

Second Quarter * Financial Statement And Dividend Announcement


* Asterisks denote mandatory information

Name of Announcer *	ARTIVISION TECHNOLOGIES LTD.
Company Registration No.	200407031R
Announcement submitted on behalf of	ARTIVISION TECHNOLOGIES LTD.
Announcement is submitted with respect to *	ARTIVISION TECHNOLOGIES LTD.
Announcement is submitted by *	Nathaniel C.V.
Designation *	Company Secretary
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The details of the announcement start here ...

For the Financial Period Ended *	30-09-2009
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Company Registration No. 200407031R

ARTIVISION TECHNOLOGIES LTD.

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2009**

	2 nd Quarter Ended			Half Year Ended		
	30 Sep 2009	30 Sep 2008	+/-	30 Sep 2009	30 Sep 2008	+/-
	S\$	S\$	%	S\$	S\$	%
Revenue	90,715	103,620	(12)	145,163	195,428	(26)
Cost of sales	(56,094)	(61,395)	(9)	(77,876)	(122,663)	(37)
Gross Profit	34,621	42,225	(18)	67,287	72,765	(8)
Other income	-	27,210	(100)	-	27,210	(100)
Distribution expenses	(688,643)	(440,563)	56	(1,328,972)	(885,130)	50
Administrative expenses	(874,254)	(1,186,458)	(26)	(1,477,126)	(1,727,293)	(14)
Other operating expenses	(364,852)	(417,327)	(13)	(984,508)	(689,163)	43
Results from operating activities	(1,893,128)	(1,974,913)	(4)	(3,723,319)	(3,201,611)	16
Finance income	21,547	60,897	(65)	53,604	106,140	(49)
Finance expenses	(37,038)	-	-	(186,566)	(37,796)	394
Net finance (expenses)/ income	(15,491)	60,897	N.M.	(132,962)	68,344	N.M.
Loss before income tax	(1,908,619)	(1,914,016)	N.M.	(3,856,281)	(3,133,267)	23
Income tax expense	(19,484)	(10,788)	81	(37,239)	(22,211)	68
Loss for the period	(1,928,103)	(1,924,804)	N.M.	(3,893,520)	(3,155,478)	23
Other comprehensive income						
Exchange differences on translating foreign operations	(23,603)	(25,204)	(6)	8,050	(19,162)	N.M.
Total comprehensive loss for the period	(1,951,706)	(1,950,008)	N.M.	(3,885,470)	(3,174,640)	23

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

N/M – not meaningful

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

	2 nd Quarter Ended			Half Year Ended		
	30 Sep 2009	30 Sep 2008	+/-	30 Sep 2009	30 Sep 2008	+/-
	S\$	S\$	%	S\$	S\$	%
Depreciation of plant and equipment	(67,348)	(28,488)	136	(131,008)	(51,827)	153
Amortisation of intangible assets	(12,438)	(100,489)	(88)	(97,924)	(200,980)	(51)
Inventories (written off)/recovered	(421)	235	(279)	(421)	(79)	433
Finance income						
Interest income	21,547	14,950	44	53,604	17,169	212
Net foreign exchange gain	-	45,947	N.M.	-	88,971	N.M.
	21,547	60,897		53,604	106,140	
Finance expense						
Net foreign exchange loss	(37,038)	-	N.M.	(186,557)	-	N.M.
Interest expense	-	-	-	(9)	(30,142)	N.M.
Amortisation of discount on unsecured convertible loan notes	-	-	-	-	(7,654)	N.M.
	(37,038)	-		(186,566)	(37,796)	

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 30 SEPTEMBER 2009

	Group		Company	
	30 Sep 2009 S\$	31 Mar 2009 S\$	30 Sep 2009 S\$	31 Mar 2009 S\$
Non-current assets				
Plant and equipment	502,868	514,547	385,002	402,689
Intangible assets	123,322	100,568	105,719	84,827
Investment in subsidiaries	-	-	949	753
Other investment	1,189	1,189	1,370	1,370
Other receivables	10,265	12,665	10,265	12,665
Long term fixed deposits	2,000,000	2,000,000	2,000,000	2,000,000
	2,637,644	2,628,969	2,503,305	2,502,304
Current assets				
Inventories	158,196	83,797	158,196	83,797
Trade and other receivables	422,238	404,641	1,643,113	1,717,254
Cash and cash equivalents	4,620,798	8,393,889	3,950,784	7,701,027
	5,201,232	8,882,327	5,752,093	9,502,078
Total assets	7,838,876	11,511,296	8,255,398	12,004,382
Equity attributable to equity holders of the Company				
Share capital	24,298,051	24,175,776	24,298,051	24,175,776
Reserves	227,651	116,518	224,794	121,711
Accumulated losses	(17,328,495)	(13,434,975)	(16,552,122)	(12,547,449)
Total equity	7,197,207	10,857,319	7,970,723	11,750,038
Current liabilities				
Trade and other payables	641,669	653,977	284,675	254,344
Total liabilities	641,669	653,977	284,675	254,344
Total equity and liabilities	7,838,876	11,511,296	8,255,398	12,004,382

