

<b>Company</b>	<a href="#">SerVision plc</a>
<b>TIDM</b>	SEV
<b>Headline</b>	Manufacturing Rights Agreement and Joint Venture
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**SerVision plc**  
("SerVision" or the "Company")

**Manufacturing Rights Agreement and Joint Venture**

*Manufacturing Rights Agreement*

SerVision plc (AIM:SEV), the AIM listed leading developer and manufacturer of digital security systems, is pleased to announce that its wholly owned subsidiary, SerVision Limited, has entered into a manufacturing agreement with Rich Wonder Technology Limited ("**Rich Wonder**") for Rich Wonder to manufacture all of SerVision's narrow band-width video gateway products ("**SerVision's Products**") to be sold in China and other authorised territories (the "**Agreement**").

Under the terms of the Agreement the consideration payable to SerVision by Rich Wonder is USD2.0 million comprising USD600,000 in cash and the supply of 3,730 of SerVision's MVG400 units (which at a cost of USD375/unit have a value of USD1.4 million). USD300,000 of the cash consideration has been received by the Company and it is expected that the balance of the USD300,000 cash consideration will be received by the Company by the end of May 2010. SerVision intends to sell the 3,730 MVG400 units through its distributors outside of China.

Under the terms of the Agreement Rich Wonder has the rights to manufacture and sell (via a third party) SerVision's Products in China and other authorised territories. SerVision will charge a licence fee to Rich Wonder for each unit of SerVision's Products that is produced. The licence fee varies per unit from USD 20 to USD 100 depending on the specific product and there will be no licence fee charged by SerVision on the first 12,000 end units manufactured by Rich Wonder.

The Agreement replaces the distribution agreement which was entered into between SerVision and Golden Net Communication Technology Ltd in May 2009 which has now been terminated.

*Joint Venture Agreement*

The Company is also please to announce that its wholly owned subsidiary, SerVision Limited, has entered into a equity joint venture agreement with SIVI Technology Ltd ("**SIVI**") whereby SerVision will invest USD114,000 in SIVI in return for an interest in 19% of SIVI's registered share capital and a 19% share in SIVI's profits. SIVI will buy SerVision's Products from Rich Wonder and will be responsible for selling and marketing all of SerVision's Products that are manufactured in China. One of the other members of the SIVI joint venture, Mr Xu Hongming, is also a major shareholder in Rich Wonder.

Gidon Tahan, Chairman and CEO of SerVision, commented:

"This Agreement marks a significant milestone for SerVision's production and distribution capabilities in China. We have been exploring the possibility of moving some of our production to this region for a number of months in order to benefit from the lower manufacturing costs in China compared to Israel. We believe that the combination of revenue streams from the licence fee and the recognition of distribution revenues will lead to an increase in income from China over the coming years."

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For more information see [www.servision.net](http://www.servision.net) or contact:

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