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NEWS RELEASE

ARTIVISION TECHNOLOGIES LTD. LAUNCHES IPO AT S\$0.20 PER SHARE

Singapore, August 7, 2008 – Artivision Technologies Ltd. (“Artivision” or The Group) (慧视科技有限公司), a leading player in video analytics for visual intelligence, announced today that it has registered its Offer Document with the Singapore Exchange Securities Trading Limited. The Group is launching its Initial Public Offering (“IPO”) of 75 million New Shares at S\$0.20 per share, in connection with its listing on SGX Catalist.

Said Mr Leong Kwek Choon, Chief Executive Officer of Artivision, “Our core proprietary technology, Avision™, is an object-based algorithm which is at the forefront of the Video Content Analysis (“VCA”) technology. To put it simply, VCA, when applied in video surveillance, is the virtual brain that makes CCTV surveillance systems smart. Our scalable and robust platform, Avision™, is developed by a team of brilliant scientists based in Israel, under the leadership of our co-founder and Chief Technology Officer, Dr Ofer Miller who is one of the pioneers in the concept of VCA technology. Avision™ possesses a full technology infrastructure for processing and analysing video images in a wide range of video analytics applications.

“We are very excited about our listing on SGX Catalist as this marks an important corporate milestone for Artivision. The funds generated from the IPO will allow us to expand our business operations and to provide our customers with a wider range of high quality video management products and solutions, further strengthening our competitiveness in the market.”

The Invitation

The invitation of 75 million New Shares is structured as follows:

- ❖ 1 million Offer Shares at S\$0.20 each by way of public offer
- ❖ 74 million Placement Shares at S\$0.20 each by way of placement

payable in full on application.

Collins Stewart is the Sponsor, Underwriter and Placement Agent for the Group’s proposed listing on SGX Catalist.

The public offer will open at 9.00am on August 8, 2008, and will close at 12 noon on August 14, 2008. Listing and trading of Artivision’s shares are expected to commence at 9.00am on August 18, 2008.

Copies of Artivision’s Offer Document and the Application Forms and envelopes may be obtained on request, subject to availability, during office hours from:-

Collins Stewart Pte. Limited

77 Robinson Road

#21-02

Singapore 068896

And where available, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore.

A copy of this Offer Document is also available on the SGX-ST website at <http://www.sgx.com>.

Use of Proceeds

Artivision intends to use the net proceeds of approximately S\$13.2 million for the following purposes:

- ❖ Approximately S\$3 million to enhance existing products and solutions;
- ❖ Approximately S\$3 million to innovate products and solutions for new applications;
- ❖ Approximately S\$4 million to expand sales, marketing and distribution network; and
- ❖ Approximately S\$3.2 million for working capital.

Business Overview

Established in June 2004, Artivision is primarily engaged in the development and provision of video management products and solutions. Its core proprietary Video Content Analysis (“VCA”) technology, AvisionTM, is an object-based algorithm platform that possesses a full technology infrastructure for processing and analysing video images in a wide range of video analytics applications. This technology is the ‘Virtual Brain’ that makes traditional CCTV surveillance ‘smart’, enabling functions such as to:

- Analyse video streaming from cameras;
- Detect and track objects;
- Detect changes between images;
- Compare between objects instead of frames.

The Group has also successfully capitalised on the commercial potential of the Avison™ platform and developed a suite of VCA algorithms, namely SecuredVision™, TransportVision™ and PeopleVision™. Its current suite of video management products and solutions caters mainly to safety and security, traffic management as well as people management, and are used in various market segments such as government (customs checkpoints, military facilities), transport (airports, expressways), as well as commercial (shopping malls, office buildings) and residential markets.

In addition, the Group has developed strong alliances with 13 distributors who have established strong track records in the security and video management industries. This allows the Group to leverage on the strengths of their distributors to expand their market share as well as to penetrate new markets.

Artivision is dedicated to providing quality services and products to meet the most stringent quality requirements of its customers. Led by a strong management team, and backed by a brilliant in-house research team that is headed by its Chief Technology Officer, Dr Ofer Miller, the Group is a reliable supplier of VCA technology and video management products and solutions, and is positioned for greater growth.

Prospects and Future Growth

Based on studies conducted by IMS Research, the world market for VCA and intelligent video surveillance devices have experienced rapid growth and development in recent years, driven by factors such as the threat of global terrorism, trend to networked video surveillance, shortfalls of human operators, limitation of video motion detection and legislation.

The threat of global terrorism, for instance, has changed the way governments around the world view national security, leading to an increase in the level of funding to strengthen the security in areas such as airports, seaports, railways, borders, utilities and public spaces. This has contributed to increased funding for technologies such as video surveillance as well as the platform that facilitates the use of VCA.

According to IMS Research, the world market for VCA in 2007 was estimated at US\$58.0 million and is expected to grow at a compound annual growth rate (“CAGR”) of 69.3% to US\$807.7 million in 2012. In the same period, the world market for intelligent video surveillance devices is expected to grow at a CAGR of 108.0% from US\$106.3 million to US\$4.1 billion. The Directors believe that this represents vast opportunities for the Group’s innovative and competent range of video management products and solutions.

To capitalise on growing market demands, the Group intends to expand its existing products and solutions to include new features, such as facial recognition. The Group also plans to facilitate the interoperability of its video management products and services with third party applications so as to enable implementation in a wider range of solutions.

Additionally, the Group plans to develop new products and solutions for new applications such as unmanned surveillance vehicles, media-related content management as well as intelligent robotics.

To increase its penetration in Asia and EMEA, as well as establish a presence in the US and Russia, the Group has in place plans to expand its sales and marketing network through strategic partnerships with multi-national corporations. These include system integrators with strong presence in the global video management solutions market, security system components manufacturers, as well as conglomerates in the defence and security industries.

Said Mr Leong, "We believe constant innovation in developing new, technically-competent and well-received products and services is vital to our continuing success. We plan to intensify our R&D efforts and capabilities to sharpen our competitive edge, which will strengthen our market share.

"With our strong network of 13 distributors covering Asia and EMEA, plans to actively pursue over 30 projects in various markets, as well as efforts at forging strategic partnerships with multi-national corporations with global presence in order to expand our sales and marketing network, we are confident that Artivision will become a major player in the intelligent video technology and video management industries."

Financials

The Group's revenue grew at a CAGR of about 193.2%, from S\$32,353 in FY2006 to S\$227,217 in FY2008.

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