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

Amount repayable in one year or less, or on demand

As at 30 September 2009		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
-	-	-	-

* Convertible loan notes and derivative financial instrument

Amount repayable after one year

As at 30 September 2009		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
-	-	-	-

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 SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2009**

	Group		Group	
	2 nd Quarter 2010 S\$	2 nd Quarter 2009 S\$	1 st Half 2010 S\$	1 st Half 2009 S\$
Cash Flow from Operating Activities				
Loss before income tax	(1,908,619)	(1,914,016)	(3,856,281)	(3,133,267)
Adjustments for:				
Amortisation of intangible assets	12,438	100,489	97,924	200,980
Depreciation of plant and equipment	67,348	28,488	131,008	51,827
Negative goodwill on acquisition of subsidiary	-	(27,210)	-	(27,210)
Exchange differences	(65,979)	14,706	72,623	1,823
Equity-settled commission	-	-	-	95,000
Net finance (income)/expenses	(21,547)	(14,950)	(53,595)	20,627
Translation differences on the conversion of loan notes to shares	-	(53,549)	-	(53,549)
Plant and equipment written off	-	(8,733)	7,881	-
Value of employee services received for issue of share options	70,046	17,808	115,964	38,292
	(1,836,313)	(1,856,967)	(3,484,476)	(2,805,477)
Changes in working capital:				
Inventories	(46,252)	(21,414)	(74,399)	(68,812)
Trade and other receivables	(83,936)	21,156	(33,734)	(359,594)
Trade and other payables	(160,187)	10,104	(12,308)	43,540
Cash used in operations	(2,126,688)	(1,847,121)	(1,343,222)	(3,190,343)
Interest received	43,568	14,950	72,141	17,169
Interest paid	-	-	(9)	(30,142)
Tax paid	(19,484)	-	(37,239)	-
Cash flows used in operating activities	(2,112,604)	(1,832,171)	(3,570,024)	(3,203,316)
Consideration paid for transfer of shares in a subsidiary	-	(1)	-	(1)
Purchase of intangible assets	(3,486)	-	(120,051)	-
Purchase of plant and equipment	(42,816)	(39,930)	(122,284)	(39,930)
Cash flows used in investing activities	(46,302)	(39,931)	(242,335)	(39,931)
Proceeds from issue of shares, net of expenses	-	14,409,459	-	14,409,459
Proceeds from issue of new share option	6	-	6	-
Proceeds from issue of new shares under share option scheme	109,388	-	109,388	-
Cash flows generated from financing activities	109,394	14,409,459	109,394	14,409,459
Net (decrease)/increase in cash and cash equivalents	(2,049,512)	12,537,357	(3,702,965)	11,166,212
Cash and cash equivalents at beginning of the period/year	8,603,242	1,246,481	10,393,889	2,670,142
Effect of exchange rates fluctuations	67,068	52,516	(70,126)	-
Cash and cash equivalents at end of the period	6,620,798	13,836,354	6,620,798	13,836,354

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.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2009**

Group	Share capital	Equity payment reserve	Foreign currency translation reserve	Share option reserve	Accumulated losses	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$
At 1 April 2008	5,592,970	2,000,000	7,087	30,588	(6,236,189)	1,394,456
Value of employee services received for issue of share options	-	-	-	38,292	-	38,292
Issue of shares, net of expenses	14,409,460	-	-	-	-	14,409,460
Issue of shares for the settlement of equity commission	95,000	-	-	-	-	95,000
Conversion of convertible loan note and derivative financial instrument to shares	2,090,308	-	-	-	-	2,090,308
Transfer from equity payment reserve	2,000,000	(2,000,000)	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	(19,162)	-	(3,155,478)	(3,174,640)
At 30 September 2008	24,187,738	-	(12,075)	68,880	(9,391,667)	14,852,876
At 1 April 2009	24,175,776	-	(5,193)	121,711	(13,434,975)	10,857,319
Value of employee services received for issue of share options	-	-	-	115,964	-	115,964
Issue of new shares options	-	-	-	6	-	6
Issue of new shares under share option scheme	122,275	-	-	(12,887)	-	109,388
Total comprehensive income/(loss) for the period	-	-	8,050	-	(3,893,520)	(3,885,470)
At 30 September 2009	24,298,051	-	2,857	224,794	(17,328,495)	7,197,207

