

2 December 2014

UniVision Engineering Limited

(“UniVision”, the “Company” or the “Group”)

Proposed demerger of Leader Smart Engineering Limited

UniVision, the AIM quoted, Hong Kong based designer and installer of digital surveillance and integrated security systems announces that the Company proposes to demerge its Electrical and Mechanical (“E&M”) and property division (the “Proposed Demerger”) through an ‘in-specie’ distribution of shares to Univision’s shareholders.

The Group’s E&M and property business is performed by the Company’s wholly-owned subsidiary, Leader Smart Engineering Limited (“Leader Smart”), a company incorporated in Hong Kong and its wholly-owned subsidiary, Leader Smart Engineering (Shanghai) Limited (“Leader Smart Shanghai”), a WFOE (Wholly Foreign Owned Enterprise) incorporated in PRC (together the “Leader Smart Group”). Leader Smart Shanghai currently owns a 51% interest in the Zhongshan shopping mall (“The Mall”).

The Board believes that the Proposed Demerger is deemed to be in the best interests of the Company and Univision’s shareholders because:

- The Proposed Demerger will allow Univision to focus on its core Security and Surveillance business in Hong Kong and Taiwan, which provides stable income and cashflow to the Group.
- The Proposed Demerger will enable Leader Smart Group to pursue a more active property / asset management strategy in the PRC.
- The Board believes that the Proposed Demerger will delineate the CCTV business of Univision and the E&M/Property business of Leader Smart Group, thereby facilitating new investment in both or either company as the investor base of a security systems provider and a property company are quite different.
- The Leader Smart Group mainly focuses on properties in the People’s Republic of China which are not being, or intended to be, used in the operations of or related to Univision’s core security and surveillance systems business in Hong Kong and Taiwan. These divisions operate independently of each other and have different growth rates, business strategies and risk profiles.
- The board of Univision do not feel that the asset value of the Leader Smart Group is reflected in the Company’s share price and so the Proposed Demerger is intended to deliver value to shareholders which is currently not reflected in the Company’s market capitalisation.

The Proposed Demerger will allow the respective management of Univision and Leader Smart to have a more defined business focus on their core business segments and enhance their responsiveness to market changes.

To facilitate the Proposed Demerger, a new holding company will be formed into which the Company will transfer all its shares in Leader Smart. A demerger proposal is going to be submitted by Univision to Hong Kong's Inland Revenue Department to apply for the Intra Group Relief for its consideration and approval of waiving stamp duty pursuant to Section 45 of Stamp Duty Ordinance in Hong Kong.

As the spin-off proposal is at an early stage, the Company is still exploring its viability, there can be no certainty that the Proposed Demerger will go ahead. Should all regulatory and tax clearances be obtained further details of the management, strategy and off-market dealing facilities in Leader Smart shares will be announced to the shareholders.

Financial effects on the Company

In the year ended 31 March 2014, the Leader Smart Group had unaudited sales of HK\$0.8m (GBP: £71K) representing 0.8% of the audited consolidated sales of the Group and loss before tax of HK\$0.9m (GBP: £79K). Leader Smart Group had an unaudited net asset value of approximately HK\$9.5m (GBP: £732K) and gross assets of approximately HK\$160.1m (GBP: £12.4m) representing approximately 6.5% and 71.7% the Group's assets respectively.

Upon completion of the demerger, the Company will no longer have any shareholding in Leader Smart and it will cease to be a subsidiary of UniVision accordingly the Leader Smart Group's financial results will no longer be consolidated into Univision's financial results.

For further information visit www.uvel.com or contact:

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