Company Registration No. 200407031R

ARTIVISION TECHNOLOGIES LTD.

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Karen Soh, Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.

1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

	3 Months			6 Months		
	1 Jul 2014 to 30 Sep 2014	1 Jul 2013 to 30 Sep 2013	+/-	1 Apr 2014 to 30 Sep 2014	1 Apr 2013 to 30 Sep 2013	+/-
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	2,070	2	N.M.	4,024	20	N.M.
Cost of sales	(1,308)	-	N.M.	(2,535)	-	N.M.
Gross profit	762	2	N.M.	1,489	20	N.M.
Gross profit - %	37%	100%		37%	100%	
Other income/(expenses) - net	102	(11)	N.M.	98	(3)	N.M.
Distribution expenses	(158)	(171)	(8)	(342)	(324)	6
Administrative expenses	(975)	(599)	63	(1,925)	(1,365)	41
Other operating expenses (including research and development expense)	(409)	(501)	(18)	(810)	(933)	(13)
Share of loss of a joint venture	-	(338)	N.M.	-	(361)	N.M.
Loss before income tax	(678)	(1,618)	(58)	(1,490)	(2,966)	(50)
Income tax expense	(4)	(5)	(20)	(9)	(9)	-
Net loss for the period	(682)	(1,623)	(58)	(1,499)	(2,975)	(50)
Other comprehensive loss:						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation - (Losses)/Gains	(15)	7	N.M.	(14)	23	N.M.
Total comprehensive loss	(697)	(1,616)	(57)	(1,513)	(2,952)	(49)

N.M. – not meaningful

1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

(i) Loss for the period/year is arrived at after (charging)/crediting the following:

	3 Months			6 Months		
	1 Jul 2014 to 30 Sep 2014	1 Jul 2013 to 30 Sep 2013	+/-	1 Apr 2014 to 30 Sep 2014	1 Apr 2013 to 30 Sep 2013	+/-
	S$'000	S$'000	%	S$'000	S$'000	%
Depreciation of property, plant and equipment	(131)	(22)	495	(250)	(38)	558
Amortisation of intangible assets	(63)	(2)	N.M.	(126)	(4)	N.M.
Allowance for inventories obsolescence	-	(6)	-	-	(7)	N.M.
Property, plant and equipment written off	-	-	-	-	(1)	N.M.
Other income/(expenses) - net						
Interest income from bank deposits	5	1	400	9	5	80
Foreign exchange gains/(losses) - net	83	(12)	N.M.	67	(8)	N.M.
Other operating income	14	-	-	22	-	-
	102	(11)	N.M.	98	(3)	N.M.

N.M. – not meaningful

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	Group		Company	
	30 Sep 2014 S$'000	31 Mar 2014 S$'000	30 Sep 2014 S$'000	31 Mar 2014 S$'000
ASSETS				
Current assets				
Cash and cash equivalents	4,275	2,931	3,251	2,378
Trade and other receivables	1,042	903	10,410	9,186
Other current assets	390	436	127	103
Inventories	308	294	11	11
	6,015	**4,564**	**13,799**	**11,678**
Non-current assets				
Available-for-sale financial assets	2,670	2,670	2,670	2,670
Investments in subsidiaries	-	-	1,316	1,316
Investment in a joint venture	-*	-*	-	-
Property, plant and equipment	3,754	3,054	42	55
Intangible assets	1,024	1,150	-	-
	7,448	**6,874**	**4,028**	**4,041**
Total assets	**13,463**	**11,438**	**17,827**	**15,719**
LIABILITIES				
Current liability				
Trade payables and other liabilities	1,235	2,707	233	2,333
Non-current liability				
Loans from shareholder	2,750	2,750	2,750	2,750
Total liabilities	**3,985**	**5,457**	**2,983**	**5,083**
NET ASSETS	**9,478**	**5,981**	**14,844**	**10,636**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	50,731	45,964	50,731	45,964
Other reserves	2,329	2,100	2,355	2,112
Accumulated losses	(43,582)	(42,083)	(38,242)	(37,440)
Total equity	**9,478**	**5,981**	**14,844**	**10,636**

** - Amount less than S$1,000*

1 (b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one (1) year or less, or on demand

	As at 30 September 2014		As at 31 March 2014	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Bank borrowings	-	-	-	-
Loans from shareholder	-	-	-	-

