

8 September 2005

MULTIVISION INTELLIGENT SURVEILLANCE LIMITED
(Incorporated in Bermuda)

**THE PROPOSED DISPOSAL BY MULTIVISION INTELLIGENT SURVEILLANCE LIMITED
OF ITS ENTIRE INTERESTS IN MULTIVISION HOLDINGS LIMITED**

Introduction

The Board of Directors of MultiVision Intelligent Surveillance Limited (“MISL” or the “Company”) wishes to announce that the Company, has on 7 September, 2005, entered into a conditional share purchase agreement (the “Agreement”) with MultiVision Holdings Limited (“MHL”) and Verint Systems Inc (“Verint” or the “Purchaser”) for the disposal of all the Company’s interests in MHL (the “MHL Disposal”) comprising 10,500 ordinary shares of US\$1.00 each in the capital of MHL, which constitutes 100% of the issued and paid up share capital of MHL, to Verint for a total consideration of US\$48.2 million (the “Consideration”).

Pursuant to the sale of shares in MHL, the interests of MISL in MultiVision Intelligence Surveillance (Hong Kong) Limited (“MISL HK”), MultiVision IP Management Limited (“MISL IP”) and MVIS (Macao Commercial Offshore) Limited (“MVIS Macao”), which are wholly-owned subsidiaries of MHL will be transferred to the Purchaser.

The interests of the Company in the following subsidiaries of MISL HK (which together with MISL HK, MISL IP and MVIS Macao, are hereinafter referred to as the “Disposed Subsidiaries”) will also be transferred to the Purchaser:-

<u>Name</u>	<u>% ownership of MISL</u>
	<u>HK</u>
MultiVision Intelligent Surveillance (Macau) Limited	100
MultiVision Intelligent Surveillance (Zhu Hai) Limited	100

MISL HK’s interests in Ace Legend Sky Limited, Sino Gear Force Limited, MultiVision Systems & Networks Ltd. LLC, MultiVision Mobile Systems LLC, MultiVision Intelligent Surveillance (United Kingdom) Limited and MultiVision Intelligent Surveillance (Australia) Pty Limited and their subsidiaries, will not be transferred to the Purchaser as it is proposed that MISL HK’s interests in these companies be transferred to MISL before completion of the MHL Disposal.

Rationale for the Disposal

In the opinion of the Directors, in the last few years, the market for the manufacture and sale of digital video surveillance systems has evolved to become a highly competitive one. Due to the significant capital expenditure required to develop and manufacture digital video surveillance systems, and the increasing competition posed by existing competitors and new entrants to the market, the Directors believe that the success in this area is limited to a number of strong global players and consolidation will take place. After the MHL Disposal, the Company will focus on the provision of services for security/surveillance and the outsourcing of major security infrastructure projects which are markets that the Directors believe the Company will be better suited to compete in over the long term.

For the reasons stated above, the Directors of the Company are of the view that it would be in the best interests of the Company to make the MHL Disposal.

Following the completion of the MHL Disposal, the Company intends to enter into an agreement with Verint whereby the following entities to terminate the operations and shutdown the following entities (“Shutdown”):-

- the Singapore Representative Office;
- MultiVision Systems & Networks Ltd. LLC;
- MultiVision Mobile Systems LLC;
- MultiVision Intelligent Surveillance (United Kingdom) Limited; and
- MultiVision Intelligent Surveillance (Australia) Pty Limited.

Following the completion of the MHL Disposal, the major assets of MISL will comprise the following interests:-

- 100.0% of Ace Legend Sky Limited;
- 100.0% of Huge Hill Limited;
- 45.0% of Sino Gear Force Limited;
- 45.0% of WIVison Network Digital Video Technology (Beijing) Limited;
- 45.0% of Buo Xun Intelligent Surveillance Technology (Xinjiang) Limited; and
- 24.0% of China-Vision Intelligent Card Reader Co. Limited.

The Consideration

The aggregate Consideration to be received by the Company for the MHL Disposal is US\$48,200,000, subject to adjustment as provided in the Agreement. The Agreement further provides that Verint may, at any time prior to the fourth business day before the date that is scheduled by the parties to be the date of completion of the MHL Disposal, in its sole and absolute discretion elect to pay up to seventy per cent. (70%) of the Consideration in the form of common stock par value of US\$0.001 per share of Verint.

Based on the audited accounts of the Company and its subsidiaries (“the Group”) for the financial year ended 31 March 2005, the aggregate book value of the Disposed Subsidiaries is S\$27.2 million. The Consideration of US\$48,200,000 is higher than the aggregate book value of the Disposed Subsidiaries, being approximately 297.7% of their aggregate book value.

