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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)

**(I) SUPPLEMENTAL AGREEMENTS TO
THE RESTRUCTURING FRAMEWORK AGREEMENT
AND THE ACQUISITION AGREEMENT;
AND
(II) PROPOSED OPEN OFFER ON THE BASIS OF
NINETEEN (19) OFFER SHARES FOR EVERY ONE (1) NEW SHARE
HELD ON THE OPEN OFFER RECORD DATE**

Financial Adviser to the Company



Underwriter


KINGSTON SECURITIES

References are made to the Announcements in relation to, among other things, the Resumption Proposal containing the Capital Reorganisation, the Creditors Schemes, the Open Offer, the Acquisition and the application for Whitewash Waiver.

SUPPLEMENTAL AGREEMENTS TO THE RESTRUCTURING FRAMEWORK AGREEMENT AND THE ACQUISITION AGREEMENT

On 28 June 2018, the Company and the Investor entered into the Second Supplemental Restructuring Framework Agreement and the Second Supplemental Acquisition Agreement, respectively, pursuant to which, the Restructuring Framework Agreement (as amended and supplemented by the first supplemental agreement dated 9 November 2017) and the Acquisition Agreement (as amended and supplemented by the first supplemental agreement dated 9 November 2017) were further amended and supplemented to give effect to, among other things and as appropriate, (i) changes in definitions; (ii) extension of the long stop dates; (iii) alignment of the terms of the proposed Open Offer; (iv) amendments of the terms of the Pre-Completion Dividend; and (v) amendments of the conditions precedent to the Acquisition Agreement; and (vi) amendments of the conditions precedent to the Creditors Schemes.

PROPOSED OPEN OFFER

As mentioned in the Announcements, to enable the existing Shareholders to participate in the Proposed Restructuring, the Board proposed the Open Offer on the basis of nineteen (19) Offer Shares for every one (1) New Share/Consolidated Share (depends on whether the Capital Reorganisation will become effective on the Open Offer Record Date) held by the Qualifying Shareholders on the Open Offer Record Date, and a total of 1,297,775,150 Offer Shares will be allotted and issued by the Company. Following the execution of the Underwriting Agreement and tentatively the Capital Reorganisation will have become effective on the Open Offer Record Date, the Open Offer is proposed on the basis of nineteen (19) Offer Shares for every one (1) New Share held by the Qualifying Shareholders on the Open Offer Record Date. It is expected that a maximum of 1,297,775,145 Offer Shares will be allotted and issued by the Company to the Qualifying Shareholders at the Offer Price of HK\$0.19 per Offer Share. The gross proceeds from the Open Offer are expected to amount to not more than approximately HK\$246.6 million and not less than approximately HK\$54.1 million. The gross proceeds, after deduction of HK\$54.1 million for (i) repayment of the Investor Loan and the Transaction Loan (if necessary), (ii) payment of the professional fees and expenses including underwriting commission, and (iii) working capital of the Company, will be approximately HK\$192.5 million and will be payable into the Creditors Schemes and form part of the Creditors Schemes Consideration.

The Open Offer is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders.

Underwriting Agreement

On 28 June 2018, the Company entered into the Underwriting Agreement with the Underwriter in relation to the underwriting and certain other arrangements in relation to the Open Offer.

The Open Offer is only partially underwritten by the Underwriter pursuant to the terms and conditions set out in the Underwriting Agreement. According to the Company's constitutional documents and the Companies Law, there are no requirements for minimum levels of subscription in respect of the Open Offer. If any of the assured allotments of Offer Shares are not subscribed by the Qualifying Shareholders and are not taken up by the Underwriter pursuant to the Underwriting Agreement, Creditors Shares equivalent to such number of assured allotments of Offer Shares not subscribed or taken up will be issued and allotted to the Scheme SPC and become part of the Creditors Schemes Consideration.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the Open Offer will increase the issued share capital of the Company by more than 50%, pursuant to Rule 10.39 of the GEM Listing Rules, the Open Offer will be subject to the approval by the Independent Shareholders at the EGM by way of poll. As at the date of this announcement, the Company did not have any controlling Shareholder. Therefore, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company shall abstain from voting in favour of the resolution(s) to be proposed at the EGM to consider and, if thought fit, approve the Open Offer.

Under Rule 10.37(2) of the GEM Listing Rules, as the Open Offer is not fully underwritten, any Shareholder who applies to take up excess Offer Shares may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive of the SFC from time to time or any of his delegate(s) has been obtained. Accordingly, the Open Offer will be made on the term that the Company will provide for Shareholders to apply on the basis that if the Offer Shares are not fully taken up, the application(s) of any Shareholder(s) for excess Offer Shares under the EAF(s) (for use by the Qualifying Shareholders to apply for excess Offer Shares) which would result in its/his/her shareholding to increase to 30% or more of the Company's enlarged issued share capital upon completion of the Open Offer will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder(s) to make a general offer under the Takeovers Code.

IMPLICATIONS UNDER THE TAKEOVERS CODE

The proposed settlement of the indebtedness due to eForce (who held approximately 0.179% of the total issued shares of the Company as at the date of this announcement) under the Creditors Schemes, which is not extended to all the other Shareholders, constitutes a special deal under Rule 25 of the Takeovers Code and therefore requires (i) consent by the Executive; (ii) the Independent Financial Adviser to publicly state that in its opinion the settlement and the terms thereunder are fair and reasonable; and (iii) approval by the Independent Shareholders at the EGM. Member of the Concert Group, eForce and their respective associates and parties acting in concert with any of them, and those who are interested in and involved in the Proposed Restructuring, the Whitewash Waiver and/or the Special Deal will be required to abstain from voting on the relevant resolution(s).

GENERAL

The Independent Board Committee, comprising all three independent non-executive Directors, namely Dr. Wan Ho Yuen, Terence, Mr. Li Kwok Chu and Mr. Lau Shu Yan, has been established to make recommendations to the Independent Shareholders as to whether the Open Offer (including the Underwriter Agreement) are fair and reasonable and in the interests of the Company and the Independent Shareholders taken as a whole and to advise the Independent Shareholders on how to vote after taking into account the advice from the Independent Financial Adviser.

A circular containing, among others, (i) details of the Open Offer; (ii) other information of the Proposed Restructuring including, among others, the Special Deal; (iii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Open Offer and the Proposed Restructuring including, among others, the Special Deal; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Proposed Restructuring including, among others, the Special Deal; and (v) a notice convening the EGM will be despatched by the Company to the Shareholders on or before Wednesday, 12 September 2018, as further time is required to prepare the information to be contained in the circular.