Amount repayable after one (1) year

	As at 30 September 2014		As at 31 March 2014	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Bank borrowings	-	-	-	-
Loans from shareholder	-	2,750	-	2,750

Details of any collateral

The loans from shareholder are interest-free and unsecured. The settlement of the amount is at the discretion of the Company and is not likely to occur within the next twelve (12) months.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

	3 months ended 30 Sep 2014 S$'000	3 months ended 30 Sep 2013 S$'000	6 months ended 30 Sep 2014 S$'000	6 months ended 30 Sep 2013 S$'000
Cash flows from operating activities				
Net loss	(682)	(1,623)	(1,499)	(2,975)
Adjustments for				
- Income tax expense	4	5	9	9
- Amortisation of intangible assets	63	2	126	4
- Depreciation of property, plant and equipment	131	22	250	38
- Unrealised currency translation loss	8	3	3	1
- Interest income	(5)	(1)	(9)	(5)
- Property, plant and equipment written off	-	-	-	1
- Allowance for inventories obsolescence	-	6	-	7
- Share of loss of a joint venture	-	338	-	361
- Employee share option expenses	112	151	245	337
	(369)	(1,097)	(875)	(2,222)
Change in working capital:				
- Inventories	31	-	(10)	-
- Trade and other receivables	(72)	12	(130)	7
- Other current assets	(33)	75	42	119
- Trade payables and other liabilities	287	(26)	233	69
Cash used in operations	(156)	(1,036)	(740)	(2,027)
Interest received	5	1	9	8
Income tax (paid)/refund received	(1)	(8)	(5)	21
Net cash used in operating activities	(152)	(1,043)	(736)	(1,998)
Cash flows used in investing activities				
Additions of property, plant and equipment	(630)	(13)	(907)	(88)
Net cash used in investing activities	(630)	(13)	(907)	(88)
Cash flows from/(used in) financing activities				
Proceeds from new share options granted	-	-	-*	-
Proceeds from the renounceable and partially underwritten Rights Shares	-	-	3,303	-
Proceeds from exercise of share options	4	24	4	40
Share issue expenses	-	-	(315)	-
Loans to a joint venture	-	(399)	-	(1,049)
Loan to proposed acquired subsidiary	-	(600)	-	(600)
Net cash from/(used in) financing activities	4	(975)	2,992	(1,609)
Net (decrease)/increase in cash and cash equivalents	**(778)**	**(2,031)**	**1,349**	**(3,695)**
Cash and cash equivalents				
Beginning of financial period	5,062	3,969	2,931	5,624
Effects of currency translation on cash and cash equivalents	(9)	3	(5)	12
End of financial period	**4,275**	**1,941**	**4,275**	**1,941**

** Amount less than S$1,000*

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014/2013

Group	Share capital	Currency translation reserve	Share option reserve	Capital reserve	Accumulated losses	Total attributable to equity holders of the Company
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2014						
Beginning of financial period	37,718	(42)	1,567	-*	(36,276)	2,967
Total comprehensive loss for the period	-	23	-	-	(2,975)	(2,952)
Value of employee services received for issue of share options	-	-	337	-	-	337
Share options exercised	54	-	(14)	-	-	40
End of financial period	37,772	(19)	1,890	-*	(39,251)	392
2015						
Beginning of financial period	45,964	(12)	2,112	-*	(42,083)	5,981
Total comprehensive loss for the period	-	(14)	-	-	(1,499)	(1,513)
Value of employee services received for issue of share options	-	-	245	-	-	245
Share options exercised	6	-	(2)	-	-	4
Renounceable and partially underwritten Rights Issue	5,076	-	-	-	-	5,076
Share issue expenses	(315)	-	-	-	-	(315)
Proceeds from new share options granted	-	-	-*	-	-	-*
End of financial period	50,731	(26)	2,355	-*	(43,582)	9,478

