



**Company Registration No. 200407031R**

## **ARTIVISION TECHNOLOGIES LTD.**

### **UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2009**

This announcement and its contents have been reviewed by the Company's Sponsor, Collins Stewart Pte. Limited, for compliance with the relevant rules of the SGX-ST. It 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 Alex Tan, CEO, Collins Stewart Pte. Limited, at 77 Robinson Road, #21-02 Singapore 068896, telephone (65) 6854 6160.

1 (a) An 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 3 MONTHS AND 9 MONTHS ENDED 31 DECEMBER 2009**

	3 Months			9 Months		
	1 Oct 2009 to 31 Dec 2009	1 Oct 2008 to 31 Dec 2008	+/-	1 Apr 2009 to 31 Dec 2009	1 Apr 2008 to 31 Dec 2008	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	143	84	70	288	279	3
Cost of sales	(84)	(74)	13	(161)	(196)	(18)
<b>Gross Profit</b>	59	10	481	127	83	53
Other income	-	1	N.M.	-	28	N.M.
Distribution expenses	(583)	(714)	(18)	(1,912)	(1,599)	20
Administrative expenses	(956)	(802)	19	(2,433)	(2,529)	(4)
Other operating expenses	(368)	(557)	(34)	(1,353)	(1,247)	8
<b>Results from operating activities</b>	(1,848)	(2,062)	(10)	(5,571)	(5,264)	6
Finance income	11	41	(73)	65	147	(56)
Finance expenses	(27)	(323)	(91)	(214)	(361)	(41)
<b>Net finance expenses</b>	(16)	(282)	(94)	(149)	(214)	(30)
Loss before income tax	(1,864)	(2,344)	(20)	(5,720)	(5,478)	4
Income tax expense	(20)	(14)	42	(57)	(36)	58
<b>Loss for the period</b>	(1,884)	(2,358)	(20)	(5,777)	(5,514)	5
<b>Other comprehensive income</b>						
Exchange differences on translating foreign operations	(4)	(6)	(36)	4	(25)	N.M.
<b>Total comprehensive loss for the period</b>	(1,888)	(2,364)	(20)	(5,773)	(5,539)	4
<b>Loss attributable to:</b>						
Equity holders of the Company	(1,884)	(2,355)	(20)	(5,777)	(5,511)	5
Minority interest	-	(3)	N.M.	-	(3)	N.M.
<b>Loss for the period</b>	(1,884)	(2,358)	(20)	(5,777)	(5,514)	5

N/M – not meaningful

**1 (a) An statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)**

	3 Months			9 Months		
	1 Oct 2009 to 31 Dec 2009	1 Oct 2008 to 31 Dec 2008	+/-	1 Apr 2009 to 31 Dec 2009	1 Apr 2008 to 31 Dec 2008	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Total comprehensive loss attributable to:</b>						
Equity holders of the Company	(1,888)	(2,361)	(20)	(5,773)	(5,536)	4
Minority interest	-	(3)	N.M.	-	(3)	N.M.
<b>Comprehensive loss for the period</b>	<b>(1,888)</b>	<b>(2,364)</b>	<b>(20)</b>	<b>(5,773)</b>	<b>(5,539)</b>	<b>4</b>

**Note: There is no tax effect on the component included in other comprehensive income.**

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

	3 Months			9 Months		
	1 Oct 2009 to 31 Dec 2009	1 Oct 2008 to 31 Dec 2008	+/-	1 Apr 2009 to 31 Dec 2009	1 Apr 2008 to 31 Dec 2008	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of plant and equipment	(66)	(36)	81	(197)	(88)	123
Amortisation of intangible assets	(13)	(100)	(87)	(111)	(301)	(63)
Inventories (written off)/recovered	-	1	N.M.	(1)	-	(370)
<u>Finance income</u>						
Interest income	11	41	(73)	65	58	11
Net foreign exchange gain	-	-	-	-	89	N.M.
	11	41		65	147	
<u>Finance expense</u>						
Net foreign exchange loss	(27)	(322)	(91)	(214)	(322)	(34)
Interest expense	-	(1)	N.M.	-	(31)	N.M.
Amortisation of discount on unsecured convertible loan notes	-	-	-	-	(8)	N.M.
	(27)	(323)		(214)	(361)	