The EGM will be held on Monday, 15 October 2018 for the purpose of considering and, if thought fit, approving the resolutions in respect of, inter alia, the Open Offer. Voting on the resolutions at the EGM will be taken by poll.

The Prospectus Documents setting out details of the proposed Open Offer are expected to be sent to the Qualifying Shareholders on or about Monday, 25 February 2019. The Prospectus (but not the Application Forms or the EAFs) will be despatched to the Non-Qualifying Shareholders for information only.

WARNING OF THE RISK OF DEALING IN THE SHARES

The Open Offer is conditional upon, inter alia, the fulfillment of the conditions set out under the paragraphs “Conditions of the Open Offer” and “Conditions precedent to the Underwriting Agreement” in this announcement. Therefore, the Open Offer may or may not proceed.

Any dealing in the Shares/New Shares from the date of this announcement up to the date on which all the conditions of the Underwriting Agreement are fulfilled or waived (as the case may be) will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares/New Shares are recommended to consult their own professional advisers. The Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares/New Shares.

References are made to the announcements of the Company dated 9 November 2017, 10 November 2017, 28 November 2017, 21 December 2017, 22 January 2018, 22 February 2018, 23 March 2018, 4 April 2018, 4 May 2018 and 4 June 2018 in relation to, among other things, the Resumption Proposal containing the Capital Reorganisation, the Creditors Schemes, the Open Offer, the Acquisition and the application for Whitewash Waiver (the “**Announcements**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

SUPPLEMENTAL AGREEMENTS TO THE RESTRUCTURING FRAMEWORK AGREEMENT AND THE ACQUISITION AGREEMENT

On 28 June 2018, the Company and the Investor entered into a second supplemental agreement to the Restructuring Framework Agreement (the “**Second Supplemental Restructuring Framework Agreement**”) and a second supplemental agreement to the Acquisition Agreement (the “**Second Supplemental Acquisition Agreement**”). Details of the Second Supplemental Restructuring Framework Agreement and the Second Supplemental Acquisition Agreement are summarised below.

Second Supplemental Restructuring Framework Agreement

Pursuant to the Second Supplemental Restructuring Framework Agreement, amendments to the Restructuring Framework Agreement (as amended and supplemented by the first supplemental agreement dated 9 November 2017) were made as follows:

- (i) certain definitions in the Restructuring Framework Agreement including, among others, “CB Creditor”, “Convertible Bonds”, “Creditors”, “Long Stop Date”, “Open Offer”, “Offer Share(s)”, “Acquisition Agreement” and “Special Deal” were amended;
- (ii) the long stop date of the Restructuring Framework Agreement was extended from 31 May 2018 to 31 March 2019;
- (iii) terms relating to the Open Offer (including the underwriting arrangement) were amended to align with the disclosures in this announcement;
- (iv) the reference date of retained earnings to be paid out as the Pre-Completion Dividend (as referred to in the Announcements) was amended from 31 March 2017 and 31 March 2018 to 30 September 2018, and that the declaration and distribution of the Pre-Completion Dividend will be subject to the Target Group having sufficient working capital for its business operations for the period up to 31 March 2020; and
- (v) a condition precedent to the Creditors Schemes in respect of the GEM Listing Committee granting the listing of, and permission to deal in, the Creditors Shares was added.

Save as disclosed above, all other terms and conditions of the Restructuring Framework Agreement (as supplemented and amended by the first supplemental agreement dated 9 November 2017) remain unchanged and in full force and effect in all respects.

Second Supplemental Acquisition Agreement

Pursuant to the Second Supplemental Acquisition Agreement, amendments to the Acquisition Agreement (as amended and supplemented by the first supplemental agreement dated 9 November 2017) were made to give the same effect of the amendments to the Restructuring Framework Agreement as referred to in (i), (ii) and (iv) mentioned in the section headed “Second Supplemental Restructuring Framework Agreement” above, and modify certain conditions precedent to completion of the Acquisition Agreement as follows:

- (a) condition (vii) as mentioned in the Announcements was modified to “the passing of the necessary resolution(s) by the Independent Shareholders of the Company (other than those shareholders who are required to abstain from voting on all or any of the resolutions under the GEM Listing Rules or the Takeovers Code) at the EGM to be convened and held to approve (i) the Acquisition Agreement and the transactions contemplated hereunder (including but not limited to the allotment and issue of the Consideration Shares); (ii) the Capital Reorganisation; (iii) the Open Offer and the allotment and issue of the Offer Shares; (iv) the Creditors Schemes (including but not limited to the allotment and issue of the Creditors Shares (if any)) (which also constitutes the Special Deal pursuant to Rule 25 of the Takeovers Code); (v) the Restructuring Framework Agreement and the transactions contemplated thereunder; and (vi) the Whitewash Waiver”;
- (b) condition (viii) as mentioned in the Announcements was modified to “the granting of the approval by the GEM Listing Committee the listing of and permission to deal in all of (i) the New Shares in issue after the Capital Reorganisation becoming effective; (ii) the Consideration Shares; (iii) the Offer Shares (either unconditionally or subject to conditions); and (iv) the Creditors Shares (if any), and such permission not having been subsequently revoked or withdrawn”; and
- (c) condition (xiv) as mentioned in the Announcements was modified to “the Capital Reorganisation becoming effective and all conditions precedent to the implementation of the Creditors Schemes and completion of the Open Offer having been fulfilled or waived (as the case may be) (save for the condition for the Acquisition to become unconditional)”.

Save as disclosed above, all other terms and conditions of the Acquisition Agreement (as supplemented and amended by the first supplemental agreement dated 9 November 2017) remain unchanged and in full force and effect in all respects.

PROPOSED OPEN OFFER

As mentioned in the Announcements, to enable the existing Shareholders to participate in the Proposed Restructuring, the Board proposed the Open Offer on the basis of nineteen (19) Offer Shares for every one (1) New Share/Consolidated Share (depends on whether the Capital Reorganisation will become effective on the Open Offer Record Date) held by the Qualifying Shareholders on the Open Offer Record Date, and a total of 1,297,775,150 Offer Shares will be allotted and issued by the Company. Following the execution of the Underwriting Agreement (details of which are set out in the section headed “Underwriting Agreement” below) and assuming that the Capital Reorganisation will have become effective on the Open Offer Record Date, the Open Offer is proposed on the basis of nineteen (19) Offer Shares for every one (1) New Share held by the Qualifying Shareholders on the Open Offer Record Date and it is expected that a maximum of 1,297,775,145 Offer Shares will be allotted and issued by the Company to the Qualifying Shareholders at the Offer Price of HK\$0.19 per Offer Share. The gross proceeds from the Open Offer are expected to amount to not more than approximately HK\$246.6 million and not less than approximately HK\$54.1 million.

