compared with S\$1.3 million for Q1 2013. This was mainly due to the following:

1. Increase in share option expenses of approximately S\$66K in Q1 2014, mainly due to the grant of additional share options on 22 August 2012, which did not have an expense charged in Q1 2013.
2. Increase in office rental and renovation cost for the new office of approximately S\$50K .
3. Increase in marketing expenses for media solutions business of S\$36K.

The increase was partially offset by:

1. Decrease in outsourcing of research and development expenses of approximately S\$56K for developing the new features in the video servers for Media Solutions business.
2. Decrease in travelling expenses of approximately S\$22K.

Income tax expense arose from corporate tax paid/payable to the Israeli Tax Authority by our subsidiary in Israel.

Statement of Financial Position

Current assets decreased from S\$6.0 million as at 31 March 2013 to S\$5.0 million as at 30 June 2013 mainly due to a decrease in cash and cash equivalents, other current assets and inventories. This was offset by an increase in trade and other receivables.

Cash and cash equivalents decreased from S\$5.6 million as at 31 March 2013 to S\$4.0 million as at 30 June 2013. The Group's main uses of cash was for its operating expenses.

Trade and other receivables increased from S\$38K as at 31 March 2013 to S\$670K as at 30 June 2013 mainly due to the increase in other receivables arising from the loan granted to the Group's 40%-owned joint venture company, Artimedia Limited.

Other current assets decreased from S\$355K as at 31 March 2013 to S\$316K as at 30 June 2013 mainly due to a decrease in prepayments in line with the completion of the renovation of the Group's new office premises.

Non-current assets increased from S\$92K as at 31 March 2013 to S\$150K as at 30 June 2013 mainly due to an increase in plant and equipment. Plant and equipment increased from S\$79K as at 31 March 2013 to S\$138K as at 30 June 2013 mainly due to the increase in capitalised assets on office renovation works for the Group's new office premises.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (continued)**

Current liabilities increased from S\$413K as at 31 March 2013 to S\$543K as at 30 June 2013. This was mainly due to an increase in trade payables and other liabilities as a result in the receipt of bills from suppliers towards the end of Q1 2014.

Non-current liability remained unchanged at S\$2.75 million as at 31 March 2013 and 30 June 2013.

Total equity decreased from S\$3.0 million as at 31 March 2013 to S\$1.8 million as at 30 June 2013 mainly due to an increase in accumulated losses as a result of losses incurred in Q1 2014.

Consolidated Statement of Cash flows

Net cash used in operating activities for Q1 2014 was S\$1.0 million mainly due to losses incurred by the Group.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Media Solutions -

We had on 24 June 2013 announced that our 40%-owned joint venture company, Artimedia Limited's wholly owned subsidiary, Artimedia (Hong Kong) Holdings Limited had signed an agreement with 深圳市迅雷网络技术有限公司 ("Xunlei") to broadcast advertisements over its online video streaming website, 迅雷看看 ("Xunlei Kankan") through our Advision platform. Since the signing of the agreement, we have been actively engaging advertisers to run test campaigns on the platform. We are still in the early stages of obtaining feedback from our advertisers. However, we are cautiously optimistic that the results will be positive.

Video Management Equipment and Solutions -

Due to internal restructuring at the PRC's Ministry of Railways, no indicative date has been provided by Beijing Daheng Innovation Technology Co Ltd with regards to the commencement of the initial project with the Ministry of Railways. The Group continues to explore with system providers for projects in the Middle East and Asia for our Video Management Solutions.

In addition, the Company had on 25 July 2013 executed a term sheet ("**Term Sheet**") with Lee See Jui, Lee Chew Liang and Loy Boon Suang (collectively, the "**Vendors**") in connection with the proposed acquisition ("**Proposed Acquisition**") of 100% of the issued share capital held by the Vendors in Colibri Assembly Thailand Co., Ltd. The Proposed Acquisition will allow the Company to diversify its portfolio of technology businesses from security surveillance and display advertisement formats serving technology to contract manufacturing of disk drive technology products. This is in line with the Company's strategic plans and on-going efforts to pursue suitable new investments to enhance shareholders value.

11. Dividends.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from shareholders for interested person transactions.

14. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Listing Manual.

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the interim financial results for the first quarter ended 30 June 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Philip Soh
Non-Executive Chairman
30 July 2013