N/M – not meaningful

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 31 DECEMBER 2009

	Group		Company	
	31 Dec 2009 S\$'000	31 Mar 2009 S\$'000	31 Dec 2009 S\$'000	31 Mar 2009 S\$'000
<b>Non-current assets</b>				
Plant and equipment	437	514	331	402
Intangible assets	113	101	97	85
Investment in subsidiaries	-	-	1	1
Other investment	1	1	1	1
Other receivables	10	13	10	13
Long term fixed deposits	2,000	2,000	2,000	2,000
	<b>2,561</b>	<b>2,629</b>	<b>2,440</b>	<b>2,502</b>
<b>Current assets</b>				
Inventories	162	84	162	84
Trade and other receivables	486	404	895	1,717
Cash and cash equivalents	2,959	8,394	2,372	7,701
	<b>3,607</b>	<b>8,882</b>	<b>3,429</b>	<b>9,502</b>
<b>Total assets</b>	<b>6,168</b>	<b>11,511</b>	<b>5,869</b>	<b>12,004</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	24,329	24,176	24,329	24,176
Reserves	301	116	302	121
Accumulated losses	(19,212)	(13,435)	(19,130)	(12,547)
<b>Total equity</b>	<b>5,418</b>	<b>10,857</b>	<b>5,501</b>	<b>11,750</b>
<b>Current liabilities</b>				
Trade and other payables	750	654	368	254
<b>Total liabilities</b>	<b>750</b>	<b>654</b>	<b>368</b>	<b>254</b>
<b>Total equity and liabilities</b>	<b>6,168</b>	<b>11,511</b>	<b>5,869</b>	<b>12,004</b>

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

Amount repayable in one year or less, or on demand

<b>As at 31 December 2009</b>		<b>As at 31 March 2009</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

\* Convertible loan notes and derivative financial instrument

Amount repayable after one year

<b>As at 31 December 2009</b>		<b>As at 31 March 2009</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

1 (c) A consolidated 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 3 MONTHS AND 9 MONTHS ENDED 31 DECEMBER 2009**

	Group		Group	
	3 months ended 31 Dec 2009 S\$'000	3 months ended 31 Dec 2008 S\$'000	9 months ended 31 Dec 2009 S\$'000	9 months ended 31 Dec 2008 S\$'000
<b>Cash Flow from Operating Activities</b>				
Loss before income tax	(1,864)	(2,344)	(5,720)	(5,478)
<b>Adjustments for:</b>				
Amortisation of intangible assets	13	100	111	301
Depreciation of plant and equipment	66	36	197	88
Negative goodwill on acquisition of subsidiary	-	-	-	(27)
Exchange differences	(72)	(6)	1	(4)
Equity-settled commission	-	-	-	95
Net finance income	(11)	(40)	(65)	(19)
Translation differences on the conversion of loan notes to shares	-	-	-	(54)
Plant and equipment written off	6	-	13	-
Value of employee services received for issue of share options	81	25	197	63
	(1,781)	(2,229)	(5,266)	(5,035)
<b>Changes in working capital:</b>				
Inventories	(4)	(2)	(78)	(70)
Trade and other receivables	(71)	(224)	(105)	(584)
Trade and other payables	108	426	96	470
<b>Cash used in operations</b>	(1,748)	(2,029)	(5,353)	(5,219)
Interest received	18	10	90	28
Interest paid	-	-	-	(31)
Tax paid	(20)	(36)	(57)	(36)
<b>Cash flows used in operating activities</b>	(1,750)	(2,055)	(5,320)	(5,258)
Purchase of intangible assets	(3)	-	(123)	-
Purchase of plant and equipment	(6)	(137)	(129)	(177)
<b>Cash flows used in investing activities</b>	(9)	(137)	(252)	(177)
Proceeds from issue of shares, net of expenses	-	(12)	-	14,397
Proceeds from issue of new shares under share option scheme	27	-	137	-
<b>Cash flows generated from/(used in) financing activities</b>	27	(12)	137	14,397
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,732)</b>	<b>(2,204)</b>	<b>(5,435)</b>	<b>8,962</b>
Cash and cash equivalents at beginning of the period/year	6,621	13,836	10,394	2,670
Effect of exchange rates fluctuations	70	-	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>4,959</b>	<b>11,632</b>	<b>4,959</b>	<b>11,632</b>

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 9 MONTHS ENDED 31 DECEMBER 2009/2008**