On 28 June 2018, the Company entered into the Underwriting Agreement with the Underwriter in relation to the underwriting and certain other arrangements in relation to the Open Offer.

Details of the proposed Open Offer are set out as follows:

Issue statistics

Basis of the Open Offer	:	Nineteen (19) Offer Shares for every one (1) New Share held by the Qualifying Shareholders on the Open Offer Record Date
Offer Price	:	HK\$0.19 per Offer Share payable in full upon application
Number of Shares in issue as at the date of this announcement	:	3,415,197,762 Shares
Number of New Shares expected to be in issue as at the Open Offer Record Date	:	68,303,955 New Shares
Number of Offer Shares	:	1,297,775,145 Offer Shares (assuming no exercise of the conversion rights attaching to the Convertible Bonds and no issue of new Shares other than the Consolidated Shares and the New Shares pursuant to the Capital Reorganisaion from the date of this announcement up to the Open Offer Record Date)

Aggregate nominal value of the Offer Shares	:	HK\$129,777.52
Enlarged issued share capital upon the completion of the Open Offer assuming all Offer Shares were taken up by the Qualifying Shareholders	:	1,366,079,100 New Shares
Number of Underwritten Shares to be underwritten by the Underwriter	:	284,703,398 Offer Shares
Underwriter	:	Kingston Securities Limited

As at the date of this announcement, the issued share capital of the Company is 3,415,197,762 Shares, and other than the Convertible Bonds, the Company does not have any options, warrants or convertible securities in issue. As at the date of this announcement, the Company has received the CB Undertakings from all of the holders of the Convertible Bonds undertaking not to convert the Convertible Bonds on or before the Open Offer Record Date and undertaking to procure the transferee(s) to provide similar undertaking if they transfer the Convertible Bonds.

Assuming there is no change in the issued share capital of the Company (other than the issue of the Consolidated Shares and the New Shares pursuant to the Capital Reorganisation and assuming no exercise of the conversion rights attaching to the Convertible Bonds) from the date of this announcement up to the Open Offer Record Date, the 1,297,775,145 Offer Shares to be allotted and issued pursuant to the Open Offer represents:

- (i) approximately 38.0% of the existing issued share capital of the Company;
- (ii) approximately 1,900.0% of the issued shares of the Company upon the Capital Reorganisation having becoming effective;
- (iii) approximately 95.0% of the issued shares of the Company upon the Capital Reorganisation having becoming effective and as enlarged by the allotment and issue of the Offer Shares; and
- (iv) approximately 36.1% of the issued shares of the Company upon the Capital Reorganisation having becoming effective and as enlarged by the allotment and issue of the Offer Shares and the Consideration Shares.

As at the date of this announcement, the Company has not received any information from any Shareholder (including the Existing Substantial Shareholder) of its intention to take up the Offer Shares under the Open Offer.

The Offer Price

The Offer Price of HK\$0.19 represents a discount of approximately 85.9% to the theoretical quoted price of HK\$1.35 per New Share (the quoted price of HK\$0.027 per Share has been adjusted to reflect the effect of the Capital Reorganisation) on 17 March 2017, being the Last Trading Day.

The Offer Price was determined by the Company, after taking into account (i) the financial performance and financial position of the Group; and (ii) the fact that trading in the Shares on GEM has been suspended since 20 March 2017.

Conditions of the Open Offer

The Open Offer is conditional upon, among others, the Underwriting Agreement becoming unconditional and the Underwriter not terminating the Underwriting Agreement in accordance with its terms. The conditions of the Underwriting Agreement are set out under the paragraph headed “Conditions precedent to the Underwriting Agreement” under the section headed “Underwriting Agreement” of this announcement below.

If the conditions of the Underwriting Agreement are not fulfilled or waived (as the case may be), the Open Offer will not proceed.

Qualifying Shareholders

The Open Offer will only be available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus to them for their information only and no Application Form or EAF will be sent to the Non-Qualifying Shareholders.

To qualify for the Open Offer, a Shareholder must, at the close of business on the Open Offer Record Date:

- (i) be registered as a member of the Company on the register of members of the Company; and
- (ii) not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Open Offer Record Date, all transfers of New Shares must be lodged (together with the relevant share certificate(s)) for registration with the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong by 4:00 p.m. on Friday, 15 February 2019. It is expected that the last day of dealings in the New Shares on a cum-entitlement basis is Wednesday, 13 February 2019 and the New Shares will be dealt with on an ex-entitlement basis from Thursday, 14 February 2019.

Rights of the Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Board will make enquiries as to whether the issue of the Offer Shares to the Overseas Shareholders, if any, may contravene the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange pursuant to Rule 17.41(1) of the GEM Listing Rules and result of the enquiries will be included in the Prospectus. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to the Non-Qualifying Shareholders.

Overseas Shareholders should note that they may or may not be entitled to participate in the Open Offer, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Basis of assured allotment

The basis of the assured allotment will be nineteen (19) Offer Shares for every one (1) New Share held by the Qualifying Shareholders on the Open Offer Record Date.

Application for all or any part of the assured entitlement of a Qualifying Shareholder should be made by completing the Application Form(s) and lodging the same with a remittance for the Offer Shares being applied for with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by no later than the Latest Time for Acceptance.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, will rank pari passu with the New Shares then in issue on the date of allotment of the Offer Shares in all respects. Holders of such Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Offer Shares.

Application for excess Offer Shares

Qualifying Shareholders will be entitled to apply for any entitlements of the Non-Qualifying Shareholders and any Offer Shares which are not taken up by other Qualifying Shareholders in excess of their own entitlements but are not assured of being allocated any Offer Shares in excess of those in their assured entitlements.

Application for excess Offer Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the sum payable for the excess Offer Shares being applied for with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by not later than the Latest Time for Acceptance.

The Directors will, upon consultation with the Underwriter, allocate the excess Offer Shares (if any) at their discretion on a fair and equitable basis as far as practicable, according to the principle that any excess Offer Shares will be allocated to the Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the excess Offer Shares applied for by all such Qualifying Shareholders.

Under Rule 10.37(2) of the GEM Listing Rules, as the Open Offer is not fully underwritten, any Shareholder who applies to take up excess Offer Shares may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive of the SFC from time to time or any of his delegate(s) has been obtained. Accordingly, the Open Offer will be made on the term that the Company will provide for Shareholders to apply on the basis that if the Offer Shares are not fully taken up, the application(s) of any Shareholder(s) for excess Offer Shares under the EAF(s) (for use by the Qualifying Shareholders to apply for excess Offer Shares) which would result in its/his/her shareholding to increase to 30% or more of the Company's enlarged issued share capital upon completion of the Open Offer will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder(s) to make a general offer under the Takeovers Code.

