



Company Registration No. 200407031R

ARTIVISION TECHNOLOGIES LTD.

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012

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 SECOND QUARTER ENDED 30 SEPTEMBER 2012**

	3 Months			6 Months		
	1 Jul 2012 to 30 Sep 2012	1 Jul 2011 to 30 Sep 2011	+/-	1 Apr 2012 to 30 Sep 2012	1 Apr 2011 to 30 Sep 2011	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	7	56	(88)	78	148	(47)
Cost of sales	(1)	(42)	(98)	(12)	(99)	(88)
Gross profit	6	14	(57)	66	49	35
Gross profit - %	86%	25%		85%	33%	
Distribution expenses	(187)	(304)	(38)	(446)	(528)	(16)
Administrative expenses	(553)	(517)	7	(1,069)	(988)	8
Other operating expenses (including research and development expense)	(546)	(486)	12	(1,047)	(963)	9
Other income/(expenses)	6	2	200	13	(3)	N.M.
Loss before income tax	(1,274)	(1,291)	(1)	(2,483)	(2,433)	2
Income tax expense	(6)	(6)	-	(13)	(12)	8
Net loss for the period	(1,280)	(1,297)	(1)	(2,496)	(2,445)	2
Other comprehensive income, net of tax						
Currency translation differences arising from consolidation	(18)	(23)	(22)	(46)	(18)	156
Total comprehensive loss	(1,298)	(1,320)	(2)	(2,542)	(2,463)	3

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			6 Months		
	1 Jul 2012 to 30 Sep 2012	1 Jul 2011 to 30 Sep 2011	+/-	1 Apr 2012 to 30 Sep 2012	1 Apr 2011 to 30 Sep 2011	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of plant and equipment	(18)	(55)	(67)	(39)	(115)	(66)
Amortisation of intangible assets	(2)	(4)	(50)	(6)	(8)	(25)
Allowance for inventories obsolescence	(25)	(19)	32	(26)	(19)	37
Gain on disposal of plant and equipment	-	1	N.M.	-	4	N.M.
<u>Other income/(expense)</u>						
Interest income from bank deposits	6	2	200	14	2	600
Currency translations losses - net	-*	-*	-	(1)	(5)	(80)
	6	2	200	13	(3)	N.M.

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 SEPTEMBER 2012

	Group		Company	
	30 Sep 2012 S\$'000	31 Mar 2012 S\$'000	30 Sep 2012 S\$'000	31 Mar 2012 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	4,710	6,756	4,352	6,311
Trade and other receivables	69	99	936	83
Other current assets	202	262	74	104
Inventories	35	68	34	68
	5,016	7,185	5,396	6,566
Non-current assets				
Available-for-sale financial asset	_*	_*	_*	_*
Investments in subsidiaries	-	-	1	1
Plant and equipment	94	98	24	29
Intangible assets	16	22	-	1
	110	120	25	31
Total assets	5,126	7,305	5,421	6,597
LIABILITIES				
Current liability				
Trade payables and other liabilities	445	653	388	504
Non-current liability				
Loans from shareholder	2,750	2,750	2,750	2,750
Total liabilities	3,195	3,403	3,138	3,254
NET ASSETS	1,931	3,902	2,283	3,343
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	34,526	34,097	34,526	34,097
Other reserves	1,331	1,235	1,422	1,280
Accumulated losses	(33,926)	(31,430)	(33,665)	(32,034)
Total equity	1,931	3,902	2,283	3,343

* - 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 September 2012		As at 31 March 2012	
	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 September 2012		As at 31 March 2012	
	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 SECOND QUARTER ENDED 30 SEPTEMBER 2012**