Group	Share capital	Equity payment reserve	Foreign currency translation reserve	Share option reserve	Accumulated losses	Total attributable to equity holders of the Company	Minority interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 April 2008</b>	5,593	2,000	7	31	(6,236)	1,395	-	1,395
Value of employee services received for issue of share options	-	-	-	63	-	63	-	63
Issue of shares, net of expenses	14,398	-	-	-	-	14,398	-	14,398
Issue of shares for the settlement of equity commission	95	-	-	-	-	95	-	95
Conversion of convertible loan note and derivative financial instrument to shares	2,090	-	-	-	-	2,090	-	2,090
Transfer from equity payment reserve	2,000	(2,000)	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(25)	-	(5,511)	(5,536)	(3)	(5,539)
<b>At 31 December 2008</b>	<b>24,176</b>	<b>-</b>	<b>(18)</b>	<b>94</b>	<b>(11,747)</b>	<b>12,505</b>	<b>(3)</b>	<b>12,502</b>
<b>At 1 April 2009</b>	24,176	-	(5)	121	(13,435)	10,857	-	10,857
Value of employee services received for issue of share options	-	-	-	197	-	197	-	197
Issue of new shares under share option scheme	153	-	-	(16)	-	137	-	137
Total comprehensive income/(loss) for the period	-	-	4	-	(5,777)	(5,773)	-	(5,773)
<b>At 31 December 2009</b>	<b>24,329</b>	<b>-</b>	<b>(1)</b>	<b>302</b>	<b>(19,212)</b>	<b>5,418</b>	<b>-</b>	<b>5,418</b>

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. (Cont'd)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE 9 MONTHS ENDED 31 DECEMBER 2009/2008**

Company	Share capital S\$'000	Equity payment reserve S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>At 1 April 2008</b>	5,593	2,000	31	(6,116)	1,508
Value of employee services received for issue of share options	-	-	63	-	63
Issue of shares, net of expenses	14,398	-	-	-	14,398
Issue of shares for the settlement of equity commission	95	-	-	-	95
Conversion of convertible loan note and derivative financial instrument to shares	2,090	-	-	-	2,090
Transfer from equity payment reserve	2,000	(2,000)	-	-	-
Total comprehensive loss for the period	-	-	-	(5,749)	(5,749)
<b>At 31 December 2008</b>	<b>24,176</b>	<b>-</b>	<b>94</b>	<b>(11,865)</b>	<b>12,405</b>
<b>At 1 April 2009</b>	24,176	-	121	(12,547)	11,750
Value of employee services received for issue of share options	-	-	197	-	197
Issue of new shares under share option scheme	153	-	(16)	-	137
Total comprehensive loss for the period	-	-	-	(6,583)	(6,583)
<b>At 31 December 2009</b>	<b>24,329</b>	<b>-</b>	<b>302</b>	<b>(19,130)</b>	<b>5,501</b>



**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.**

Share Capital	1 April 2009 to 31 December 2009	1 April 2008 to 31 March 2009
<b>Issued and fully paid ordinary shares</b>		
At the beginning of the period	475,000,000	39,873,120
Issue of new shares upon unsecured conversion of convertible loan note	-	1,993,797
Transfer from equity payment reserve	-	1,331,886
Issue of shares	-	63,330
Exercise of employee share options	1,151,124	-
	476,151,124	43,262,133
Effect of subdivision on 18 July 2008	-	356,737,867
After share subdivision on 18 July 2008	476,151,124	400,000,000
Add: New Shares issued pursuant to the invitation	-	75,000,000
<b>At the end of the period</b>	476,151,124	475,000,000

The total number of share options outstanding as at 31 December 2009 stands at 35,682,272 (31 March 2009: 24,626,772).

**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.**

Total number of issued shares excluding treasury shares as at the current financial period (31 December 2009) :	476,151,124
The immediately preceding financial year (31 March 2009):	475,000,000

**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 period compared with the audited financial statements for the year ended 31 March 2009.

**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:**

Group	3 Months		9 Months	
	1 Oct 2009 to 31 Dec 2009	1 Oct 2008 to 31 Dec 2008	1 Apr 2009 to 31 Dec 2009	1 Apr 2008 to 31 Dec 2008
<b>Loss per ordinary share for the period based on net loss attributable to equity holders</b>				
	S\$ Cents	S\$ Cents	S\$ Cents	S\$ Cents
(a) Based on weighted average number of ordinary shares in issue	(0.40)	(0.46)	(1.22)	(1.17)
(b) On a fully diluted basis	(0.39)	(0.46)	(1.20)	(1.17)
Weighted average number of ordinary shares in issue for basic loss per share	476,075,757	516,549,150	475,363,235	473,278,057
Adjustment for assumed exercise of share options and vesting of shares granted under employee share plans where it is dilutive	8,228,298	-	7,276,038	-
Weighted average number of ordinary shares for diluted loss per share	484,304,055	516,549,150	482,639,273	473,278,057

In accordance with FRS 33 – *Earnings Per Share*, for the purpose of calculation of the diluted loss per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive share options, with the potential ordinary shares weighted for the period outstanding.