Shareholders with their Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Offer Shares will not be extended to the relevant beneficial owners individually. Shareholders with their Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of their relevant Shares under the names of the beneficial owners prior to the Open Offer Record Date for the purpose of the Open Offer. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

No preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to applications for excess Offer Shares.

In the event that the Board notes unusual patterns of excess Offer Shares applications and has reason to believe that any application may have been made with the intention to abuse the above mechanism, such application(s) for excess Offer Shares may be rejected at the sole discretion of the Board.

Closure of register of members

The register of members of the Company will be closed from Monday, 18 February 2019 to Friday, 22 February 2019, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer. No transfer of New Shares will be registered during this period.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and any other applicable fees and charges in Hong Kong. The Offer Shares are expected to have the same board lot size as the Shares, i.e. 40,000 Shares in one board lot.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought from any other stock exchange.

Share certificates and refund cheques for the Offer Shares

Subject to the fulfillment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares and refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares (if any) or if the Open Offer is terminated are expected to be posted to those entitled thereto on or before Thursday, 21 March 2019 by ordinary post at their own risk.

Mandate to issue the Offer Shares

The Offer Shares will be issued pursuant to a specific mandate to be obtained upon approval by the Independent Shareholders at the EGM.

UNDERWRITING AGREEMENT

It was mentioned in the Announcements that the Open Offer will be fully underwritten by the Underwriter. However, following negotiations between the Company and the Underwriter, the Underwriter will only partially underwrite the Offer Shares and Creditors Shares equivalent to such number of assured allotments of Offer Shares not subscribed by the Qualifying Shareholders or taken up by the Underwriter will be issued

and allotted to the Scheme SPC and become part of the Creditors Schemes Consideration. On this basis, the Company and the Underwriter entered into the Underwriting Agreement on 28 June 2018, pursuant to which the Underwriter conditionally agreed to underwrite the Untaken Shares on a partially underwritten basis up to 284,703,398 Offer Shares. Principal terms of the Underwriting Agreements are as follows:

- Parties : The Company; and
- Kingston Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO
- Number of Underwritten Shares : Up to 284,703,398 Offer Shares
- Underwriting commission : Pursuant to the Underwriting Agreement, the Company shall pay the Underwriter an underwriting commission of 4% of the Subscription Price on the Underwritten Shares. Based on the number of the Underwritten Shares and the Offer Price of HK\$0.19 per Offer Share, the Underwriter shall be entitled to an underwriting commission of approximately HK\$2.2 million.
- If the Open Offer is not completed for any reason other than any wilful omission or default on the part of the Underwriter, the underwriting commission shall be payable within three Business Days after the date of occurrence of any of the following events:
- (i) the conditions precedent to the Underwriting Agreement are not satisfied or waived in whole by (a) the Latest Time for Termination (or such other time and/or date as stipulated in the conditions precedent) or (b) 31 March 2019 (whichever is the earlier), or such other time and/or date as the Company and the Underwriter may agree in writing; or

- (ii) the Underwriting Agreement is terminated or rescinded by the Underwriter; or
- (iii) the Underwriting Agreement is terminated by the Company for any reason other than any wilful omission or default on the part of the Underwriter; or
- (iv) the Stock Exchange has decided to cancel the listing of the Shares.

The commission rate was determined after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the listing status of the Company, the size of the Open Offer and the current and expected market condition. The Directors (excluding the independent non-executive Directors) are of the view that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable so far as the Company and the Shareholders are concerned.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties.

The Open Offer is only partially underwritten by the Underwriter pursuant to the terms and conditions set out in the Underwriting Agreement. According to the Company's constitutional documents and the Companies Law, there are no requirements for minimum levels of subscription in respect of the Open Offer. If any of the assured allotments of Offer Shares are not subscribed by the Qualifying Shareholders and are not taken up by the Underwriter pursuant to the Underwriting Agreement, Creditors Shares, equivalent to such number of assured allotments of Offer Shares not subscribed or taken up, will be issued and allotted to the Scheme SPC and become part of the Creditors Schemes Consideration further details are set out in the section headed "Reasons for the Open Offer and the use of proceeds" below. No sub-underwriting arrangement will be procured by the Underwriter.

Conditions precedent to the Underwriting Agreement

The Underwriting Agreement is conditional upon:

- (i) the conditions precedent to the Acquisition having been fulfilled (save for the condition for the Open Offer to become unconditional);
- (ii) the delivery to the Stock Exchange for authorisation, and the registration with the Registrar of Companies in Hong Kong, respectively, not later than the despatch date of the Prospectus, of one copy of the Prospectus Documents, duly signed by two directors of the Company (or their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached to it) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time);
- (iii) the posting of the Prospectus Documents and, if required by or in compliance with the GEM Listing Rules, a copy of the Prospectus stamped “For Information Only” to the Non-Qualifying Shareholders on the despatch date of the Prospectus;
- (iv) the approval of the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder by the Shareholders (other than those prohibited from voting on the resolutions at the EGM by the GEM Listing Rules and/or the Takeovers Code) at the EGM;
- (v) the grant or the agreement to grant (subject to allotment) by the GEM Listing Committee, and not having withdrawn or revoked such grant, of the listing of and permission to deal in all the Offer Shares, either unconditionally or subject to such conditions as are accepted by the Company and the Underwriter;
- (vi) the Stock Exchange having conditionally or unconditionally approved or decided to allow the Company to proceed with the resumption of the trading in the New Shares on the Stock Exchange and all the conditions attached to such approval or decision (if any) having been fulfilled (other than those conditions relating to or in connection with the restoration of public float) or waived by the Stock Exchange;
- (vii) all other necessary waivers, consents and approval including but not limited to those from the Stock Exchange, the SFC and any other relevant government or regulatory authorities, which are required (if any) for the implementation of the Resumption Proposal and all transactions contemplated thereunder having been obtained;
- (viii) the Capital Reorganisation having taken effect;

- (ix) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms of the Underwriting Agreement prior to the Latest Time for Termination;
- (x) the compliance with and performance by the Company of all the undertakings and obligations under the terms of the Underwriting Agreement;
- (xi) the compliance with and performance of all the undertakings and obligations of the holders of the Convertible Bonds and/or the transferee(s) under the CB Undertaking and/or similar undertakings provided by the transferee(s); and
- (xii) there being no event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings contained in the Underwriting Agreement untrue or incorrect in any material respect (the “**Specified Event**”).