* *Amount less than S$1,000*

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014/2013

Company	Share capital	Share option reserve	Capital reserve	Accumulated losses	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000
2014					
Beginning of financial period	37,718	1,567	-*	(34,662)	4,623
Total comprehensive loss for the period	-	-	-	(812)	(812)
Value of employee services received for issue of share options	-	337	-	-	337
Share options exercised	54	(14)	-	-	40
End of financial period	37,772	1,890	-*	(35,474)	4,188
2015					
Beginning of financial period	45,964	2,112	-*	(37,440)	10,636
Total comprehensive loss for the period	-	-	-	(802)	(802)
Value of employee services received for issue of share options	-	245	-	-	245
Share options exercised	6	(2)	-	-	4
Renounceable and partially underwritten Rights Issue	5,076	-	-	-	5,076
Share issue expenses	(315)	-	-	-	(315)
Proceeds from new share options granted	-	-*	-	-	-*
End of financial period	50,731	2,355	-*	(38,242)	14,844

* *Amount less than S$1,000*

1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as, the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	Share Capital
		S$'000
Issued and fully paid ordinary shares		
Balance at 1 July 2014	888,378,668	50,725
Exercise of employee share options	49,250	6
Balance at 30 September 2014	888,427,918	50,731

As at 30 September 2014, the total number of share options outstanding was 43,133,000 (30 September 2013: 31,763,000).

On 28 September 2013, the Company entered into subscription agreements with GMCM Asia Alpha Fund, GMCM Asia Special Situation Fund, GMCM Global Equity Opportunity Fund, Ms Lynette Le Mercier, Mr Tan Ah Lye, TAL Capital Pte Ltd, Mr Andrew Ong Hock Sing and Ms Chia Kee Neo Elsie ("Subscribers"), pursuant to which the Company had agreed to grant options to the Subscribers to subscribe for an aggregate of 35,700,000 new ordinary shares in the capital of the Company ("Call Options") at S$0.12222 per Call Option. As at 30 September 2014, none of the Call Options were exercised and will expire on 27 September 2015.

The total number of Call Options outstanding as at 30 September 2014 was 35,700,000 (30 September 2013: 35,700,000).

The Company did not have any treasury shares as at 30 September 2014 and 30 September 2013.

1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company has no treasury shares.

	As at 30 September 2014	As at 31 March 2014
Total issued shares	888,427,918	634,556,192

1 (d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting year as those applied in the preparation of the audited financial statements for the financial year ended 31 March 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Loss per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

(a) Basic loss per share based on the weighted average number of ordinary shares on issue; and

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	3 Months		6 Months	
	1 Jul 2014 to 30 Sep 2014	1 Jul 2013 to 30 Sep 2013	1 Apr 2014 to 30 Sep 2014	1 Apr 2013 to 30 Sep 2013
Net loss attributable to equity holders of the Company (S$'000)	(682)	(1,623)	(1,499)	(2,975)
Weighted average number of ordinary shares outstanding for basic loss per share	888,392,586	552,002,821	859,258,496	551,839,649
Basic loss per share (cents per share)	(0.08)	(0.29)	(0.17)	(0.54)

(b) Diluted loss per share on a fully diluted basis (detailing any adjustments made to the earnings)

For the purpose of calculating diluted loss per share, net loss attributable to equity holders of the Company and the weighted average number of ordinary shares in issue are adjusted for the dilutive effects of potential ordinary share issues.

The Company has one category of dilutive potential ordinary shares, which is share options as at 30 September 2014 and 31 March 2014.

For share options, the weighted average number of shares in issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial period) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net loss.

6. Loss per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

(b) **Diluted loss per share on a fully diluted basis (detailing any adjustments made to the earnings)** (continued)

Diluted loss per share attributable to equity holders of the Company is calculated as follows:

	3 Months		6 Months	
	1 Jul 2014 to 30 Sep 2014	1 Jul 2013 to 30 Sep 2013	1 Apr 2014 to 30 Jun 2014	1 Apr 2013 to 30 Jun 2013
Net loss used to determine diluted loss per share (S$'000)	(682)	(1,623)	(1,499)	(2,975)
Weighted average number of ordinary shares outstanding for basic loss per share	888,392,586	552,002,821	859,258,496	551,839,649
Adjustment for - Share options	4,331,065	1,500,261	3,304,609	2,431,616
	892,723,651^	553,503,082^	862,563,105^	554,271,265^

The following share options were excluded from the diluted weighted average number of ordinary share calculation as their effect would have been anti-dilutive:

