

15 July 2010

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

Trading update
&
Litigation

UniVision, the AIM listed Hong Kong based designer and installer of digital surveillance and integrated security systems, intends to announce its results for the year ended 31 March 2010 on or around 3 September 2010.

While the Group has continued to experience stable demand for its maintenance projects its full year results will be materially and adversely affected by the impact of a full impairment loss on the Group's investment in Leader Smart Engineering (Shanghai) Limited ("**Leader Smart Shanghai**"), the Group's wholly owned subsidiary in the People's Republic of China ("**PRC**"). This is as a result of the impact of litigation in which the Group is currently involved as outlined below. Consequently UniVision anticipates recording a loss after tax for the year ended 31 March 2010.

The Group is currently involved in litigation with Mr. June Kam Ming Ip ("**Mr Ip**"), a former director of Leader Smart Shanghai, in the Shanghai No.1 Intermediate People's Court (the "**Shanghai Court**"). Mr Ip is suspected of damaging the Company's financial interest in form of undisclosed conflict of interest and misappropriation of assets amounting to approximately RMB 1.4 million (equivalent to c. £0.13 million). Mr Ip had been the legal representative and a director of Leader Smart Shanghai since April 2008 and August 2005 respectively. The Board of UniVision has taken legal action against Mr Ip for compensation in relation to the matters lodged in the Shanghai Court. The Shanghai Court issued a judgement on 20 May 2010 stating that, as a result of Mr Ip no longer holding the position of director and legal representative of Leader Smart Shanghai, he was required to return the business licences, company's chop* and legal representative's chop to the Group. However Mr Ip has refused to follow the decision of the Shanghai Court. UniVision has commenced appeal proceedings and the Shanghai High Court will review the case on 4 August 2010.

As a result of the Group not being able to necessitate Mr Ip to surrender the chops and business licences of Leader Smart Shanghai at the current time, the changes to the legal representative and director of Leader Smart Shanghai cannot become effective. As a consequence the Group is not currently able to exercise the right of control over Leader Smart Shanghai and its financials until the court case is concluded. Leader Smart Shanghai will therefore be excluded from the Group's consolidated results for the year ended 31 March 2010.

The Board of UniVision believes, having taken legal advice from their attorney in PRC, that the Group can recover the right of control over Leader Smart Shanghai in a short period of time following a conclusion to the court judgement. Should the Group recover the right of control over Leader Smart Shanghai, the said provision will be written back after re-consolidating Leader Smart Shanghai in the next financial period.

The Group will make appropriate announcements on the development of the litigation in due course.

** 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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