The conditions (i), (ii), (iii), (iv), (v), (vi), (vii), (viii) and (ix) as set out above are incapable of being waived. If the conditions are not satisfied (or waived, as the case maybe) in whole by the Latest Time for Termination or 31 March 2019 (whichever is the earlier) or such other time and/or date as the Company and the Underwriter may agree in writing, the Underwriting Agreement shall terminate and no party shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a Business Day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above and no black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (i) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Company and the Target Group as a whole or is materially adverse in the context of the Open Offer; or

- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Company and the Target Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (iii) any change in the circumstances of the Company or any member of the Target Group occurs which in the absolute opinion of the Underwriter shall adversely affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of the Company or any of the members of the Target Group or the destruction of any material asset of the Target Group; or
- (iv) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Company and the Target Group as a whole occurs, whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter occurs which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer;

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

- (i) any material breach of any of the representations, warranties or undertakings comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

If prior to the Latest Time for Termination any such notice as referred to above is given by the Underwriter, the obligations of the parties under the Underwriting Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches (other than underwriting commission and the reasonable legal fees and other reasonable out-of-pocket expenses of the Underwriter in respect of the Open Offer).

Rescission or termination of the Underwriting Agreement shall be without prejudice to any rights of any party in respect of any breach by the others prior to such rescission or termination.

If the Underwriter exercises such right, the Underwriting Agreement will not become unconditional and the Open Offer will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.

REASON FOR THE OPEN OFFER AND THE USE OF PROCEEDS

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.

As the Stock Exchange has commenced the procedures to cancel the Company's listing under Rules 9.14 to 9.16 of the GEM Listing Rules, trading in the Shares has been suspended since 20 March 2017. Subsequently, the Company has submitted the Resumption Proposal to the Stock Exchange seeking for the resumption of trading in the Shares, and the Open Offer forms part and parcel of such Resumption Proposal.

The gross proceeds from the Open Offer are expected to be not more than approximately HK\$246.6 million and not less than approximately HK\$54.1 million. As disclosed in the Announcements, it was expected that the proceeds from the Open Offer in the sum of approximately HK\$207 million will be paid into the Creditors Schemes. Following the entering into of the Underwriting Agreement on a partially underwritten basis and after further discussions between the Company and the Scheme Administrators or the Scheme Creditors respectively, the gross proceeds after deduction of HK\$54.1 million for (i) repayment of the Investor Loan and the Transaction Loan (if necessary), (ii) payment of the professional fees and expenses including underwriting commission, and (iii) working

capital of the Company, will be approximately HK\$192.5 million and will be payable into the Creditors Schemes and form part of the Creditors Schemes Consideration. As further agreed by the Scheme Creditors, instead of receiving cash proceeds only, the Scheme Creditors shall accept the allotment and issue of the Creditors Shares as part of the Creditors Schemes Consideration.

If all of the assured allotments of Offer Shares are subscribed by the Qualifying Shareholders, the gross proceeds will be approximately HK\$246.6 million and the cash amounts payable into the Creditors Schemes will be approximately HK\$192.5 million. If any of the assured allotments of Offer Shares are not subscribed by the Qualifying Shareholders and are not taken up by the Underwriter pursuant to the Underwriting Agreement, the gross proceeds will be less than HK\$246.6 million. The cash amounts payable into the Creditors Schemes will then be adjusted and reduced on a dollar for dollar basis, and the Creditors Shares equivalent to such number of assured allotments of Offer Shares not subscribed or taken up will be issued and allotted to the Scheme SPC at the price of HK\$0.19 per Creditors Share (i.e. the same price as the Offer Price), of which the aggregate value of such Creditors Shares will make up the difference between HK\$192.5 million and the actual amount of proceeds from the Open Offer (after deduction of HK\$54.1 million for repayment of the Investor Loan and the Transaction Loan (if necessary) and payment of the professional fees and expenses including underwriting commission and as working capital of the Company), and become part of the Creditors Schemes Consideration. For illustrative purpose only, if only the Underwritten Shares were taken up by the Underwriter and all other assured allotments of Offer Shares were not subscribed by any of the Qualifying Shareholders, no cash proceeds would be payable into the Creditors Schemes while 1,013,071,747 Creditors Shares (equivalent to approximately HK\$192.5 million at HK\$0.19 per Creditors Share) will be allotted and issued to the Scheme SPC and form part of the Creditors Schemes Consideration. In other words, the composition of the Creditors Schemes Consideration, which includes the amount of cash proceeds to be payable into the Creditors Schemes and the number of the Creditors Shares to be allotted and issued, will be subject to the level of subscription by the Qualifying Shareholders under the Open Offer, and in any event the maximum aggregate amount of the Creditors Schemes Consideration will not be more than HK\$192.5 million.

EXPECTED TIMETABLE OF THE OPEN OFFER

Set out below is the expected timetable of the Open Offer. The following events are conditional on, among other things, the approval by the Stock Exchange of the new listing application in relation to the Acquisition, the results of the EGM and the relevant Grand Court hearings. The dates are therefore tentative. Any consequential changes to the expected timetable will be published or notified to the Shareholders appropriately.

Event

Expected despatch date of circular, proxy form and notice of the EGM. Wednesday, 12 September, 2018

Latest time for lodging transfer of Shares to qualify for attendance and voting at the EGM 4:00 p.m. on Wednesday, 10 October, 2018

Closure of register of members of the Company for attendance and voting at the EGM (both dates inclusive). Thursday, 11 October, 2018 to Monday, 15 October, 2018

Latest time for lodging proxy forms for the EGM 4:30 p.m. on Saturday, 13 October 2018

Expected time and date of the EGM 4:30 p.m. on Monday, 15 October 2018

Announcement of results of the EGM Monday, 15 October 2018

Expected effective date of the Capital Reorganisation. Tuesday, 12 February, 2019 (Cayman Islands time)

Wednesday, 13 February 2019 (Hong Kong time)

First day of free exchange of existing share certificate for new share certificates for New Shares Wednesday, 13 February 2019

Last day of dealings in the New Shares on cum-entitlement basis Wednesday, 13 February 2019

First day of dealings in the New Shares on ex-entitlement basis. Thursday, 14 February 2019

Latest time for lodging transfer of New Shares in order to be qualified for the Open Offer 4:00 p.m. on Friday, 15 February 2019

Closure of register of members to determine the eligibility of the Open Offer (both dates inclusive). Monday, 18 February 2019 to Friday, 22 February 2019

Open Offer Record Date Friday, 22 February 2019

Prospectus Documents posting date. Monday, 25 February 2019

Latest Time for Acceptance. 4:00 p.m. on Monday, 11 March 2019

Latest Time for Termination 4:00 p.m. on Friday, 15 March 2019

Announcement of results of the Open Offer Wednesday, 20 March 2019

Completion of the Open Offer Thursday, 21 March 2019

Despatch of share certificates for Offer Shares
or/and refund cheques for wholly or partially
unsuccessful application for excess Offer Shares
or if the Open Offer is terminated Thursday, 21 March 2019

Last day of free exchange of existing share certificates
for new share certificates for New Shares Thursday, 21 March 2019

Announcement of completion of the Open Offer Thursday, 21 March 2019

Resumption and dealing in the
New Shares/Offer Shares commence 9:00 a.m. on Friday, 22 March 2019

All reference to times and dates in this announcement are references to Hong Kong times and dates, unless otherwise specified.

