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**UNION ASIA
ENTERPRISE HOLDINGS LTD
萬亞企業控股有限公司**

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8173)

**DISCLOSEABLE TRANSACTION RELATING TO
SURRENDER OF LEASEHOLD PROPERTY
AND
RESTATEMENT OF THE COMPANY'S FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 30 JUNE 2016**

SURRENDER OF LEASEHOLD PROPERTY

The Company announces that it has come to its knowledge that on 6 April 2016, Evotech (an indirect wholly-owned subsidiary of the Company) and JTC had entered into the Surrender Agreement pursuant to which Evotech agreed to surrender the Leasehold Property to JTC at the Consideration of S\$5,620,000 excluding GST. Completion had taken place on 27 June 2016.

The Surrender Agreement and the Transaction were only made known to the Company after trading hours on 2 September 2016 by the Independent Internal Control Advisors and have not been approved and authorised by the Company.

The Company is still investigating into the circumstances leading to the signing of the Surrender Agreement and relating to the Transaction and will seek advice from its legal advisors on the rights and recourses over the relevant parties involved in the Transaction.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in relation to the Surrender Agreement and the Transaction is more than 5% but less than 25%, the Surrender Agreement and the Transaction would have constituted a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules but does not require Shareholders' approval.

The Company has not made any announcement on the Surrender Agreement and the Transaction until this announcement as the Surrender Agreement and the Transaction were only made known to the Company after trading hours on 2 September 2016, the Company may have been in breach of Rule 19.34 of the GEM Listing Rules.

RESTATEMENT OF THE FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2016

The Transaction would have an effect on the Company's first quarterly results for the three months ended 30 June 2016. The Board wishes to inform the Shareholders and potential investors that the information contained in the Company's announcement dated 12 August 2016 for the first quarterly results for the three months ended 30 June 2016 and the Company's 2017 first quarterly report dated 12 August 2016 need to be restated and adjusted as a result of the Transaction.

Shareholders and potential investors should exercise caution when dealing in the Shares.

BACKGROUND

On 2 September 2016 (after trading hours), the Company was informed by the Independent Control Review Advisor of the existence of the Transaction and discovered that Evotech had entered into the Surrender Agreement with JTC on 6 April 2016 and Completion had taken place on 27 June 2016.

The Surrender Agreement and the Transaction have not been approved or authorised by the Company and the Company will seek advice from its legal advisors on the rights and recourses over the relevant parties involved in the Transaction.

THE SURRENDER AGREEMENT

Set out below are the major terms of the Surrender Agreement:–

Date

6 April 2016

Parties

JTC and Evotech

Nature of the transaction

Evotech shall determine the existing lease of the Leasehold Property and surrender the Leasehold Property to JTC

The Leasehold Property

The leasehold interest in the real property located at 42 Gul Circle, Singapore 629577 granted by JTC in 2003 and was renewed on 1 December 2010 for another 22 years. It had been used by Evotech as workshop and warehouse for the scrap metal business. It has a land area and a floor area of approximately 4,554.1 square meters and approximately 3,669.4 square meters respectively. As stipulated in the existing lease, the subject real property can be used for the purpose of re-engineering and packing of ferrous and non-ferrous metal and insulated wires only and for no other purpose whatsoever except with the prior written consent of JTC

Consideration

S\$5,620,000 excluding GST

GST

GST at the prevailing rate shall be borne by JTC

Reinstatement Works

Evotech shall at its cost and expenses carry out the reinstatement works in relation to the Leasehold Property stipulated in the Surrender Agreement (“Reinstatement Works”) to the satisfaction of JTC before Completion

Completion Date

On 31 May 2016 (or such date as may be agreed between JTC and Evotech)

Completion

At Completion, Evotech shall, amongst other things, surrender the Leasehold Property to JTC and deliver vacant possession of the Leasehold Property with all Reinstatement Works duly completed together with all keys and access devices to the Property to JTC

INFORMATION OF JTC

JTC is a statutory body in Singapore, which is involved in the development and management of industrial estates and their related facilities in Singapore.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, JTC is an Independent Third Party.

INFORMATION OF EVOTECH

Evotech is a private limited company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company. Evotech is the leasee of the Leasehold Property and was principally engaged in trading of scrap metals in Singapore. In view of the unfavorable market conditions, the Company has been seeking buyers for the metal trading business for the year ended 31 March 2016 and thus the metal trading business was being classified as discontinued operations in the annual results for the same year.

INFORMATION OF THE GROUP

The Group is principally engaged in trading of stainless steel wires, cosmetic and skincare products, nephrite, bottled water and the chartering out of pleasure vessel.

FINANCIAL EFFECT OF THE TRANSACTION

Completion had taken place on 27 June 2016. A loss on disposal in the amount of approximately S\$1,494,000 (equivalent to approximately HK\$8,583,000) in respect of the Transaction was expected to be arisen upon the Completion. The loss was calculated with reference to the net proceeds of S\$5,506,000 (equivalent to approximately HK\$31,656,000, after deducting costs and expenses) and the carrying amount of the Leasehold Property as at 31 March 2016.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Board wishes to refer to the announcement of the Company dated 17 June 2016 relating to the major and connected transaction in relation to the proposed disposal of the entire issued share capital of Black Sand (the “Major Disposal Announcement”) where it was disclosed that due to the stringent environmental protection requirements in Singapore, the gross profit margin of the scrap metal processing is low. Given the deteriorating financial results and unsatisfactory performance of the Black Sand Group over the two years ended 31 March 2015 and 2016, the Company intended to realize the investment in the Black Sand Group rather than devoting further resources to the Black Sand Group which is loss making and the Directors (excluding the independent non-executive Directors) considered that the terms of the proposed disposal of the entire issued share capital of Black Sand was in the interests of the Company and the Shareholders’ as a whole.

