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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)

**UPDATE ON INVESTIGATION ON
UNAUTHORISED DISCLOSEABLE TRANSACTION
AND
COMMENCEMENT OF LEGAL ACTION**

Reference is made to the announcement of Union Asia Enterprise Holdings Limited (the “**Company**”) dated 4 September 2016 in relation to the discloseable transaction relating to surrender of leasehold property and reinstatement of the Company’s First Quarterly Results for the three months ended 30 June 2016 (the “**Announcement**”). Unless otherwise stated, capitalized terms used herein shall bear the same meanings as defined in the Announcement.

BACKGROUND

On 4 September 2016 the Company announced, amongst other things, that (i) Evotech had entered into the Surrender Agreement with the JTC on 6 April 2016 and the Completion had taken place on 27 June 2016 and the Transaction has not been approved or authorised by the Board, (ii) the Company is seeking advice from its legal advisors on the rights and recourses over the relevant parties involved in the Transaction, and (iii) the Company was investigating into the circumstances leading to the entering into the Surrender Agreement and relating to the Transaction and the payments made by Evotech from the proceeds of the Transaction.

UPDATE ON THE INVESTIGATIONS

The Company's Singapore legal advisors have completed their investigation(s) into the circumstances relating to and leading to the Transaction and have concluded that:

(A) Breach of Section 160 of the Companies Act (Cap 50) Singapore ("the Act")

- (i) the directors of Evotech have breached the Act in failing to obtain approval for the Transaction in general meeting of Evotech which constituted an offence under the Act; and
- (ii) civil action against the directors of Evotech in respect of the breach of the Act may not be fruitful as it appears no loss has been suffered by Evotech as a result of the Transaction.

(B) Misuse of Company Funds

The Company, with the assistance of Independent Internal Control Advisor, has also completed the investigation relating to the payments made by Evotech from the proceeds of the Transaction. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Evotech has made the following payments from the proceeds of the Transaction:

| | Amount | Payee(s) | Purpose |
|----|------------------------------|-----------------------------------|---------------------------------|
| 1. | S\$1,120,000 | DBS Bank Limited | Settlement overdraft of Evotech |
| 2. | S\$658,000 | Other subsidiaries of the Company | Intra-group fund transfer |
| 3. | S\$300,000 | Koh Tat Lee | Unknown |
| 4. | S\$1,600,000 and US\$570,000 | Kesterion Investments Limited | Unknown |
| 5. | S\$250,000 and US\$500,000 | Yao Jun | Unknown |
| 6. | S\$135,000 | Yew Eng Piow | Unknown |

(Note: S\$ means Singapore Dollar and US\$ means United States Dollar)

According to the Company's investigation, Evotech owes no money to or has no direct business dealing with either Koh Tat Lee, Kesterion Investments Limited, Yao Jun or Yew Eng Piow. Moreover, according to the record of the Company, Kesterion Investments Limited is owned by the spouse of Koh Tat Lee.

COMMENCEMENT OF LEGAL ACTION

Upon the advice of the Company's Singapore legal advisors, Evotech has on 23 November 2016 commenced legal proceedings at the High Court of The Republic of Singapore against Koh Tat Lee for breaches of his duties as director and employee of Evotech and against Lily Bye Lay Lay for breaches of her duties as director of Evotech, for S\$2,285,000 and US\$1,070,000 (the "Singapore Legal Action").

The Company will publish further announcement(s) to update the shareholders and potential investors of the Company on the Singapore Legal Action as and when the Board considers appropriate.

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

On 11 November 2016, the Company has published its restated first quarterly results for the three months ended 30 June 2016. Shareholders and potential investors of the Company should read the restated first quarterly results carefully.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 23 November 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.