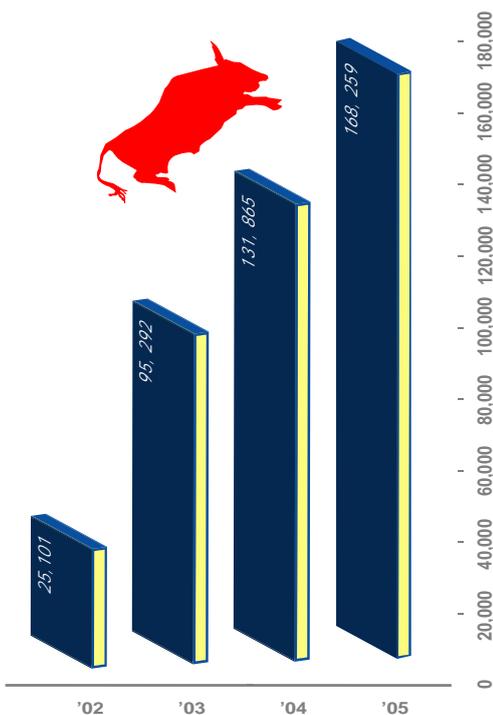


MultiVision Meets Promise of Double-Digit Growth, Remains Bullish Of Future Growth



MultiVision delivered a strong set of financials for the financial year 2005 (FY2005) ended 31 March 2005. Turnover grew 28% from HK\$131.9 million in FY2004 to HK\$168.3 million in FY2005, driven by strong demand for our digital video surveillance products and solutions.

The Greater China region, consisting of the People's Republic of China (PRC), Macau and Hong Kong, continues to spur MultiVision's revenue growth. The region grew 19.5% from HK\$97.7 million in FY2004 to HK\$116.7 million in FY2005.

Macau leads the pack in revenue contribution, making up 32.9% of MultiVision's revenue pie. To date, we have installed our systems in as many as 22 facilities in the territory. We expect more opportunities presented to us, as the gaming sector liberalises and where competition is expected to heat up. Gaming operators will expand their facilities and/ or build new facilities in a bid to outdo one another and surveillance equipment is key in the operators' setup.

FY2005 is a year of successful execution. We have earlier established representative offices in Australia, the UK and the USA and we are beginning to see our efforts pay off. The UK office has spearheaded new businesses in the Middle East market and has clinched a contract to supply digital video surveillance equipment to a prison in Kuwait.

MultiVision's commitment to our three pillars of growth – gaming, banking and transportation – has not wavered. We have won new gaming projects in Macau, earned Seng Heng bank in Macau as a new banking customer, and continued to deliver to transportation companies like Londonlines.

MultiVision continues to value technology as the key differentiator from the competition. In FY2005, we developed two new products – the Smart Image Processor and the NetDVS. The Smart Image Processor will be unveiled in the second quarter of FY2006 (2QFY2006). The system is packed with features including directional motion detection, colour detection, image stabiliser, unparalleled in the surveillance industry. The NetDVS is MultiVision's first embedded system. Details on the NetDVS can be found on page 3 of the newsletter.

■ What's News



ChinaVision's Smart Card Reader

Smart Card Reader Company Acquisition Expands MultiVision's Portfolio

In a strategic move, MultiVision announced an investment of HK\$50 million for a 24% indirect stake in China-Vision Intelligent Card Reader Co Ltd ("China-Vision"). China-Vision is a leading provider of smart card reading devices and has been named one of the only 10 companies approved by the Chinese government to produce next-generation smart identification card ("ID card") reader machines.

The Chinese government has earlier announced plans for the Chinese population to change their current ID cards to second-generation ID cards which will include IC chips. These smart ID cards are expected to help stamp out counterfeit paper ID cards and enhance the management of population movements. The nationwide project involving up to one billion citizens has been kicked off in six provinces and is expected to complete by 2008.

