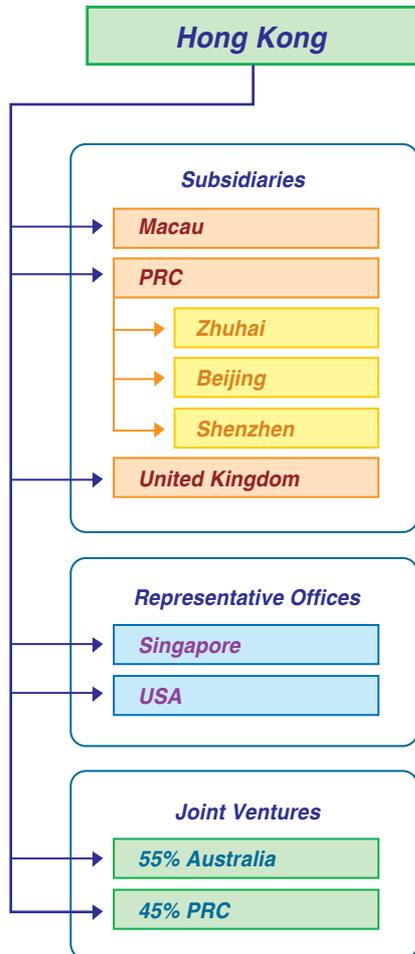


MultiVision Strengthens Its Foothold In The Global Markets



MultiVision's rapid growth in the last year has seen it moving beyond Hong Kong and Singapore, setting up offices to support the company's fast expanding business. New subsidiaries have been established: One in London, United Kingdom to oversee businesses in Europe and the Middle East; and another in Zhuhai, the PRC which manages the operations of MultiVision's branch offices in Beijing and Shenzhen.

Aside from the set-up of these subsidiaries, MultiVision has formed joint ventures in Australia and the PRC. The joint venture in Australia will be primarily focused on developing new business opportunities with existing MultiVision clients such as the State Rail Authority. The State Rail Authority has earlier implemented MultiVision's digital video surveillance products and solutions and is looking at rolling out the second phase of its project.

The joint venture in the PRC will offer IP-based digital video services through a security portal. Partnering with China NetCom (CNC), the broadband service provider in the 10 provinces of north-east China, the company looks to target the subscriber base of CNC. International Data Corp expects the total number of subscribers to increase from the current 3 million to 15 million in 3 years. The joint venture, which is based on a services model, is expected to launch new business initiatives and tap into new markets for growth.

These new operations are expected to help build MultiVision's brand name and extend the company's reach globally. They will also be focused on supporting MultiVision's channel partners which have been instrumental in growing the company.

CFO Charts Financial Priorities



Paul Gao, CFO, MultiVision

Newly-appointed Chief Financial Officer, Paul Gao has been at the helm since the last quarter of MultiVision's financial year. He seeks to chart several financial initiatives for MultiVision in this financial year.

Said Mr. Gao: "MultiVision is fast expanding and strengthening as an international organization. It will require a uniform set of policies and procedures which will be applied across different countries. Benchmarks with the industry will have to be established to ensure that our expenses are in line or lower than the industry average. We believe it is only by putting in such cost control measures will we be able to strengthen the company's balance sheet and provide excellent return in investments to our investors."

■ What's News

Interviews With The Sales Team Which Is Driving MultiVision's Business Worldwide

Peter Baker - Sales Director, Europe



"Our focus is to work with system integration partners in Europe to handle the large infrastructure projects. This strategy is taking shape. We have already established our regional office in London which will oversee the European markets. In a short span of time, we have won the Agadir Casino project and being designated by London Lines as the Digital Video Recorder (DVR) vendor of choice to provide digital video surveillance solutions to all the 800 train stations."

Sylvain Desrosiers - Sales Director, Americas



"The USA is a large and mature market with many players. MultiVision has to find a low-risk approach to establish its presence here. We are currently exploring the option of using manufacturing representatives. Once the products start rolling out and our brand name is more established in the market, we can then tackle the large infrastructure projects, which is MultiVision's forte."