Effect of bad weather on the Latest Time for Acceptance and payment for the Open Offer

If there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning,

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the latest time of acceptance of and payment for the Offer Shares will not take place at the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same Business Day instead;
- (ii) in force in Hong Kong at any local time between 12:00 noon and the Latest Time for Acceptance, the latest time of acceptance of and payment for the Offer Shares will not take place at the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

WARNING OF THE RISKS OF DEALING IN THE NEW SHARES

The Open Offer is conditional upon, inter alia, the fulfillment of the conditions set out under the paragraphs “Conditions of the Open Offer” and “Conditions precedent to the Underwriting Agreement” above in this announcement. Therefore, the Open Offer may or may not proceed.

Any dealing in the Shares/New Shares from the date of this announcement up to the date on which all the conditions of the Underwriting Agreement are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares/New Shares are recommended to consult their own professional advisers. The Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares/New Shares.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS FROM THE DATE OF THIS ANNOUNCEMENT

The Company has not conducted any fund raising activities in the past 12 months immediately preceding the date of this announcement.

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

The tables below set out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon the Capital Reorganisation having taken effect; and (iii) immediately upon Completion:

Scenario A: Assuming all the Qualifying Shareholders take up their respective assured entitlements under the Open Offer

	As at the date of this announcement		Immediately upon the Capital Reorganisation having taken effect		Immediately upon Completion	
	(Shares)	%	(Shares)	%	(Shares)	%
Concert Group	-	-	-	-	2,228,865,908	62.0%
Existing Substantial Shareholder	846,760,000	24.8%	16,935,200	24.8%	338,704,000	9.4%
Scheme Creditors (Note 3)	-	-	-	-	-	-
Underwriter	-	-	-	-	-	-
Other existing public shareholders	2,568,437,762	75.2%	51,368,755	75.2%	1,027,375,100	28.6%
Sub-total of public Shareholders	2,568,437,762	75.2%	51,368,755	75.2%	1,366,079,100	38.0%
Total	3,415,197,762	100.0%	68,303,955	100.0%	3,594,945,008	100.0%

Scenario B: Assuming none of the Qualifying Shareholders take up their respective assured entitlements under the Open Offer

	As at the date of this announcement		Immediately upon the Capital Reorganisation having taken effect		Immediately upon Completion	
	(Shares)	%	(Shares)	%	(Shares)	%
Concert Group	-	-	-	-	2,228,865,908	62.0%
Existing Substantial Shareholder	846,760,000	24.8%	16,935,200	24.8%	16,935,200	0.5%
Scheme Creditors (Note 3)	-	-	-	-	1,013,071,747	28.2%
Underwriter	-	-	-	-	284,703,398	7.9%
Other existing public shareholders	2,568,437,762	75.2%	51,368,755	75.2%	51,368,755	1.4%
Sub-total of public Shareholders	2,568,437,762	75.2%	51,368,755	75.2%	1,366,079,100	38.0%
Total	3,415,197,762	100.0%	68,303,955	100.0%	3,594,945,008	100.0%

Notes:

- (1) The above tables are for illustrative purpose only. The actual change in the shareholding structure of the Company is subject to the actual number of the Offer Shares to be subscribed by the Shareholders under the Open Offer.
- (2) Certain percentages figures included in the above table are subject to rounding adjustments.
- (3) The Company shall issue and allot the Creditor Shares up to 1,013,071,747 New Shares to the Scheme SPC for the benefit of the Scheme Creditors after the completion of the Open Offer if none of the Qualifying Shareholders take up their respective assured entitlements in consideration of discharge of the Claims under the Creditors Schemes. Amongst the Creditors, eForce holds approximately 0.179% of the total issued shares of the Company as at the date of this announcement. The other Creditors are Independent Third Parties and are not acting in concert with the Concert Group. It is expected none of the Scheme Creditors will become a substantial shareholder after distribution of the Creditor Shares from the Scheme SPC to the Scheme Creditors.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the Open Offer will increase the issued share capital of the Company by more than 50%, pursuant to Rule 10.39 of the GEM Listing Rules, the Open Offer will be subject to the approval by the Independent Shareholders at the EGM by way of poll. As at the date of this announcement, the Company did not have any controlling Shareholder. Therefore, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company shall abstain from voting in favour of the resolution(s) to be proposed at the EGM to consider and, if thought fit, approve the Open Offer.

Under Rule 10.37(2) of the GEM Listing Rules, as the Open Offer is not fully underwritten, any Shareholder who applies to take up excess Offer Shares may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive of the SFC from time to time or any of his delegate(s) has been obtained. Accordingly, the Open Offer will be made on the term that the Company will provide for Shareholders to apply on the basis that if the Offer Shares are not fully taken up, the application(s) of any Shareholder(s) for excess Offer Shares under the EAF(s) (for use by the Qualifying Shareholders to apply for excess Offer Shares) which would result in its/his/her shareholding to increase to 30% or more of the Company's enlarged issued share capital upon completion of the Open Offer will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder(s) to make a general offer under the Takeovers Code.

IMPLICATIONS UNDER THE TAKEOVERS CODE

The proposed settlement of the indebtedness due to eForce (who held approximately 0.179% of the total issued shares of the Company as at the date of this announcement) under the Creditors Schemes, which is not extended to all the other Shareholders, constitutes a special deal under Rule 25 of the Takeovers Code and therefore requires (i) consent by the Executive; (ii) the Independent Financial Adviser to publicly state that in its opinion the settlement and the terms thereunder are fair and reasonable; and (iii) approval by the Independent Shareholders at the EGM. Member of the Concert Group, eForce and their respective associates and parties acting in concert with any of them, and those who are interested in and involved in the Proposed Restructuring, the Whitewash Waiver and/or the Special Deal will be required to abstain from voting on the relevant resolution(s).

GENERAL

The Independent Board Committee, comprising all three independent non-executive Directors, namely Dr. Wan Ho Yuen, Terence, Mr. Li Kwok Chu and Mr. Lau Shu Yan, has been established to make recommendations to the Independent Shareholders as to whether the Open Offer (including the Underwriter Agreement) are fair and reasonable and in the interests of the Company and the Independent Shareholders taken as a whole and to advise the Independent Shareholders on how to vote after taking into account the advice from the Independent Financial Adviser.