Financial Effects

For illustration purposes only, the financial effects of the MHL Disposal on the Company and its subsidiaries (the “Group”) as set below were prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2005 (“FY2005”) and subject to the following main assumptions:-

- (a) For the purpose of computing the earnings and earnings per share (“EPS”) of the Group after the MHL Disposal, it is assumed that the MHL Disposal was effected on 1 April 2005.
- (b) For the purpose of calculating the net tangible asset value (“NTA”) after the MHL Disposal, it is assumed that the MHL Disposal was completed on 31 March 2005.
- (c) For the purpose of computing the financial effects of the MHL Disposal on the Group, no adjustments had been made in respect of the interest income that might have been earned out of the cash to be received by the Group pursuant to the MHL Disposal.

The financial effects set out below are theoretical in nature and are therefore not necessarily of the results of the Group or the related effect on the financial position that would have attained had the Disposal taken place in accordance with the main assumptions set out herein.

(i) Share Capital

As the MHL Disposal does not involve the issue and allotment of any new shares of the Company, the MHL Disposal does not have any effect on the share capital of the Company.

(ii) Earnings

	<u>FY2005</u>	<u>After the MHL Disposal</u>
Profit attributable to shareholders ⁽¹⁾⁽²⁾⁽³⁾ - S\$'000	8,240	-793
Weighted average numbers of shares – '000	417,726	417,726
EPS – Singapore cents	1.9725	-0.1898

Notes:

- (1) Excludes minority interests.
- (2) Excludes the effect on EPS of (aa) any potential tax liabilities, writebacks, adjustments and expenses that may be made or incurred (as the case may be) in respect of the MHL Disposal as permitted under or in connection with the Agreement; and (bb) any share buy-back carried out by the Company after 31 March 2005.
- (3) This calculation is based on the exchange rate of S\$1= HK\$4.6381 as at 6 September 2005.

(iii) NTA

	<u>As at 31 March 2005</u>	<u>After the MHL Disposal</u>
NTA ⁽¹⁾⁽²⁾⁽³⁾ - S\$'000	61,939	114,027
Number of shares – '000	417,726	417,726
NTA per share - Singapore cents	14.83	27.30

Notes:

- (1) Excludes minority interests.
- (2) Excludes the effect on NTA of (aa) any potential tax liabilities, writebacks, adjustments and expenses that may be made or incurred (as the case may be) in respect of the MHL Disposal as permitted under or in connection with the Agreement; and (bb) any share buy-back carried out by the Company after 31 March 2005.
- (3) This calculation is based on the exchange rate of S\$1= HK\$4.6381 as at 6 September 2005.

Conditions Precedent

Pursuant to the Agreement, the obligations of the Company and the Purchaser to consummate the transactions in the Agreement are subject to, *inter alia*, the fulfilment of the following conditions precedent:-

- (a) Approval for the Disposal from the shareholders of MISL at an extraordinary general meeting ("EGM") to be convened in due course; and
- (b) the Company having entered into an agreement with Verint whereby Verint will provide reasonable support services in connection with the Shutdown.

Pursuant to the Agreement, the obligation of the Purchaser to complete the MHL Disposal is subject to, *inter alia*, the fulfilment of the following conditions precedent:-

- (a) the Company having entered into a non-competition agreement with Verint in which the Company agrees, *inter alia*, that it will not directly or indirectly engage in (i) the design, development, manufacture or sourcing from third parties of digital video recording, digital video transmission or digital video management products, or (ii) the promotion, marketing, sales, distribution or provision of customer services for digital video recording, digital video transmission or digital video management products, or that otherwise competes with the business of Verint or any of the MHL subsidiaries acquired by Verint;
- (b) Dennis Li and Louis Mak having entered into employment agreements with MHL; and

- (c) Huge Hill Limited and Sino Gear Force Limited having entered into exclusive supply agreements with MHL and/or one or more of the Disposed Subsidiaries to purchase video surveillance products.

Completion

Completion of the sale and purchase of shares shall take place on the fourth Business Day after the satisfaction or waiver of all conditions precedent as provided in the Agreement.

Use of Proceeds

At this stage, no decision has been made as to the Company's capital requirements after the MHL Disposal. Notwithstanding that, it is the present intention of the Directors to propose a special dividend after the receipt of proceeds from the MHL Disposal. The amount of this special dividend will depend on, *inter alia*, the capital requirements of the existing businesses and an assessment of other business opportunities.

