

# MultiVision Continues Growth Momentum, Records HK\$129.0 Million In Revenue and HK\$37.6 Million in Profit

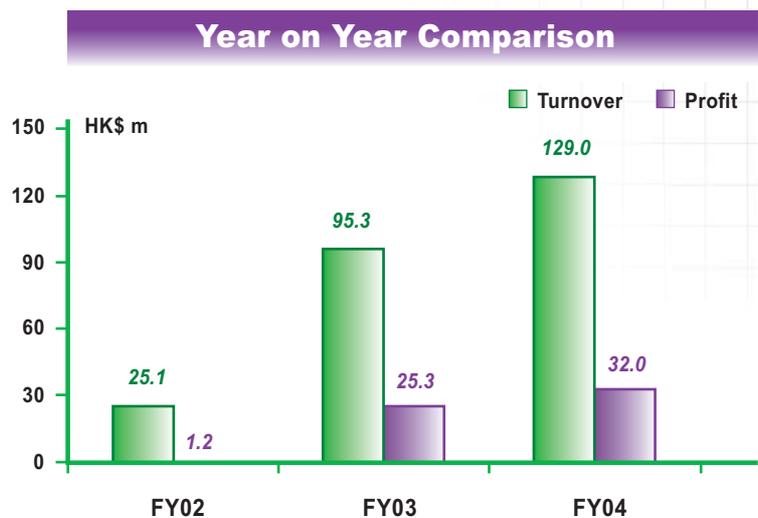
MultiVision Intelligent Surveillance Limited saw revenue grow 35.4 percent to HK\$128.9 million for our financial year 2004 ending 31 March 2004. Profits grew in line with revenue at 26.5 percent to reach HK\$37.6 million. The excellent financial results bear testimony to the continuity and sustainability of the Company's strong business growth. This is the second consecutive year we have maintained our robust growth rate, since our listing in December 2002.

Numerous factors drove the growth of the Company in FY2004. The increase in terrorism and terrorist attacks has heightened awareness for security and surveillance across the different market sectors, thereby prompting a surge in demand for security and surveillance solutions. MultiVision, as a leading digital video surveillance player, benefited from the growth in global demand for security and surveillance solutions.

As the technology gap between analog and digital products widened, the replacement market thrived. Customers are quickly learning the many advantages a digital platform has over an analog one – including better return of investments, ease of use and management, expanded surveillance coverage and enhanced applications. This trend has led to a technology migration where customers adopted our digital video surveillance platform in place of their analog products.

Our expansion strategy into new vertical markets has also rewarded us well. We have successfully grown our market share from a zero base to being the sole provider of digital video surveillance solutions to the Sociedade de Jogos de Macau (SJM) casinos in Macau. Our end-to-end gaming solution, including the NetServer Super, NetServer Legend and camera touring and zooming application introduced early this financial year, was well received by the gaming operators. A total of 17 casinos in Macau will deploy our digital video surveillance solutions by the end of this year.

We gained market share in the banking sector in the PRC. We secured a contract to supply our digital video surveillance products and solutions to the Hunan Postal Services. Aside from the strong domain expertise and experience we demonstrated, the bank was impressed by our picture-in-picture application which enhanced the surveillance of its facilities.



## ■ Business Development

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### *Acquisition Of Acqis To Boost Mobile Portfolio*



MultiVision announced that it has acquired the surveillance business of California-based Acqis Technology Inc. for US\$750,000. After the acquisition, Acqis will become a division of MultiVision USA and be named MultiVision Mobile Systems.

The acquisition of Acqis is strategic, bringing to MultiVision a portfolio of six technology patents in mobile technology and solution offerings, and immediate access to its list of customers. It will also offer MultiVision cost savings. MultiVision's NetServer Smart, a mobile digital video surveillance system, is an OEM product from Acqis.

Acqis, established in 1986, is a pioneer in modular computer systems. Its flagship products—iSat and iMod—have been customized for OEM customers including QRO Solutions and Appian Technology in the UK for automatic licence plate recognition, and Securtext Digital and WatchNet for digital video surveillance.

The acquisition of Acqis will allow MultiVision to better address the mobile surveillance market for such cartridge-design products which is estimated at 140,000 units and expected to grow to US\$450 million in 2005.

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### *New Face To Head MultiVision's Mobile Unit*



*Tony Man who is heading the new division*

Tony Man has taken up the position of Sales Director at MultiVision Mobile Systems, a business unit of MultiVision. Mr. Man will be responsible for the sales and marketing of the business operation. He will also oversee systems development and manufacturing of the NetServer Smart and related mobile products.