A circular containing, among others, (i) details of the Open Offer; (ii) other information of the Proposed Restructuring including, among others, the Special Deal; (iii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Open Offer and the Proposed Restructuring including, among others, the Special Deal; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Proposed Restructuring including, among others, the Special Deal; and (v) a notice convening the EGM will be despatched by the Company to the Shareholders on or before Wednesday, 12 September 2018, as further time is required to prepare the information to be contained in the circular.

The EGM will be held on Monday, 15 October 2018 for the purpose of considering and, if thought fit, approving the resolutions in respect of, inter alia, the Open Offer. Voting on the resolutions at the EGM will be taken by poll.

The Prospectus Documents setting out details of the proposed Open Offer are expected to be sent to the Qualifying Shareholders on or about Monday, 25 February 2019. The Prospectus (but not the Application Forms or the EAFs) will be despatched to the Non-Qualifying Shareholders for information only.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Dealings in the Shares on GEM has been suspended since 20 March 2017 and will remain suspended until further notice.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the respective meanings set out opposite to them:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Acquisition”	the sale and purchase of the entire issued share capital of the Target Company pursuant to the Acquisition Agreement and the Restructuring Framework Agreement, details of which has been set out in the Resumption Proposal Announcement
“Acquisition Agreement”	the formal sale and purchase agreement dated 15 September 2017 (as amended and supplemented on 9 November 2017 and 28 June 2018 and from time to time) and entered into between the Company and the Investor in relation to the Acquisition
“Announcements”	the announcements of the Company dated 9 November 2017, 10 November 2017, 28 November 2017, 21 December 2017, 22 January 2018, 22 February 2018, 23 March 2018, 4 April 2018, 4 May 2018 and 4 June 2018 in relation to, among other things, the Resumption Proposal containing the Capital Reorganisation, the Creditors Schemes, the Open Offer, the Acquisition and the application for Whitewash Waiver

“Application Form(s)”	the form(s) of application for the Offer Shares in such usual form to be issued to the Qualifying Shareholders
“Board”	the board of Directors
“BTR Asia”	BTR (Asia) Limited, a company incorporated in Hong Kong with limited liability and a member of the Target Group
“BTR HK”	BTR (HK) Limited, a company incorporated in Hong Kong with limited liability and a member of the Target Group
“BTR Intl”	BTR (Intl) Limited, a company incorporated in Hong Kong with limited liability and a member of the Target Group
“BTR Workshop”	BTR Workshop Limited, a company incorporated in Hong Kong with limited liability and a member of the Target Group
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business
“BVI”	the British Virgin Island
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company comprising, inter alia, the Share Premium Cancellation, the Share Consolidation, the Capital Reduction, the Unissued Share Capital Cancellation and the Authorised Share Capital Increase, details of which has been set out in the Resumption Proposal Announcement
“CB Undertaking(s)”	the undertaking given by the holders of the Convertible Bonds under which they undertake not to exercise the conversion rights attaching to the Convertible Bonds on or before the Open Offer Record Date and undertake to procure the transferee(s) to provide similar undertaking if they transfer the Convertible Bonds

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Claim(s)”	the claim(s) of the Creditors against the Company as at the effective date of the Creditors Schemes
“Companies Law”	the Companies Law (2018 Revision) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance of Hong Kong (Cap 622) as amended from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended from time to time
“Company”	Union Asia Enterprise Holdings Limited (stock code: 8173), an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Completion”	completion of the Acquisition, the Open Offer and the Creditors Schemes becoming effective, which will take place simultaneously
“Concert Group”	the Investor and parties acting in concert with it
“Consideration”	the amount of approximately HK\$423,500,000, being the consideration for the Sale Shares
“Consideration Shares”	the 2,228,865,908 New Shares to be issued and allotted as fully paid by the Company to the Investor under the Acquisition Agreement and the Restructuring Framework Agreement
“Convertible Bonds”	5-year convertible bonds in an aggregate principal amount of US\$50,000,000 and interest at the rate of 2% per annum issued on 12 May 2015 which will mature on 12 May 2020

“Creditors”

the creditors of the Company whose claims arose out of or had their origin in any matter occurring before the effective date of the Creditors Schemes and whether known or unknown, whether present, future or contingent, whether sounding in equity, contract, tort or under statute and whether liquidated or yet to be ascertained or whose claims against the Company which would be provable in a winding up of the Company under either the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Companies Law if an order for the winding up of the Company were made on the effective date of the Creditors Schemes, including the Convertible Bonds but excluding any amount due under the Transaction Loan (if any), the Investor Loan and any liability or debt incurred in relation to the preparation of the Proposed Restructuring, and where the Company has secured creditors and/or preferential creditors, the balances, if any, of whose secured debts or preferential claim due or treated under the Creditors Schemes as due from the Company and remaining unsatisfied after realisation or valuation of the underlying security interest and falling to be treated thereunder as an unsecured Claim

“Creditors Schemes”

the schemes of arrangement to be entered into between the Company and its creditors pursuant to Sections 666 to 675 of the Companies Ordinance and Section 86 of the Companies Law with, or subject to, any modification, addition or conditions approved or imposed by the High Court and the Grand Court

“Creditors Schemes Assets”

all the assets and entitlement to assets owned and enjoyed, directly or indirectly, by the Company immediately before the Creditors Schemes becoming effective including but not limited to all the equity interests held by the Company in the Schemes Companies but excluding any asset which is the subject of a security interest unless and until the security interest has been released pursuant to the Creditors Schemes

“Creditors Schemes Consideration”	(i) a combination, with an aggregate value of approximately HK\$192.5 million at Completion, of (a) cash proceeds from the Open Offer and (b) the Creditors Shares, where the proportion between the two components is subject to the level of subscription in the Open Offer, and (ii) such other sums as may be realised by the Scheme Administrators from the Scheme Assets
“Creditors Shares”	up to 1,013,071,747 New Shares, credited as fully paid up, to be allotted and issued by the Company as part of the Creditors Schemes Consideration
“Director(s)”	the directors of the Company
“EAF(s)”	the form(s) of application for excess Offer Shares
“eForce	eForce Holdings Limited, being the holder of the Convertible Bonds in the outstanding principal amount of US\$13 million with an annual coupon rate of 2% which will mature on 12 May 2020, and being a Shareholder holding approximately 0.179% of the total issued share capital of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, among others, all the resolutions of the Company necessary or appropriate in relation to the Capital Reorganisation, the Creditors Schemes, the Acquisition, the Open Offer, the Whitewash Waiver and the Special Deal and any other matters as required by law, the GEM Listing Rules, the Stock Exchange and/or the SFC, which are necessary to give effect to the Resumption Proposal, any transactions contemplated under the Acquisition Agreement and the Restructuring Framework Agreement
“Existing Substantial Shareholder”	Mr. Yeung Wing Yee, who is interested in 846,760,000 Shares, representing approximately 24.8% of the issued share capital of the Company as at the date of this announcement
“GEM”	GEM operated by the Stock Exchange