Further details on the use of the proceeds will be set out in the Circular to be despatched to Shareholders in due course.

Disclosure of Interests

Following completion of the MHL Disposal, the following Directors will continue to provide services in the running of the business of the Disposed Subsidiaries under Verint:-

- (a) Mak Fuk Sang, Louis
- (b) Li Kin Keung, Dennis

Save as set out in this announcement and save for their interests through the Company, none of the Directors and as far as the Directors are aware, none of the controlling Shareholders has any interest, direct or indirect, in the MHL Disposal or the Purchaser.

Information on the Purchaser

Verint Systems Inc., headquartered in Melville, New York, is a leading provider of analytic software-based solutions for communications interception, networked video security and business intelligence. Verint software, which is used by over 1,000 organizations in over 50 countries worldwide, generates actionable intelligence through the collection, retention and analysis of voice, fax, video, email, Internet and data transmissions from multiple communications networks..

Verint is listed on NASDAQ. As at 6 September 2005, the market capitalisation of Verint was approximately US\$1.2 billion. The Verint group has shareholders' funds of approximately US\$240 million as of 31 January 2005. For the 12-month financial period ended 31 January 2005, the Verint group reported a Pro Forma profit after tax of approximately US\$26.8 million.

Undertakings

- (a) Mak Fuk Sang, Louis, who holds, directly or indirectly, an aggregate of 4,225,600 shares, representing approximately 0.97 per cent. of the total issued share capital of the Company as at 7 September 2005, has provided an undertaking to Verint that he will, *inter alia*, exercise all his voting rights attached to all shares he may hold directly or indirectly in the Company in favour of the MHL Disposal.

- (b) Li Kin Keung, Dennis, who holds, directly or indirectly, an aggregate of 4,657,600 shares, representing approximately 1.06 per cent. of the total issued share capital of the Company as at 7 September 2005, has provided an undertaking to Verint that he will, *inter alia*, exercise all his voting rights attached to all shares he may hold directly or indirectly in the Company in favour of the MHL Disposal.
- (c) Luk Chung Po, Terence, who holds, directly or indirectly, an aggregate of 125,600 shares, representing approximately 0.03 per cent. of the total issued share capital of the Company as at 7 September 2005, has provided an undertaking to Verint that he will, *inter alia*, exercise all his voting rights attached to all shares he may hold directly or indirectly in the Company in favour of the MHL Disposal.
- (d) Compelling Vision Management Limited, which holds, directly or indirectly, an aggregate of 59,794,200 shares, representing approximately 13.66 per cent. of the total issued share capital of the Company as at 7 September 2005, has provided an undertaking to Verint that it will, *inter alia*, exercise all its voting rights attached to all shares it may hold directly or indirectly in the Company in favour of the MHL Disposal.
- (e) TriVision Limited, which holds, directly or indirectly, an aggregate of 41,709,200 shares, representing approximately 9.53 per cent. of the total issued share capital of the Company as at 7 September 2005, has provided an undertaking to Verint that it will, *inter alia*, exercise all its voting rights attached to all shares it may hold directly or indirectly in the Company in favour of the MHL Disposal.

Copy of the Agreement Available for Inspection

A copy of the Agreement is available for inspection during normal business hours at 6 Battery Road, #16-01, Singapore 049909 for a period of three (3) months from the date of this Announcement.

Circular to Shareholders

The relative figures computed on the bases pursuant to Rule 1006(a) to (c) of the Listing Manual based on the audited accounts of the Group for the financial year ended 31 March 2005 are as follows:-

- (a) The net asset value of the Disposed Subsidiaries is S\$27.2 million, representing approximately 43.93% of the Group's net asset value of S\$61.9 million.
- (b) The net profit attributable to the Disposed Subsidiaries of S\$8.2 million, represents 100% of the Group's net profit.
- (c) The aggregate value of the Consideration to be received is approximately 90.40% of the Company's market capitalisation of S\$91.9 million as at 7 September 2005, being the market day immediately preceding the announcement of the Agreement.

The MHL Disposal will constitute a "Major Transaction" to the Company within the meaning of Chapter 10 of the SGX-ST Listing Manual as, based on the audited accounts of the Company for FY 2005.

Accordingly, an EGM will be convened to seek shareholders' approval for the MHL Disposal and a circular containing further details of the Disposal and enclosing the notice of EGM in connection therewith will be despatched to Shareholders in due course.

Submitted by Paul Gao Xiangnong / Raymond Tong Wei Min, Company Secretary on 8 September 2005 to the SGX.