ARTIVISION TECHNOLOGIES LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200407031R)

ISSUANCE OF BONDS AND GRANT OF OPTIONS TO SUBSCRIBE FOR NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

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1. Introduction

The board of directors (the "**Board**" or "**Directors**") of Artivision Technologies Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had, on 22 September 2015, entered into a subscription agreement (the "**Subscription Agreement**") with Mr Ho Kok Fi John (the "**First Subscriber**") and Mr Lim Chye Huat @ Bobby Lim Chye Huat (the "**Second Subscriber**") (together, the "**Subscribers**"), pursuant to which the Subscribers agreed to subscribe for bonds in aggregate principal amount of S$4,000,000 to be issued by the Company ("**Bonds**") (of which S$3,000,000 is subscribed for by the First Subscriber and S$1,000,000 is subscribed for by the Second Subscriber) at a subscription price of 80% of the principal amount of the Bonds ("**Subscription Price**"), on the terms and subject to the conditions of the Subscription Agreement ("**Issuance of Bonds**").

In connection with the Issuance of Bonds, the Company had, on the same day, entered into an option deed (the "**Option Deed**") with the Subscribers, pursuant to which the Company had granted the Subscribers a total of 30,000,000 share options ("**Options**") (of which 22,500,000 Options are granted to the First Subscriber and 7,500,000 Options are granted to the Second Subscriber) ("**Grant of Options**"), with each Option carrying the right to subscribe for one new ordinary share in the capital of the Company ("**New Share**") at the exercise price of S$0.10 per New Share ("**Exercise Price**"), on the terms and subject to the conditions of the Option Deed. In the event the Options are fully exercised, the proceeds thereof would amount to approximately S$3,000,000.

There is no placement agent appointed for the Issuance of Bonds. The Issuance of Bonds is by way of a private placement pursuant to an exempted offer under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. Hence, no prospectus or offer information statement in connection with the Issuance of Bonds will be lodged with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") acting as agent on behalf of the Monetary Authority of Singapore.

Mr Ho Kok Fi John is a director of Polaris Asia Capital Pte Ltd and Mr Bobby Lim Chye Huat is an executive director of Tai Sin Electric Limited. The Subscribers are private investors who were introduced to the Company and are subscribing for the Bonds for investment purposes. Neither of the Subscribers is related to any of the Directors, substantial shareholders of the Company or their respective associates. Neither of the Subscribers is a substantial shareholder of the Company or any other entity/person in the categories set out in Rule 812(1) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

2. Principal terms of the Subscription Agreement and the Option Deed

The principal terms of the Subscription Agreement are summarised as follows:

Principal Amount	**:**	S$4,000,000
Completion Date	**:**	Completion shall take place on the date of the Subscription Agreement (or on such other date as may be agreed in writing between the Company and the Subscribers) upon, *inter alia*, payment by the Subscribers to the Company of the Subscription Amount (as defined below), which shall be released and disbursed to the Company on 22 September 2015.
Maturity Date	**:**	The Bonds shall be redeemable at 100% of its principal amount on the first anniversary of the date of Issuance of Bonds or such other date as may be agreed between the Company and the Subscribers.
Interest Rate	**:**	The Bonds bear no interest.
Subscription Price	**:**	80% of the principal amount of the Bonds
Subscription Amount	**:**	S$3,200,000

The principal terms of the Option Deed are summarised as follows:

Grant of Option	**:**	Each of the Subscribers shall have the right to exercise his share of the 30,000,000 Options (being 22,500,000 Options granted to the First Subscriber and 7,500,000 granted to the Second Subscriber), in tranches of 500,000 Options at each time, to subscribe for New Shares at the Exercise Price. The right to exercise the Options is at any time during the period commencing on and including 22 September 2015 and expiring on 21 September 2017.
Status of the New Shares	**:**	The New Shares, when issued, shall be credited as fully paid up and free from all encumbrances, together with all rights attaching thereto as at the date of allotment of the New Shares ("**Allotment Date**") and shall rank *pari passu* in all respects with existing Shares as at the Allotment Date, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the record date of which falls on or prior to the Allotment Date (as the case may be) and will be admitted for listing on Catalist.

The Exercise Price of S$0.10 represents a premium of approximately 73.91% to the volume weighted average price of S$0.0575 of Shares for trades done on the SGX-ST on 22 September

2015, being a full market day on which the Shares were traded on the date of the Subscription Agreement.

3. New Shares

As at the date of this announcement, the Company has an issued and paid-up share capital of 888,427,918 Shares and has no treasury shares.

Assuming that the Options are exercised in full, 30,000,000 New Shares will be issued by the Company, representing (i) approximately 3.38% of the existing issued and paid-up share capital of the Company (excluding treasury shares) as at the date of this announcement; and (ii) approximately 3.27% of the enlarged issued and paid-up share capital of the Company after the issue of the New Shares.

The New Shares will be allotted and issued pursuant to the general share issue mandate granted by shareholders of the Company at the annual general meeting of the Company held on 29 July 2015 ("**2015 Share Issue Mandate**"). As at the date of this announcement, the Company has not issued any new Shares pursuant to the 2015 Share Issue Mandate. The New Shares represent approximately 3.38% of the Company's total number of issued Shares (excluding treasury shares) of 888,427,918 at the time the approval for the 2015 Share Issue Mandate was granted. Accordingly, the proposed allotment and issuance of the New Shares falls within the limit of the Share Issue Mandate.