“GEM Listing Committee”	the Listing Committee of the GEM
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the GEM as amended or updated from time to time
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	a committee of the Board established with all the independent non-executive Directors, namely Dr. Wan Ho Yuen, Terrence, Mr. Li Kwok Chu and Mr. Lau Shu Yan, as members
“Independent Financial Adviser” or “Nuada”	Nuada Limited, a licensed corporation to carry type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholder(s)”	the Shareholder(s), to the extent applicable in respect of each resolution, who are not members of the Concert Group and not involved in or interested in (other than solely as a Shareholder) the transactions contemplated under the Restructuring Framework Agreement including the Capital Reorganisation, the Creditors Schemes, the Open Offer, the Acquisition, the Whitewash Waiver and the Special Deal and therefore permitted to vote in respect of the resolution(s) to approve the Capital Reorganisation, the Open Offer, the Creditors Schemes, the Acquisition, the Whitewash Waiver and the Special Deal at the EGM
“Independent Third Party(ies)”	a person(s) or company(ies) who or which is/are independent of and not connected (within the meaning of the GEM Listing Rules) with the Company and its connected persons (as defined under the GEM Listing Rules)

“Investor”	Whistle Up Limited, a company incorporated in the BVI with limited liability which is beneficially owned as to 96% by Mr. Norman Chan, 3% by Mr. Alex Lee and 1% by Ms. Susanna Kwok
“Investor Loan”	an interest free and unsecured loan in the amount up to HK\$18,000,000 to be provided by the Investor to the Company
“Last Trading Day”	17 March 2017, being the last full trading day immediately before the suspension of trading in the Shares
“Latest Time for Acceptance”	4:00 p.m. on Monday, 11 March 2019 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Offer Shares and/or the excess Offer Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on Friday, 15 March 2019, the fourth business day after the Latest Time for Acceptance or such later time or day as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“New Share(s)”	the ordinary share(s) of HK\$0.0001 each in the capital of the Company immediately following the Capital Reorganisation becoming effective
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) to whom the Directors, based on advice provided by the legal advisers of the Company, are of the opinion that it would be necessary or expedient not to offer the Offer Shares on account either of the legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place
“Offer Shares”	the New shares to be allotted and issued under the Open Offer, being up to 1,297,775,145 New Shares

“Offer Price”	HK\$0.19 per Offer Share
“Open Offer”	the proposed issue of the Offer Shares on the basis of nineteen (19) Offer Shares for every one (1) New Share held by the Qualifying Shareholders on the Open Offer Record Date at the Offer Price
“Open Offer Record Date”	22 February 2019, the date by reference to which entitlements under the Open Offer are to be determined
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Open Offer Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“Prospectus”	the prospectus in relation to the Open Offer to be despatched to the Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders
“Prospectus Documents”	the Prospectus, the Application Form(s) and the EAF(s)
“Proposed Restructuring”	the proposed restructuring of the Group, involving, among other things, the Capital Reorganisation, the Creditors Schemes, the Open Offer and the Acquisition
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Open Offer Record Date other than the Non-Qualifying Shareholders
“Restructuring Framework Agreement”	the restructuring framework agreement dated 15 September 2017 (as amended and supplemental on 9 November 2017 and 28 June 2018 and from time to time) entered into between the Company and the Investor in respect of the Proposed Restructuring

“Resumption Proposal”	the resumption proposal in relation to the Proposed Restructuring submitted by the Company to the Stock Exchange
“Resumption Proposal Announcement”	the announcement of the Company dated 9 November 2017 in relation to the Resumption Proposal
“Sale Share”	the entire issued share capital of the Target Company
“Scheme Creditors”	all Creditors with admitted Claims (for the avoidance of doubt, excluding the owner of the Investor Loan and the owner of the Transaction Loan, if any)
“Schemes Administrators”	such persons who are appointed as the schemes administrators of their successors pursuant to the terms of the Creditors Schemes
“Scheme SPC”	a special purpose vehicle to be established and controlled by the Scheme Administrators to hold the Creditors Scheme Assets
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	the existing shares of HK\$0.08 each in the capital of the Company prior to the Capital Reorganisation becoming effective, or where the context so permits, the New Shares after the Capital Reorganisation becoming effective
“Shareholder(s)”	holder(s) of the issued Share(s)
“Special Deal”	the proposed settlement under the Creditors Schemes of the Convertible Bonds in the outstanding principal amount of US\$13 million held by eForce

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Company”	the special purpose vehicle incorporated in the BVI with limited liability, namely Absolute Surge Limited, to hold the entire equity interest in the Principal Subsidiaries upon completion of necessary reorganisation steps, which is wholly-owned by the Investor
“Target Group”	together, the Target Company, BTR Asia, BTR HK, BTR Intl and BTR Workshop
“Transaction Loan”	the loan, if necessary, to be procured by the Company to finance all the professional fees, costs and expenses related to the preparation of the Resumption Proposal and the transactions contemplated thereunder save for the Acquisition and the work relating to the financial information of the Target Company
“Underwriter”	Kingston Securities Limited, company incorporated in Hong Kong with limited liability and a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO, being the underwriter for the Open Offer
“Underwriting Agreement”	the underwriting agreement dated 28 June 2018 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer
“Underwritten Shares”	284,703,398 Offer Shares to be underwritten by the Underwriter pursuant to the terms and subject to the conditions set out in the Underwriting Agreement
“Untaken Shares”	those (if any) of the Underwritten Shares not taken up by the Qualifying Shareholders under the Application Forms and EAFs on or before the Latest Time for Acceptance. For the avoidance of doubt, Qualifying Shareholders shall be deemed to take up (i) firstly, the Underwritten Shares; and (ii) secondly, the remaining Offer Shares

“Whitewash Waiver”	a whitewash waiver pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code granted or to be granted by the Executive in respect of the obligations of the Investor to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by it which may arise as a result of the transaction(s) contemplated under the Acquisition Agreement and the Restructuring Framework Agreement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 28 June 2018

As at the date of this announcement, the Board comprises two executive Directors, Ms. Yip Man Yi and Mr. Shiu Chi Tak, Titus, 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 seven days from the date of its posting and on the website of the Company www.unionasiahk.com.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.