Date of grant of options	As at 30 September 2014	As at 31 March 2014
2 July 2009	Nil	4,379,250
20 July 2010	800,000	Nil
22 March 2011	Nil	Nil
23 June 2011	9,080,000	9,080,000
23 December 2011	4,613,000	4,613,000
22 August 2012	7,140,000	7,580,000
28 September 2013	35,700,000	18,094,521
22 April 2014	Nil	Not applicable

^ In the current financial year, although the options granted were dilutive in nature, the diluted loss per share was computed based on the weighted average number of shares of 888,392,586 shares (30 September 2013: 552,002,821) for the 3 months ended 30 September 2014 and 859,258,496 shares (30 September 2013: 551,839,649) for the 6 months ended 30 September 2014 as the Group had incurred losses.

	3 Months		6 Months	
	1 Jul 2014 to 30 Sep 2014	1 Jul 2013 to 30 Sep 2013	1 Jul 2014 to 30 Sep 2014	1 Jul 2013 to 30 Sep 2013
Diluted loss per share (cents per share)	(0.08)	(0.29)	(0.17)	(0.54)

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year:

	Group		Company	
	As at 30 September 2014	As at 31 March 2014	As at 30 September 2014	As at 31 March 2014
Net asset value per ordinary share (S$ cents)	1.07	0.94	1.67	1.68

Net asset value per ordinary share is calculated based on 888,427,918 shares in issue as at 30 September 2014 (634,556,192 shares in issue as at 31 March 2014).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

GROUP FINANCIAL PERFORMANCE

Consolidated Statement of Comprehensive Income

Revenue for the six-month period ended 30 September 2014 ("H1 2015") increased to S$4.02 million, from S$20K for the corresponding six-month period ended 30 September 2013 ("H1 2014"). The increase was mainly due to revenue contribution from the Group's subsidiary, Colibri Assembly (Thailand) Co., Ltd ("CAT"), which was acquired in December 2013. Revenue recorded from CAT which is in the Contract Manufacturing business accounted for approximately 99% of the Group's total revenue in H1 2015. In addition, the Group's Media Solutions business generated revenue of approximately S$24K in H1 2015 compared to no revenue generated in H1 2014. As a result of higher revenue, costs of sales increased by S$2.54 million in H1 2015.

Gross profit margin decreased to 37% for H1 2015 from 100% for H1 2014, mainly due to a higher proportion of revenue from the Contract Manufacturing business in H1 2015, which generally had a lower gross profit margin.

The aggregate of distribution, administrative and other operating expenses for H1 2015 increased by S$0.46 million compared to H1 2014. This was mainly due to the followings:-

1. Consolidation of CAT's expenses of S$0.71 million pursuant to the acquisition of CAT in December 2013. No such expenses were incurred in H1 2014; and
2. Increase in amortisation of intangible assets of S$0.12 million as a result of the acquisition of CAT.

The increase in distribution, administrative and other operating expenses in H1 2015 was partially offset by the following:-

1. Decrease in professional fees and legal fees of approximately S$107K;
2. Decrease in share options expenses of approximately S$92K as most of the share options granted by the Group have been fully vested in FY2014;
3. Decrease in payroll expenses and recruitment expenses of approximately S$88K;
4. Decrease in website hosting costs of approximately S$36K due to the change of hosting service providers that charged at a lower rate;
5. Office renovation costs for the Singapore new office of approximately S$28K were incurred in H1 2014 and no such expenses were incurred in H1 2015; and
6. Decrease in office rental expenses of approximately S$18K for the Singapore new office when the Company moved to the new premise in May 2013.

Income tax expense arose from corporate tax paid/payable to the Israeli Tax Authority by our subsidiary in Israel.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (continued)

Statement of Financial Position

Current assets increased from S$4.56 million as at 31 March 2014 to S$6.02 million as at 30 September 2014, mainly due to an increase in cash and cash equivalents of S$1.34 million.

Cash and cash equivalents increased from S$2.93 million as at 31 March 2014 to S$4.28 million as at 30 September 2014. This was mainly due to net proceeds received from the Rights Issue of S$2.99 million which was completed in April 2014 (excluding the deposit of S$1.77 million received in March 2014 from the undertaking shareholders pursuant to the Deed of Undertaking relating to the Rights Issue). This increase was partially offset by funds used for the Group's operating expenses of S$0.74 million and the purchase of property, plant and equipment of S$0.91 million.