Mr. Man, a veteran in the IT industry with more than 30 years of experience, last held the post of Vice President, Business and System Development, Acqis Technology, Inc. He fully defined and supervised the development of Acqis' modular computer systems. Prior to Acqis, he was the Vice President, Sales and Marketing, Silicon Motions Inc. from 1997 to 1998, Director, Business Development, Cirrus Logic from 1993 to 1997 and Director, Software Development, Acumos Inc. from 1992 to 1993.

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### *Highlight on MultiVision's Australia Operations*

The newly-established Australian office will focus efforts in supporting existing clients, developing new markets, and setting up its channel networks in the region.

Heading the Australian team is Mal Grantham, General Manager, Multivision Intelligent Surveillance Australia Pty Ltd. He is responsible for the management of ongoing development of the new markets and support of existing customers. Mr. Grantham has more than thirty years of experience in the security and surveillance industry. His forte lies in his strong project and commercial management background from the security and surveillance industries.

While the company has made inroads into the railway industry, with the State Rail Authority of New South Wales

implementing our digital video surveillance solutions, the Australian office will look to focus efforts in supporting existing customers and expanding into new markets.

"The Australian market is well established with a full spectrum of product offerings available. We will need to penetrate into competitors' market share through influencing consultants and users to specify our products, develop relationships with distribution networks, and retain and support our existing clientele," said Mr. Grantham. "Aside from the transportation industry which has traditionally been MultiVision's strength, the other potential vertical markets we are eyeing currently include the government and manufacturing sectors. We are also looking to partner telecommunications companies to value-add to their offerings to their customers and provide turnkey solutions to customers."



*Mal Grantham joined MultiVision Australia, spearheading operations in the Pacific region*

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## ***New Contract Wins See MultiVision Gain Footing In South America***

MultiVision has been awarded two contracts from the public sector of Mexico and Argentina in the fourth quarter of FY2004, closing the financial year with a positive note.

The two contracts valued at HK\$3 million mark the first of MultiVision's foray into the South American region. Eight NetServer Plus digital video surveillance systems together with two Unet Client Workstations (UCW), making up the total solution, will be supplied to the Postal bureau in Mexico. On a more extensive scale, more than 30 units of NetServer and UCW digital video surveillance products and solutions will be implemented at facilities of the provincial government of Buenos Aires in Argentina.

Commenting on the two contract wins, Sylvain Desrosiers, Sales Director for MultiVision Americas said: "We are pleased that within a very short time (our US office has only been set up for less than three months), we have been able to demonstrate our products' capabilities, put up a bid for these projects and won the authorities over as our customers. Our ability to win these two government tender contracts testify for our solutions' quality and reliability."

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## ***MultiVision Sets Foot Into Beijing***



*The opening ceremony at MultiVision's Beijing office*

The official opening ceremony of MultiVision's Beijing office kicked off amidst much aplomb on 18 May 2004. The date, an auspicious day in the lunar calendar, bodes wealth and prosperity for the company for the years to come.

The establishment of the Beijing office bears testimony to the company's commitment to the China market and the potential it brings. Said Jacky Zhang, General Manager, MultiVision China: "The China market is a big pie for MultiVision, given the high demand for surveillance products and solutions. Having a local office will allow us to provide excellent pre- and post-sales support to our customers. We will also be able to better understand the needs of

the local market, and this in turn will put us in an advantageous position when we are addressing the local market."

Invited to the office-opening ceremony include MultiVision's partners and customers. Aside from allowing the staff a good chance to strengthen rapport with customers, the event provided the MultiVision Beijing team the opportunity to show case the support infrastructure set up for them.

## ■ What's News

### *MultiVision Draws Keen Interest From ISC West and IFSEC Attendees*



*Prospects visiting our booth at IFSEC, UK*

MultiVision took part in ISC West 2004 from 30 March to 1 April in Las Vegas for the second year round, drawing tremendous interest from show participants. With the strip as our setting, we showcased our full suite of digital video surveillance products and solutions, including our solutions targeted at the gaming industry.

The team impressed show attendees with demonstrations of the high levels of resiliency and redundancy of our products and solutions, and our one-second failover feature which is triggered by heart-beat monitoring.

The heart-beat monitoring capability is one of the firsts in the industry which ensured 24 by 7 by 365 uptime of our digital video surveillance solutions, checking their health and initiating instant failover in the event of systems downtime.

The IFSEC show, which took place in Birmingham, the UK from 10 to 13 May took on the transportation theme, following our endorsement from London Lines as its preferred digital video recorder (DVR) supplier. This is the fourth year MultiVision has participated in the show.

The event was an excellent platform to display the Legend Series. The solution features DVD-quality recording and excellent compatibility with the recorded audio channels. The attendees were also able to try their hands on the full suite of MultiVision solutions.

MultiVision attracted attendees with high security priorities placed in the railway/ transportation sectors. Also, interest was also rife for distributionship of MultiVision's products in other European and Middle East markets.