	Group			
	3 months ended 30 Sep 2012 S\$'000	3 months ended 30 Sep 2011 S\$'000	6 months ended 30 Sep 2012 S\$'000	6 months ended 30 Sep 2011 S\$'000
Cash flows from operating activities				
Net loss	(1,280)	(1,297)	(2,496)	(2,445)
Adjustments for				
- Income tax expense	6	6	13	12
- Amortisation of intangible assets	2	4	6	8
- Depreciation of plant and equipment	18	55	39	115
- Unrealised currency translation (gain)/losses	(-*)	4	(-*)	1
- Interest income	(6)	(2)	(14)	(2)
- Gain on disposal of plant and equipment	-	(1)	-	(4)
- Allowance for inventories obsolescence	25	19	26	19
- Employee share option expenses	143	109	263	186
	(1,092)	(1,103)	(2,163)	(2,110)
Change in working capital:				
- Inventories	(1)	(14)	7	(14)
- Trade and other receivables	(6)	82	19	94
- Other current assets	23	(66)	49	(46)
- Trade payables and other liabilities	(85)	(175)	(184)	(232)
Cash used in operations	(1,161)	(1,276)	(2,272)	(2,308)
Interest received	6	2	14	2
Income tax paid	(13)	(9)	(26)	(23)
Net cash used in operating activities	(1,168)	(1,283)	(2,284)	(2,329)
Cash flows from investing activities				
Additions of intangible assets	(1)	-	(1)	-
Additions of plant and equipment	(26)	(2)	(40)	(7)
Disposal of plant and equipment	-	1	-	6
Net cash used in investing activities	(27)	(1)	(41)	(1)
Cash flows from financing activities				
Proceeds from new share options granted	-*	-	-*	-*
Proceeds from exercise of share options	298	408	308	750
Proceeds from share placement	-	-	-	2,500
Share issue expense	-	-	-	(16)
Proceeds of loan from shareholder	-	-	-	750
Net cash from financing activities	298	408	308	3,984
Net (decrease)/increase in cash and cash equivalents	(897)	(876)	(2,017)	1,654
Cash and cash equivalents				
Beginning of financial period	5,616	3,405	6,756	873
Effects of currency translation on cash and cash equivalents	(9)	(12)	(29)	(10)
End of financial period	4,710	2,517	4,710	2,517

* 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 SECOND QUARTER ENDED 30 SEPTEMBER 2012/2011**

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
FY 2012						
Beginning of financial period	24,459	(11)	1,182	-	(26,595)	(965)
Total comprehensive loss for the period	-	(18)	-	-	(2,445)	(2,463)
Issue of new shares from share placement	2,500	-	-	-	-	2,500
Share issue expenses	(16)	-	-	-	-	(16)
Value of employee services received for issue of share options	-	-	186	-	-	186
Share options exercised	967	-	(217)	-	-	750
Proceeds from new share options granted	-	-	-*	-	-	-*
End of financial period	27,910	(29)	1,151	-	(29,040)	(8)
FY 2013						
Beginning of financial period	34,097	(45)	1,100	180	(31,430)	3,902
Total comprehensive loss for the period	-	(46)	-	-	(2,496)	(2,542)
Value of employee services received for issue of share options	-	-	263	-	-	263
Proceeds from new share options granted	-	-	-*	-	-	-*
Share options exercised	429	-	(121)	-	-	308
End of financial period	34,526	(91)	1,242	180	(33,926)	1,931

* 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 SECOND QUARTER ENDED 30 SEPTEMBER 2012/2011**

Company	Share capital S\$'000	Share option reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
FY 2012					
Beginning of financial period	24,459	1,110	-	(27,144)	(1,575)
Total comprehensive loss for the period	-	-	-	(2,474)	(2,474)
Issue of new shares from share placement	2,500	-	-	-	2,500
Share issue expenses	(16)	-	-	-	(16)
Value of employee services received for issue of share options	-	258	-	-	258
Share options exercised	967	(217)	-	-	750
Proceeds from new share options granted	-	_*	-	-	_*
End of financial period	27,910	1,151	-	(29,618)	(557)
FY 2013					
Beginning of financial period	34,097	1,100	180	(32,034)	3,343
Total comprehensive loss for the period	-	-	-	(1,631)	(1,631)
Value of employee services received for issue of share options	-	263	-	-	263
Proceeds from new share options granted	-	_*	-	-	_*
Share options exercised	429	(121)	-	-	308
End of financial period	34,526	1,242	180	(33,665)	2,283

* 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 July 2012	532,199,256	34,111
Exercise of employee share options	2,684,000	415
Balance at 30 September 2012	534,883,256	34,526

As at 30 September 2012, the total number of share options outstanding were 43,457,437 (31 March 2012: 37,050,937).