The Chinese government has awarded licenses to only 10 companies to provide equipment for reading these second-generation ID cards. The card readers will be widely used for national security and identification purposes by the Chinese government agencies such as the Public Security Bureau and the Immigration Bureau, and for commercial deployment such as in banks and hotels in the PRC.

China-Vision has been successful in roping in 18 provinces/ cities to adopt its smart card readers. It has also tied up with one of the other nine smart card reader companies as the OEM supplier to the latter.

The acquisition of China-Vision brings synergies to MultiVision. MultiVision will be able to gain direct access to China-Vision's pool of customers who are buyers or potential buyers of security and surveillance equipment. MultiVision's digital video surveillance products and solutions can be introduced and cross sold to these organizations.

In addition, both companies are also looking to develop hybrid products for the different vertical industries. MultiVision has experience and in-depth knowledge of the workings of the various vertical markets and will leverage on our experience in these areas in developing the new products.

An example of a hybrid product is a customised keyboard for the hospitality industry where upon swiping the customer's ID card across the slot provided on the keyboard, the customer's identity is checked and the information will be directly fed to the hotel's database. These hybrid products will be well integrated with the smart card readers and the backend systems already in place at the customers' organisations.



Prototype of a customised keyboard

■ New Products



NetDVS digital recorder

NetDVS Delivers D1-Quality Recording

The NetDVS is a feature-rich digital recorder built on an embedded operating system which offers superior D1-quality recording and playback capabilities. Based on MPEG4 compression technology, the four-channel digital recorder provides 704x576 recording resolution with 25 fps (PAL)/ 30 fps (NTSC) simultaneous recording and playback for each channel.

The NetDVS comes with a specially designed on-screen menu on its front panel and a remote controller, allowing end users to manage and execute their surveillance functions effortlessly. In addition, the system features support for alarm detection through motion detection or external alarm devices, built-in RS485 circuitry for pan/tilt/zoom control and comprehensive log of all system events.

The system's interchangeable hard disk offers users the flexibility to choose the storage capacities according to their needs.

MultiVision To Exhibit In Key Trade Shows

Come the second half of the calendar year, MultiVision will be participating in two tradeshows – ASIS 2005 in Florida, the USA and Safety and Security Asia 2005 in Singapore where we will unveil our new products and solutions. Join us at these shows to be among the firsts to learn about the many capabilities of our new products.



ASIS 2005

Dates: 12 to 14 September 2005

Venue: Orange County Convention Centre

Booth: 1083

Safety and Security Asia 2005

Dates: 9 to 11 November 2005

Venue: Singapore Expo

Booth: 4E29

■ New Orders

MultiVision Bags Second Phase of Hunan Postal Service Project



At the close of our financial year 2005 (FY2005), MultiVision clinched a contract to supply HK\$10-million worth of digital video surveillance products and solutions in the second phase of Hunan Postal Service's project. The second phase of the project will extend to equip more than 200 Hunan Postal Service branches with MultiVision's solutions.

The win is a strong endorsement from Hunan Postal Service in the quality and performance of MultiVision's products. Earlier, the institution has installed MultiVision's systems at 150 branches across the province.

Safeguarding Chinese Rail Travellers

MultiVision is also making headways in the transportation industry in the PRC. We tendered for and were awarded HK\$2.5 million to upgrade the surveillance system of a regional train depot in Kunming by the Ministry of Railways.

With the extensive railway infrastructure in the PRC, we expect the project to extend to 17 more regional depots in the country with an estimated contract size of HK\$50 million. The roll-out of surveillance solutions across other stations will hinge on the success of the pilot project.



Success In Casinos

Leveraging on our success in Macau, MultiVision has spearheaded our business into the gaming scene in Vietnam and the USA. Two gaming operators from the respective territories have deployed MultiVision's solutions to improve their security and surveillance functions.

The analogue-to-digital migration will provide the gaming operators the benefits of high resolution video recording, ease of operations and more effective archival, storage and management of the video images. More importantly, MultiVision's proven heart-beat technology ensures that the facilities are up and running 24 by 7 and operations are not disrupted, maximising operators' revenues.

