

Press Release

## **SGX-Listed MultiVision to hold SGM on 30 December 2005 on proposed disposal of networked video security business**

- **Shareholders to vote on proposed disposal of MultiVision's entire stake in MultiVision Holdings Limited**
- **MultiVision intends to declare a significant amount of the proceeds as a special dividend**
- **MultiVision intends to increase its shareholding in China-Vision and Sino Gear Force; Directors optimistic of outlook**
- **MultiVision to remain listed on SGX Main Board**

**SINGAPORE, 14 DECEMBER 2005** – SGX Main Board-listed **MultiVision Intelligent Surveillance Limited** ("MultiVision", "the Company" or "the Group"), announced today that the Company shall convene a Special General Meeting ("SGM") on Friday, 30 December 2005, 2:30 p.m. at Ocean 6 Room, Level 2, Pan Pacific Hotel, Singapore. At this meeting, MultiVision shareholders and authorised proxies will consider and vote on the proposed disposal of the Company's entire interests in MultiVision Holdings Limited ("MHL").

On 8 September 2005, MultiVision announced a Share Purchase Agreement with US-based and NASDAQ-listed Verint Systems Inc. ("Verint") for the sale of its entire networked video security business held under MHL 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, subject to certain conditions including shareholders' approval.

MHL and its subsidiaries have major operations in Macau, China and Hong Kong and are all directly or indirectly involved in the design, development, distribution, sales and marketing, installation and support of digital video surveillance systems. It will not include the Group's operations in the USA, United Kingdom, Australia and Singapore, which will be shut down.

In the last few years, the Group has observed that the market for the manufacture and sale of digital video surveillance systems has become very competitive. It has faced constant price pressure from lower-end product suppliers while requiring significant capital expenditure to maintain its technological edge in high-end solutions. Therefore, the Directors believe that consolidation will take place and that success in this area will be limited to a number of strong global players with strong financial resources.

Mr. Terence Luk, MultiVision's Non-Executive Chairman, said, "The proposed sale of our product business will allow MultiVision to focus on further developing its remaining businesses, which the Board believes will provide the Company with a more predictable income and which we believe have the potential to grow strongly in the Greater China market."

"We believe that with a focus and track record on securing and operating businesses under exclusive business arrangements, we will face less competition and be able to improve our profitability and increase our return to shareholders."

MultiVision's remaining businesses will comprise two wholly owned MHL subsidiaries and four associate companies, the core of which will be formed by: 24%-indirectly owned China-Vision Intelligent Card Reader Co. Limited ("China-Vision"), 100%-owned Huge Hill Limited ("Huge Hill") and 45%-owned Sino Gear Force Limited ("Sino Gear Force").

China-Vision is primarily involved in developing and manufacturing smart ID card readers that will be used in conjunction with a nationwide ID card project in China, while Huge Hill and Sino Gear Force implement and provide support for video surveillance services over the Internet in China, such as in the city-wide video surveillance project for Beijing city and the monitoring of children in kindergartens, respectively.

"We are optimistic of the outlook of our remaining businesses. Although they are in the early stages of development, they have the potential to be expanded or replicated in other regions in China. We are confident of the future for China-Vision and Sino Gear Force and intend to increase our shareholding in them," said Mr. Luk.

Following shareholder approval at the SGM, Verint will pay MultiVision the entire consideration of US\$48.2 million in cash. The Company intends to declare a significant amount of the proceeds as a special dividend to shareholders following completion of the MHL disposal.

In addition, the Company intends to use part of the proceeds for the increase of its investment in China-Vision and Sino Gear Force and other investment opportunities in line with its strategy of penetrating into businesses which are oligopolistic in nature. The Company will make the necessary announcements after it has entered into binding commitments on such investments.

MultiVision's net tangible assets ("NTA") after the MHL disposal will be approximately S\$114.0 million. The NTA of the three on-going businesses of the Group will be S\$29.8 million or 26.1% of the Company's NTA prior to dividend distribution.

The sale will have no effect on the share capital of MultiVision as it does not involve the issue and allotment of any new shares of the Company.

After the MHL disposal, Mr. Terence Luk and Mr. Sheridan Yen will remain as the Non-Executive Chairman and Vice Chairman of the Company, respectively. Mr. Paul Gao, the current Chief Financial Officer of the Company, is expected to be appointed as the Chief Executive Officer. The Group will also consider expanding its management team through the promotion of existing staff or external appointments.

Following the MHL disposal, the Group intends to adopt a new name within a 12-month period which will better represent the new focus and identity of the Group. MultiVision will remain listed on SGX Main Board under its new name.

*### end of release ###*

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***About MultiVision Intelligent Surveillance Limited***

(Bloomberg: MVIS SP EQUITY / Reuters: MVIS SI)

*Headquartered in Hong Kong, MultiVision was established in 1986 and is a technology-based company principally engaged in the design, development and distribution of digital video surveillance products and solutions for customers across the globe. The Group has since 2003 also expanded its product and solution offerings to include the provision of video surveillance services and the manufacture of other security devices, such as smart ID card devices.*

*For further information, visit [www.multivision.com.hk](http://www.multivision.com.hk)*