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)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2009**

Company	Share capital S\$	Equity payment reserve S\$	Share option reserve S\$	Accumulated losses S\$	Total equity S\$
At 1 April 2008	5,592,970	2,000,000	30,588	(6,116,053)	1,507,505
Value of employee services received for issue of share options	-	-	38,292	-	38,292
Issue of shares, net of expenses	14,409,460	-	-	-	14,409,460
Issue of shares for the settlement of equity commission	95,000	-	-	-	95,000
Conversion of convertible loan note and derivative financial instrument to shares	2,090,308	-	-	-	2,090,308
Transfer from equity payment reserve	2,000,000	(2,000,000)	-	-	-
Total comprehensive loss for the period	-	-	-	(3,347,346)	(3,347,346)
At 30 September 2008	24,187,738	-	68,880	(9,463,399)	14,793,219
At 1 April 2009	24,175,776	-	121,711	(12,547,449)	11,750,038
Value of employee services received for issue of share options	-	-	115,964	-	115,964
Issue of new shares options	-	-	6	-	6
Issue of new shares under share option scheme	122,275	-	(12,887)	-	109,388
Total comprehensive loss for the period	-	-	-	(4,004,673)	(4,004,673)
At 30 September 2009	24,298,051	-	224,794	(16,552,122)	7,970,723

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	30 September 2009	31 March 2009
Issued and fully paid ordinary shares		
As 1 April	475,000,000	39,873,120
After share subdivision on 21 October 2007	-	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	920,000	-
	475,920,000	43,262,133
Effect of subdivision on 18 July 2008	-	356,737,867
After share subdivision on 18 July 2008	475,920,000	400,000,000
Add: New Shares issued pursuant to the invitation	-	75,000,000
At 30 September 2009/31 March 2009	475,920,000	475,000,000

The total number of share options outstanding as at 30 September 2009 stands at 35,913,396 (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 (30 September 2009) :	475,920,000
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		Group	
	2 nd Quarter 2010	2 nd Quarter 2009	1 st Half 2010	1 st Half 2009
Loss per share (cents)				
- Basic	(0.41)	(0.42)	(0.82)	(0.75)
- Diluted	(0.40)	(0.42)	(0.81)	(0.75)

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

Date of Grant	Balance as at 1/4/2009	Granted during 1/4/2009 to 30/09/2009	Exercised during 1/4/2009 to 30/09/2009	Cancelled during 1/4/2009 to 30/09/2009	Balance as at 30/9/2009	Exercise Price	Expiry Date
28/11/2007	20,846,772	-	(920,000)	(693,376)	19,233,396	S\$0.1189	28/11/2011
16/1/2009	3,780,000	-	-	-	3,780,000	S\$0.17	16/1/2014
2/7/2009	-	12,900,000	-	-	12,900,000	S\$0.12	2/7/2014
	24,626,772	12,900,000	(920,000)	(693,376)	35,913,396		

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 Sep 2009	As at 31 March 2009	As at 30 Sep 2009	As at 31 March 2009
Net asset value per ordinary share (cents)	1.51	2.29	1.67	2.47

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 AvisionTM.

GROUP FINANCIAL PERFORMANCE

Consolidated Statement of Comprehensive Income

The global financial crisis continued to have an unfavourable impact on the Group. Revenue for the half year ended 30 September 2009 ("HY 2010") decreased to S\$145,000 from S\$195,000 in half year ended 30 September 2008 ("HY 2009"). However, the gross profit margin has improved from approximately 37% (HY 2009) to approximately 46% (HY 2010) mainly due to higher sales on services which generated higher margins.

The distribution and selling, administrative and other operating expenses ("DA&OE") for HY 2010 were S\$3,791,000 compared with S\$3,302,000 for HY 2009. This was mainly due to the following:

1. Additional manpower and expenses to support our existing and future sales and marketing efforts in Asia and Europe, Middle East and Africa; and
2. Increase in research and development to further enhance and bring about new technologies and solutions.

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

Statement of Financial Position

Net assets decreased from S\$10,857,000 as at 31 March 2009 to S\$7,197,000 as at 30 September 2009, mainly due to utilization of funds for the Group's operations.

Cash flow

Net cash used in operating activities was S\$3,570,000 for HY 2010 was mainly due to higher manpower, research and development expenses as well as other expenses to support our existing 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.

Barring any unforeseen circumstances, the Group is cautiously positive on the business outlook of the security business. The Group is currently pursuing a number of key projects.

The business outlook for the media business is expected to improve. Positive developments are expected in the coming months.

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 half year ended 30 September 2009 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Nathaniel C.V.
Company Secretary
6 November 2009