The share options were not included in the computation of the diluted earnings per share for FP2009 as they were anti-dilutive.

The movement of share options of the Company during the period, April 2009 to December 2009 is as follows:

Date of Grant	Balance as at 1/4/2009	Granted during 1/4/2009 to 31/12/2009	Exercised during 1/4/2009 to 31/12/2009	Cancelled during 1/4/2009 to 31/12/2009	Balance as at 31/12/2009	Exercise Price	Expiry Date
28/11/2007	20,846,772	-	(1,151,124)	(693,376)	19,002,272	S\$0.1189	28/11/2012
16/01/2009	3,780,000	-	-	-	3,780,000	S\$0.17	16/01/2014
02/07/2009	-	12,900,000	-	-	12,900,000	S\$0.12	02/07/2014
	24,626,772	12,900,000	(1,151,124)	(693,376)	35,682,272		

**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 31 Dec 2009	As at 31 March 2009	As at 31 Dec 2009	As at 31 March 2009
Net asset value per ordinary share (S\$ cents)	1.14	2.29	1.16	2.47

Net asset value per ordinary share is calculated based on 476,151,124 shares in issue as at 31 December 2009 (475,000,000 shares in issue as at 31 March 2009).

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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 any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Artivision provides diversified products and solutions mainly for security and online video advertising applications. These products and solutions are based on our core proprietary computer vision technology Avision™.

## **GROUP FINANCIAL PERFORMANCE**

### **Consolidated Statement of Comprehensive Income**

Revenue for the nine months ended 31 December 2009 ("FP 2010") was S\$288K from S\$279K for the nine months ended 31 December 2008 ("FP 2009"). The gross profit margin has improved from approximately 30% for FP 2009 to approximately 44% for FP 2010. This was mainly due to higher sales on services which generated higher margins.

Distribution expenses mainly pertain to sales personnel cost and marketing expenses. The increase of S\$313K from FP 2009 of S\$1.5million to FP 2010 of S\$1.9million was mainly due to additional manpower and expenses to support our current and future sales and marketing efforts in Asia and Europe, Middle East and Africa. The Group started its media solution business in September 2008. FP 2009 included 3 months of the media solution business cost compared to nine months for FP 2010.

Administrative and other operating expenses for FP 2010 and FP 2009 were approximately at S\$3.8million. Included in such FP 2009 expenses were one-time IPO expenses of S\$700K.

The income tax expense was the corporate tax payable by our subsidiary in Israel.

### **Statement of Financial Position**

Net assets for the Group decreased from S\$10.9million as at 31 March 2009 to S\$5.4million as at 31 December 2009, mainly due to a decrease in cash as a result of utilization of funds for the Group's operations.

The increase in inventories from S\$84K as at 31 March 2009 to S\$162K as at 31 December 2009 was mainly due to purchases to meet secured sales and prospective projects in year 2010.

### **Cash flow**

Net cash used in operating activities was S\$5.3million for FP 2010 compared with S\$5.2million for FP 2009. This was mainly due to higher manpower, research and development and other expenses to support our current and future sales and marketing efforts.

**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.**

**Video Management Equipment and Solutions**

The Company had on 4 January 2010 announced that its has entered into an agreement to supply its video management solutions and project management services to a Germany-based company that specialises in providing security infrastructure systems to governments in Europe, Middle East and Asia with estimated total value of Euro 47 million. This is expected to be completed over a period of three years. The Company had received the first purchase order of approximately Euro 10 million and is expected to complete this purchase order within 18 months from the date of receipt of a down payment amounting to 15% of the value of the purchase order. The purchase order is only effective upon receipt of the down payment. To-date, the down payment has not been received.

At present, the Group is also pursuing a number of key projects. Of the secured orders of approximately S\$200K of Video Management Equipment and Solutions as announced on 11 November 2009, approximately 50% has been recognised as revenue in the 3<sup>rd</sup> quarter of 2010. We have received deposit amounting to approximately 50% of the remaining S\$100K and the projects are expected to be completed in first half of 2010.

Based on the above developments and barring any unforeseen circumstances, the Group remains cautiously positive on the business outlook of the Video Management Equipment and Solutions business.

**Media Solutions**

With the strategic alliances with Komli Media & Neo@Ogilvy Partner (announced on 30 October 2009) and Trillium Interactive Lda (announced on 19 May 2009), barring unforeseen circumstances, the business outlook for the Media Solutions business is expected to improve.

**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. Interested person transactions**

Nil.

**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 third quarter ended 31 December 2009 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Nathaniel C.V.  
Company Secretary  
5 February 2010