Artivision Technologies Ltd.
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Artivision To Raise Up To S$26.3M Through Rights Issue

SINGAPORE, 18 MARCH 2016 – Artivision Technologies Ltd. ("Artivision" or the "Company", and together with its subsidiaries, the "Group") said today it will launch a rights issue to raise up to S$26.31 million to strengthen its financial position as it continues to expand its fast-growing media solutions business.

The Company will issue up to approximately 876.9 million new ordinary shares ("Rights Shares") at S$0.03 each, on the basis of five Rights Shares for every six ordinary shares held. The issue price is a 28.6% discount to Artivision's last closing price of S$0.042 on 17 March 2016. The rights issue is renounceable and non-underwritten.

As an indication of their support to the Company, five shareholders – Algotech Holdings Ltd ("Algotech"), Artivision co-founders Soh Sai Kiang Philip ("Mr Soh") and Ofer Miller ("Dr Miller"), Non-Executive Director Ching Chiat Kwong ("Mr Ching"), and Chief Executive Officer Kenneth Goh Tzu Seoh ("Mr Goh") – have given irrevocable undertakings to subscribe (and/or cause to be subscribed) for all the Rights Shares that they are entitled to.

Algotech, an investment holding company wholly owned by Mr Soh, the Company's Non-Executive Chairman, has an 11.10% stake in Artivision. Mr Soh and Dr Miller, who is Artivision's Chief Technology Officer, own 3.63% and 6.62% of Artivision respectively. Mr Ching has an 8.98% stake while Mr Goh has 0.59%.

The actual number of Rights Shares to be issued depends on whether certain parties with whom the Company has convertible securities agreements decide to convert these loans and options into new shares ("Convertible Instruments").

The Company has approximately 899.6 million issued and paid-up shares currently. If all the outstanding Convertible Instruments are exercised, Artivision's share base will increase to approximately 1.05 billion shares. Based on the enlarged share capital and assuming the Rights Shares are all taken up by eligible shareholders, the Company will raise net proceeds of approximately S$26.19 million.

If none of the outstanding Convertible Instruments is exercised and no other shareholder apart from Algotech, Mr Soh, Dr Miller, Mr Ching and Mr Goh subscribes for any Rights Shares, the Company will raise net proceeds of approximately S$6.84 million.

Some S$2.75 million of the proceeds will be used to offset interest-free loans granted by Algotech to Artivision for working capital needs. The balance will be used for general corporate and working capital purposes, such as the purchase of media video viewership and repayment of bonds.

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The acquisition of new media video viewership will scale up the Group's fast-growing media solutions business, which serves advertisements ("ads") to viewers of online premium-content videos based on their personal interests and Internet-usage habits.

Artimedia Technologies Ltd. ("Artimedia"), the Group's media solutions subsidiary, uses artificial intelligence to monitor in real time viewers' online behaviour so it can identify and serve ads that appeal to viewers' interests. Ads served by Artimedia synchronise with the video content and do not disrupt the overall viewing experience.

While viewers of online videos are often fed ads that may not be relevant or appealing to them and which usually end up being skipped or closed after the first few seconds of their appearance, Artimedia's approach significantly increases the likelihood of ads being viewed in their entirety. This enables advertisers to reach their target audience much more effectively. For publishers of premium-content videos, Artimedia enables them to boost advertising revenue at no extra costs.

Artimedia has contracts with leading publishers, advertisers and advertising agencies, including one of Procter & Gamble's exclusive media buyers, to deploy its technology in Israel. These publishers account for the vast majority of the online premium-content video market (as opposed to user-generated content) in the country. The Group is also exploring opportunities to deploy Artimedia's technology in other markets.

"Since our initial rollout in Israel at the beginning of 2015, Artimedia has created a video advertising network that many brands and premium-content websites value and appreciate. The rights issue will put us in a strong financial position to seize growth opportunities not only in Israel but also other countries," said Mr Goh.

"Publishers are increasingly mindful of the need to make themselves more relevant to advertisers in order to grow their digital business. On their part, advertisers are constantly on the lookout for ways to reach their target audience more effectively. We believe our technology can help both sides achieve their goals," he added.

The rights issue is subject to the receipt of the listing and quotation notice from the Singapore Exchange Securities Trading Limited but does not require shareholders' approval as it falls under an existing share issue mandate that gives the Company leeway to issue new shares. An offer information statement in connection with the Rights Issue will be despatched to shareholders in due course.

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Issued on behalf of the Group by WeR1 Consultants Pte Ltd.

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About Artivision Technologies Ltd

Founded in 2004 and headquartered in Singapore, Artivision has two main businesses. Its media solutions subsidiary, Artimedia Technologies Ltd., provides advanced video advertising technologies and platforms that reach millions of viewers across the globe every day.

Artimedia's video advertising platforms and innovative content-synchronized formats enable advertisers, agencies and advertising networks to deliver integrated video ads that optimise performance, engagement and reach, while maintaining the best user-viewing experience. Artimedia helps online video publishers maximize monetization of their video assets without alienating users.

Artivision's wholly-owned contract manufacturing subsidiary, Colibri Assembly (Thailand) Co. Ltd., makes disk drive technology products for a US-based multinational corporation, which itself is a contract manufacturer.

For more information, visit www.arti-vision.com

This press release 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 press release.

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

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