Trade and other receivables increased from S$0.90 million as at 31 March 2014 to S$1.04 million as at 30 September 2014, mainly due to the increase in trade receivables of S$0.18 million from the Contract Manufacturing business as a result of higher sales.

Other current assets decreased from S$0.44 million as at 31 March 2014 to S$0.39 million as at 30 September 2014, mainly due to the decrease in other assets of CAT by S$64K that was partially offset by the increase in prepayments by S$23K.

Non-current assets increased from S$6.87 million as at 31 March 2014 to S$7.45 million as at 30 September 2014, mainly due to an increase in property, plant and equipment.

Property, plant and equipment increased from S$3.05 million as at 31 March 2014 to S$3.75 million as at 30 September 2014, mainly due to addition of property, plant and equipment of CAT, which was partially offset by the depreciation charges incurred during the period.

Current liabilities decreased from S$2.71 million as at 31 March 2014 to S$1.24 million as at 30 September 2014. This was mainly due to a decrease in trade payables and other liabilities of a deposit from undertaking shareholders of S$1.77 million pursuant to the Deed of Undertaking relating to the Rights Issue which was completed in April 2014, which was partially offset by increase in trade payables of S$0.26 million and accruals of S$0.04 million.

Non-current liability remained unchanged at S$2.75 million as at 31 March 2014 and 30 September 2014.

Total equity increased from S$5.98 million as at 31 March 2014 to S$9.48 million as at 30 September 2014, mainly due to an increase in share capital from the Rights Issue of S$4.76 million. This was partially offset by an increase in accumulated losses.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (continued)

Consolidated Statement of Cash flows

Net cash used in operating activities for H1 2015 was S$0.74 million, mainly due to losses incurred by the Group. Net cash used in investing activities for H1 2015 was S$0.91 million, mainly due to the additions of property, plant and equipment. Net cash from financing activities for H1 2015 was S$2.99 million due to the proceeds from the Rights Issue of S$3.30 million that was offset by share issue expenses of S$0.32 million incurred for the Rights Issue.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

(i) Media Solutions

The Group had successfully integrated our Advision^{TM} platform with most of the publishers in Israel, enabling advertisers to reach approximately 70% of the premium online video media in Israel market. Artimedia's publishing partners include Israel's premium video site, as well as the leading financial, news and lifestyle sites like Globes, Jesuralem Post, Walla! and Ynet. The Group is also in the process of launching our new advertising formats to support mobile devices. With this new launch of advertising within the mobile space, we are expecting the advertising domain in Israel to begin adopting these new formats. We will continue to engage our business partners in Israel to commercialise and monetise our technology. Barring any unforeseen circumstances, the Group is cautiously optimistic on the business prospects.

(ii) Video Management Equipment and Solutions

We are still in the process of testing and integrating our Face-It application with Lenovo in Beijing, 联想移动通信科技有限公司. Subject to positive results from the testing and integration, a definitive agreement may be entered into between the parties. We will make the necessary announcement if there is any material development.

(iii) Contract Manufacturing Business

Colibri Assembly (Thailand) Co., Ltd. ("CAT") continued to do well in H1 2015, and contributed to 99% of the Group's revenue. Barring any unforeseen circumstances, we are cautiously optimistic on the business outlook for this business.

11. Dividends.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended.

13. Use of proceeds from the Rights Issue

The Company had in April 2014, completed a renounceable and partially underwritten rights issue exercise of 253,822,476 new ordinary shares in the capital of the Company ("Rights Issue").

As at 30 September 2014, the net proceeds of S$4.76 million from the Rights Issue have been partially utilised as follows:

Use of Rights Issue Proceeds

	S$'million
Gross Proceeds	5.08
Less: Rights Issue Expenses	(0.32)
Net Proceeds	4.76

Utilisation of Rights Issue Proceeds

	S$'million
As working capital for the six months ended 30 September 2014	
- Distribution expenses	0.20
- Administrative expenses	0.93
- Other operating expenses	0.41
Total Used	1.54

14. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from shareholders for interested person transactions.

15. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Listing Manual.

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the interim financial results for the second quarter ended 30 September 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Philip Soh
Non-Executive Chairman

Kenneth Goh
Executive Director and Chief Operating Officer

14 November 2014