On 4 January 2012, the Company entered into a convertible loan agreement with Ching Chiat Kwong (the "Lender"), pursuant to which the Lender had agreed to grant to the Company loans of up to S\$5.0 million in principal amount, convertible into such number of new ordinary shares in the share capital of the Company (the "Conversion Shares") at an issue price of S\$0.20 for each Conversion Share. The convertible loan was drawn down on 27 January 2012. On 30 January 2012, 25,000,000 Conversion Shares was issued and allotted to the Lender pursuant to the terms of the convertible loan agreement.

Pursuant to the convertible loan agreement, the Company granted the Lender and Christine Poh Chew Hua (the "Nominee") the right to subscribe for such number of shares in the share capital of the Company (the "Option Shares") at an issue price of S\$0.18 for each Option Share, subject to a maximum subscription amount of S\$1.25 million for each of the Lender and Nominee (the "Call Option"). The Call Option will expire on 26 January 2013. As at 30 September 2012, none of the Call Option has been exercised (31 March 2012: None of the Call Option has been exercised).

The total number of Call Options outstanding as at 30 September 2012 was 13,888,888 (31 March 2012: 13,888,888).

The Company did not have any treasury shares as at 30 September 2012 and 31 March 2012.

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 September 2012	As at 31 March 2012
Total issued shares	534,883,256	532,115,256

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 compared with the audited financial statements for the year ended 31 March 2012.

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		6 Months	
	1 Jul 2012 to 30 Sep 2012	1 Jul 2011 to 30 Sep 2011	1 Apr 2012 to 30 Sep 2012	1 Apr 2011 to 30 Sep 2011
Net loss attributable to equity holders of the Company (\$'000)	(1,280)	(1,297)	(2,496)	(2,445)
Weighted average number of ordinary shares outstanding for basic loss per share	534,271,778	495,977,142	533,237,507	487,732,836
Basic loss per share (cents per share)	(0.24)	(0.26)	(0.47)	(0.50)

(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 two (2) categories of dilutive potential ordinary shares, which are share options and call options.

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 could have been issued upon the exercise of all dilutive share options less the number of shares that could 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.

Call options are assumed to have been converted into ordinary shares at issuance.

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: (continued)

(b) Diluted loss per share (continued)

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

	3 Months		6 Months	
	1 Jul 2012 to 30 Sep 2012	1 Jul 2012 to 30 Sep 2012	1 Apr 2012 to 30 Sep 2012	1 Apr 2011 to 30 Sep 2011
Net loss used to determine diluted loss per share (S\$'000)	(1,280)	(1,297)	(2,496)	(2,445)
Weighted average number of ordinary shares outstanding for basic loss per share	534,271,778	495,977,142	533,237,507	487,732,836
Adjustments for				
- Share options	6,129,345	5,488,512	7,199,926	5,032,306
- Call options	13,888,888	-	13,888,888	-
	<u>554,290,011[^]</u>	<u>501,465,654[^]</u>	<u>554,326,321[^]</u>	<u>492,765,142[^]</u>

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 September 2012	As at 31 March 2012
28 November 2007	Nil	Nil
16 January 2009	Nil	748,770
2 July 2009	Nil	Nil
20 July 2010	Nil	Nil
22 March 2011	Nil	Nil
23 June 2011	8,097,616	11,990,000
23 December 2011	Nil	3,525,000
22 August 2012	9,629,508	Nil

[^] 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 534,271,778 (30 September 2011: 495,977,142) shares for 3 months ended 30 September 2012 and 533,237,507 (30 September 2011: 487,732,836) shares for 6 months ended 30 September 2012 as the Group was making losses.

