

12 October 2010

UniVision Engineering Limited
("UniVision" or the "Group")

Update on litigation

UniVision, the AIM listed Hong Kong based designer and installer of digital surveillance and integrated security systems, today announces the outcome of litigation proceedings with Mr. June Kam Ming Ip ("**Mr Ip**"), a former director and legal representative of Leader Smart Engineering (Shanghai) Limited ("**Leader Smart Shanghai**"), the Group's wholly owned subsidiary in the People's Republic of China ("**PRC**"). This is further to the announcement released by the Group on 16 July 2010 and the update on the litigation provided by the Group at the time of its full year results announced on 9 September 2010.

Following a review of the case on 4 August 2010, the Shanghai High Court (the "**Court**") has issued a final verdict, which remains the same ruling as the judgement reached by The Shanghai No. 1 Intermediate People's Court on 20 May 2010, this being that Mr Ip was required to return Leader Smart Shanghai's company chops*, business licences and legal representative's chop to the Group by 30 September 2010. Following the final verdict from the Court the Group will be able to recover the right of control over Leader Smart Shanghai and will consider re-consolidating Leader Smart Shanghai in the Group's accounts.

At the date of this announcement Mr Ip has however failed to surrender the said chops and licenses to the Court and therefore the proposed changes to the legal representative and director of Leader Smart Shanghai have not yet become effective. On 8 October 2010 the Group notified the Court to enforce the judgement on Mr Ip and the Court has accepted this.

The Group's auditors have considered that Leader Smart Shanghai is able to be re-consolidated into the Group's accounts in the current financial year subject to the completion of the change of legal representative and the Group regaining access to all chops, business licenses and books of Leader Smart Shanghai. If the latter is unfeasible however, then UniVision will be required to build a new chop, have a local auditor perform an audit of Leader Smart Shanghai and issue new financial statements for Leader Smart Shanghai, following which point the re-consolidation of Leader Smart in the Group's accounts will be possible.

The Group will provide a further update on the litigation with Leader Smart Shanghai at the appropriate time.

**In the PRC a "chop" is necessary for approving decisions relating to the operations and management of a company and legally authorising documentation.*

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