The Board wishes to emphasize the Major Disposal Announcement was made without the knowledge that Evotech had entered into the Surrender Agreement and had already surrendered the Leasehold Property. Given the information and knowledge available to the Company at the time of the date of Major Disposal Announcement, the Board still maintains its view on the proposed disposal of the entire issued share capital of Black Sand as expressed in the Major Disposal Announcement.

The Board also wish to emphasize that the Surrender Agreement and the Transaction were only made known to the Company by the Independent Internal Control Advisors on 2 September 2016 after trading hours upon debriefing by the Independent Internal Control Advisors of its findings in the internal control review on the Singapore operations of the Group and have not been authorised and approved by the Company.

As the Company is still investigating into the circumstances leading to the entering into the Surrender Agreement and relating to the Transaction, the Board is unable to provide its view on the benefit or detriments, if any, to the Group at this stage, nor is the Board able to provide its view on whether the terms of the Surrender Agreement are fair and reasonable and whether the Transaction is in the interests of the Company and its Shareholders as a whole and the Company will make further announcement to provide the Board's view on the Surrender Agreement and the Transaction in due course.

USE OF PROCEEDS

To the best of the Directors' knowledge, information and belief and based on the information provided and debriefed by the Independent Internal Control Advisors to the Company, the proceeds from the Transaction were paid into the bank account of Evotech and paid out to settle costs and expenses for the Transaction and to creditors and other subsidiaries of the Group. The Company is still investigating into and verifying the payments made by Evotech from the proceeds of the Transaction and the Company will make further announcement on the use of proceeds from the Transaction as soon as practicable.

IMPLICATION OF THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in relation to the Surrender Agreement and the Transaction is more than 5% but less than 25%, the Surrender Agreement and the Transaction would have constituted a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules but does not require Shareholders' approval.

The Company has not made any announcement on the Surrender Agreement and the Transaction until this announcement as the Surrender Agreement and the Transaction were only made known to the Company after trading hours on 2 September 2016, the Company may have been in breach of Rule 19.34 of the GEM Listing Rules.

RESTATEMENT OF THE FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2016

The Transaction would have an effect on the Company's first quarterly results for the three months ended 30 June 2016. The Board wishes to inform the Shareholders and potential investors that the information contained in the Company's announcement dated 12 August 2016 for the first quarterly results for the three months ended 30 June 2016 and the Company's 2017 first quarterly report dated 12 August 2016 need to be restated and adjusted as a result of the Transaction. The Company will make further announcements on the restated and adjusted first quarterly results for the three months ended 30 June 2016 and the Company's 2017 first quarterly report as soon as practicable.

Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITION

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Black Sand”	Black Sand International (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability and is an indirect wholly-owned subsidiary of the Company
“Black Sand Group”	Black Sand and its subsidiaries including Evotech and Black Sand Petroleum (S) Pte. Ltd., a company incorporated in Singapore with limited liability and is 90% owned by Black Sand
“Board”	board of Directors
“Company”	Union Asia Enterprise Holdings Limited (Stock Code: 8173), a limited company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Completion”	completion of the Surrender Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	S\$5,620,000 excluding GST thereon.
“Director(s)”	director(s) of the Company
“Evotech”	Evotech (Asia) Pte. Ltd., a company incorporated in Singapore with limited liability and is a direct wholly-owned subsidiary of Black Sand
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries from time to time
“GST”	Goods and services tax in Singapore
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Internal Control Advisor”	Elite Partners Risk Advisory Services Limited, an advisor retained by the Company to review on the internal control measures of the Group
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons in accordance with the GEM Listing Rules
“JTC”	Jurong Town Corporation
“Leasehold Property”	leasehold interest in the real property located at 42 Gul Circle, Singapore 629577
“S\$”	Singapore Dollar, the lawful currency of Singapore
“Share(s)”	ordinary share(s) of HK\$0.080 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“Surrender Agreement”	the surrender agreement offered by JTC to Evotech and accepted by Evotech on 6 April 2016 relating to the surrender of the Leasehold Property by Evotech to JTC
“Transaction”	the surrender of the Leasehold Property by Evotech to JTC pursuant to the Surrender Agreement
“%”	per cent.

By order of the Board
Union Asia Enterprise Holdings Limited
Yip Man Yi
Chairman

Hong Kong, 4 September 2016

As at the date of this announcement, the Board comprises two executive Directors, Ms. Yip Man Yi and Mr. Shiu Chi Tak, Titus, two non-executive Directors, Mr. Liang Tongwei and Mr. Wong Chi Man, and three independent non-executive Directors, Dr. Wan Ho Yuen, Terence, Mr. Li Kwok Chu and Mr. Lau Shu Yan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the page of “Latest Company Announcement” on the GEM website for at least 7 days from the date of its posting and on the website of the Company www.unionasiahk.com.