Diluted loss per share (cents per share)	<u>(0.24)</u>	<u>(0.26)</u>	<u>(0.47)</u>	<u>(0.50)</u>
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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 period 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 September 2012	As at 31 March 2012	As at 30 September 2012	As at 31 March 2012
Net asset value per ordinary share (S\$ cents)	0.36	0.73	0.43	0.63

Net asset value per ordinary share is calculated based on 534,883,256 shares in issue as at 30 September 2012 (532,115,256 shares in issue as at 31 March 2012).

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 six (6) months ended 30 September 2012 ("H1 2013") decreased by 47% to S\$78K from S\$148K for previous corresponding six (6) months ended 30 September 2011 ("H1 2012"). This was mainly due to a decrease in revenue from Media Solutions business as the Company is phasing and testing in the new advertisement server technologies to the customers.

Gross profit margin increased to 85% for H1 2013 from 33% for H1 2012 mainly due to a higher proportion of revenue from sales on software and services for our Video Management Equipment and Solutions business in H1 2013, which carried higher gross profit margins.

The aggregate of distribution, administrative and other operating expenses for H1 2013 were S\$2.6 million compared with S\$2.5 million for H1 2012. This was mainly due to the following:

1. Increase in share option expenses of S\$77K. Additional share options expenses were provided in H1 2013 compared to H1 2012 due to additional share options being granted;
2. Increase in outsourcing of research and development expenses of S\$117K for developing the new features in the video servers for our Media Solutions business; and
3. Increase in legal and consultancy fees of S\$48K.

The increase was partially offset by a decrease in depreciation of plant and equipment of S\$76K and a decrease in overall payroll expenses of S\$74K due to a reduction in headcount

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\$7.18 million as at 31 March 2012 to S\$5.01 million as at 30 September 2012 due to decrease in cash and cash equivalents, trade and other receivables, other current assets and inventories. Cash and cash equivalents decreased from S\$6.76 million as at 31 March 2012 to S\$4.71 million as at 30 September 2012 mainly due to funds utilised for the Group's operations. Trade and other receivables decreased from S\$99K as at 31 March 2012 to S\$69K as at 30 September 2012 in line with the decrease in revenue. Other current assets decreased from S\$0.26 million as at 31 March 2012 to S\$0.20 million as at 30 September 2012 mainly due to decrease in prepayments made for H1 2013. Inventories decreased from S\$68K

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:

- (c) 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**
- (d) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (continued)**

as at 31 March 2012 to S\$35K as at 30 September 2012 mainly due to allowance for inventories for obsolescence.

Non-current assets decreased from S\$0.12 million as at 31 March 2012 to S\$0.11 million as at 30 September 2012. This was due to decrease in the value of plant and equipment and intangible assets as a result of depreciation and amortisation charge for H1 2013.

Total liabilities decreased from S\$3.40 million as at 31 March 2012 to S\$3.20 million as at 30 September 2012 were due to decrease in trade payables and other liabilities.

Total equity as at 31 March 2012 decreased from S\$3.90 million to S\$1.93 million mainly due to losses incurred during H1 2013.

Consolidated Statement of Cash flows

Net cash used in operating activities for H1 2013 was S\$2.28 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.

Video Management Equipment and Solutions -

The Company has been following up closely with Beijing Daheng Innovation Technology Co. Ltd. on the implementation of the initial project with the People's Republic of China's Ministry of Railway. The Company is still awaiting finalisation of the schedule for the implementation of the project.

We are also exploring with system providers for projects in the Middle East for our Video Management Solutions.

Media Solutions -

The Company has completed the new video advertisement server to serve customers in the People's Republic of China, Europe and United States of America. Currently, the Company is actively marketing and monetizing this new platform.

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 second quarter ended 30 September 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Philip Soh
Non-Executive Chairman
9 November 2012