The Company will make an application to the Sponsor and the SGX-ST for the dealing in, listing of and quotation for the New Shares to be issued pursuant to the exercise of the Options, on Catalist.

4. Rationale and use of proceeds

Under the terms of the Subscription Agreement, the Company shall apply the proceeds from the Issuance of Bonds (which amount to approximately S$3,200,000) towards additional general working capital for the Group. As and when the Options are exercised, the proceeds arising therefrom may, at the discretion of the Directors, be applied towards repayment of the Group's borrowings, investment purposes, working capital and/or such other purposes as the Directors may deem fit.

The Directors are of the view that the Issuance of Bonds and the Grant of Options would augment the working capital position of the Group, and would enhance its financial flexibility to purchase media video viewership and capitalise on potential growth opportunities.

The Directors are of the opinion that, barring unforeseen circumstances, after taking into consideration the existing bank balance and operating cashflow of the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Issuance of Bonds and Grant of Options will enable the Company to purchase additional media video viewership, improve its financial position as well as bolster its general corporate requirements.

Pending the deployment of the total proceeds from the Issuance of Bonds and exercise of Options ("**Total Proceeds**"), such proceeds may be deposited with banks and/or financial

institutions, used for investment in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Total Proceeds, as and when they are materially disbursed and provide a status report on such use of proceeds in the Company's annual report. Where there is any material deviation from the stated use of Total Proceeds, the Company will announce the reasons for such deviation.

5. Financial effects

It is not possible to determine precisely the financial effects of the Issuance of Bonds and the Grant of Options would have on the Company or the Group until the Bonds have been fully repaid or the Options fully exercised. However, **solely for the purposes of illustration only**, the Company has set out the financial effects of the Issuance of Bonds and the Grant of Options on the Company's share capital, loss per Share, net tangible assets ("**NTA**") per Share and gearing, based on the latest unaudited consolidated financial statements of the Group for the three-month financial period ended 30 June 2015 ("**3M2016**"). The financial effects set out below are on the following bases and assumptions:

(i) the Options are exercised in full, and the Company issues and allot 30,000,000 New Shares pursuant to the exercise of the Options;

(ii) the financial impact on the loss per Share is computed based on the assumption that the Bonds were fully disbursed, and the Options were fully exercised at the beginning of the three-month period, being 1 April 2015;

(iii) the financial impact on the NTA per Share is computed based on the assumption that the Bonds were fully disbursed, and the Options were fully exercised, at the end of the three-month period, being 30 June 2015; and

(iv) the expenses incurred in relation to the Issuance of Bonds and the Grant of Options are negligible.

Share capital

	As at 30 June 2015	**After disbursement of the Bonds and before maturity of the Bonds**	**(i) Before maturity of the Bonds; and (ii) after exercise of the Options and issue of the New Shares**
Issued and paid-up share capital (S$'000)	50,731	50,731	53,731
Total number of issued Shares	888,427,918	888,427,918	918,427,918

Loss per Share

	3M2016	After disbursement of the Bonds and before maturity of the Bonds	(i) Before maturity of the Bonds; and (ii) after exercise of the Options and issue of the New Shares
Loss for the period (S$'000)	1,802	1,802	1,802
Weighted average number of issued Shares	888,429,718	888,427,918	918,427,918
Loss per Share (S$ cents)	0.20	0.20	0.20
Fully diluted loss per Share (S$ cents)	0.20	0.20	0.20

NTA per Share

	As at 30 June 2015	After disbursement of the Bonds and before maturity of the Bonds	(i) After maturity of the Bonds; and (ii) after exercise of the Options and issue of the New Shares
NTA (S$'000)	2,888	2,888	5,888
NTA per Share (S$ cents)	0.33	0.33	0.64

Gearing

	As at 30 June 2015	After disbursement of the Bonds and before maturity date of the Bonds	(i) Before maturity of the Bonds; and (ii) after exercise of the Options and issue of the New Shares
Total borrowings[(1)] (S$'000)	8,152	12,152	11,152
Shareholders' funds (S$'000)	3,753	3,753	6,753
Gearing ratio[(2)]	2.17	3.24	1.65

Notes:-

(1) Refer to the aggregate of borrowings from banks and financial institutions, and other loans.
(2) Gearing refers to the ratio of "Total Borrowings" to "Shareholders' Funds".

6. Interests of Directors and Substantial Shareholders

None of the Directors and substantial shareholders of the Company, or any other persons listed in Rule 812(1) of the Catalist Rules, has any interest, direct or indirect, in the Subscription Agreement and the Option Deed, save for their interests arising by way of their shareholdings in the Company (if any).

7. Documents available for inspection

A copy of the Subscription Agreement and the Option Deed is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 67 Ubi Avenue 1 #06-02/03 Starhub Green, Singapore 408942 for three (3) months from the date of this announcement.

8. Directors' responsibility statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Issuance of Bonds, the Grant of Options, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD
PHILIP SOH
Non-Executive Chairman
22 September 2015

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*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 Goh Mei Xian, Deputy Head of Continuing Sponsorship, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.