Jacky Zhang - General Manager, the PRC



"The PRC is a unique market where there exists many low-cost local products but is also crowded with foreign imports. To distinguish our products from the rest, we will need to form major account sales teams which will focus on penetrating the vertical markets with our proven and end-to-end solutions. We have already tasted success with the banking team cracking the Hunan Postal Services account and expect similar deals to follow. A team for the transportation vertical market will be formed to penetrate the airport and railroad surveillance markets in the PRC."

Danny Cou, General Manager, Sino Gear Force



"Many restrictions are imposed on foreign companies offering security products and services in the PRC. The joint-venture-and-partnership approach MultiVision has undertaken minimizes the risks involved and allows us to focus on developing and launching a security portal that can support a large number of ADSL subscribers. We see this as an excellent platform for the provision of video-based applications such as video conferencing, video-on-demand and web casting in the future. The revenue potential is huge."

■ New Orders

MultiVision Secures Projects Worldwide

The last quarter marked an exciting period for MultiVision with new contracts clinched worldwide.

Agadir Casino in Morocco, North Africa



MultiVision's full suite of digital video surveillance products and solutions for the gaming industry has won it a HK\$1.5 million contract from Les Loisirs du Paradis. The company has been commissioned to install its digital video surveillance solution to support 64 cameras with automatic fail-over capabilities for Casino Agadir. The project will see Casino Agadir using the state-of-the-art technology for this new facility.

Hunan Postal Services in Hunan, the PRC



MultiVision has secured a HK\$7.2 million contract with Neng Tong Technologies from Hunan Postal Services to install our digital video surveillance products and solutions for over 100 branches and 150 automated teller machines (ATMs). There are over 1,800 branches and 200 ATMs in Hunan province alone and country wide, there are over 28,000 branches and 5,500 ATMs and they only have 8.5% of the banking market in the PRC. The market potential is huge.

Asia Container Terminal in Hong Kong



Together with distributor partner PCCW in Hong Kong, MultiVision won the contract to implement a 67-video camera CCTV port surveillance system for the terminal. MultiVision will supply seven units of MPEG4-based NetServer Super and three units of its remote management software, Unet Client Workstation 1000. This project adds on to MultiVision's list of container terminal port projects — the last being that for Container Terminal 9.

Macau Casino Extension Project in Macau



The extension project with Macau gaming company, Sociedade de Jogos de Macau, S.A, will see MultiVision install new digital video surveillance systems at China Hotel and Grand View Hotel, and an increase in surveillance coverage at Pharaoh's Palace casino. MultiVision has currently installed its products and solutions at 15 casino and hotel facilities of the gaming company. This HK\$8 million contract will bring the aggregate value for these projects to HK\$64 million.

London Lines in London, United Kingdom



London Lines, the largest passenger rail franchise holder operating rail services in the United Kingdom, has chosen MultiVision for its digital CCTV surveillance needs. London Lines will deploy MultiVision's products and solutions for its digital video surveillance roll-out and CCTV procurement. MultiVision has been chosen as the vendor of choice after London Lines' extensive one-year technology evaluation program.

■ Case Study

Hunan Postal Services Enhances Surveillance Coverage At ATMs And Branches



The picture-in-picture application captures video images of the customer and also people queuing in the background

The Hunan Postal Services has more than 1,800 branches and 200 automatic teller machines (ATMs) in the Hunan province in the PRC. With the recent spate of ATM forgeries, it wants to boost its surveillance coverage at its facilities to safeguard its customers' interest.

MultiVision has earlier developed unique solutions with text-overlay and account-number-retrieval applications for the banking industry. In this project, MultiVision engineered a picture-in-picture algorithm to facilitate the analysis of video footages captured of the transactions conducted at the ATMs.

Unlike the traditional ATM surveillance applications which only capture video images of the customer transacting at the ATM, the picture-in-picture algorithm will capture video images of the background while the transaction is taking place. By doing so, the investigators will possess more clues on what has taken place during the execution of the transaction when ATM forgeries arise. Insightful information which will be provided will include video images of customers in the queue and whether they were peeping over the shoulders of the customer in front to steal a glimpse of the personal identification number and thereby resulting in the fraudulent transactions.