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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)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 2018**

The board (“**Board**”) of directors (the “**Directors**”) of Union Asia Enterprise Holdings Limited (the “**Company**”) is pleased to announce the first quarterly results of the Company and its subsidiaries (together as the “**Group**”) for the three months ended 30 June 2018. This announcement, containing the full text of the First Quarterly Report 2018/19 of the Group, complies with the relevant requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcements of the first quarterly results.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Dealings in the shares of the Company on GEM has been suspended since 20 March 2017 as the Company failed to maintain a sufficient level of operations or assets required under Rule 17.26 of the GEM Listing Rules. Trading in shares of the Company will remain suspended until further notice.

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

Hong Kong, 10 August 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 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.

MANAGEMENT DISCUSSIONS AND ANALYSIS

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisition or disposal during the three months ended 30 June 2018 (the "Period") and 30 June 2017.

BUSINESS AND FINANCIAL REVIEW

The Group's revenue for the Period amounted to approximately HK\$13,670,000 (2017: approximately HK\$28,129,000), decreased by approximately HK\$14,459,000 as compared to the same period in 2017. The decrease in revenue was mainly attributable to the limited orders received from the customers related to the trading of household products .

During the Period, the Group has incurred a gross profit of approximately HK\$866,000 (2017: approximately HK\$2,007,000). Other operating income, net, amounted to approximately HK\$72,000 (2017: net, amounted to approximately HK\$734,000). Loss for the Period increased to approximately HK\$21,359,000 (2017: approximately HK\$16,128,000), of which the increase was mainly resulted from the legal and professional fee and the interest expenses incurred for the Period.

CAPITAL STRUCTURE AND LIQUIDITY

Proposed Capital Reorganization

The Company has terminated the capital reorganization originally proposed on 4 July 2016 and has proposed to implement, subject to the approval by the shareholders, the new capital reorganization (the "New Capital Reorganization") on 9 November 2017 as follows:

- (i) Share Premium Cancellation: the entire amount standing to the credit of the share premium account of the Company will be cancelled to set off against part of total accumulated loss of the Company;
- (ii) Share Consolidation: every fifty issued shares of HK\$0.08 each ("Share") will be consolidated into one consolidated share of HK\$4.0 each ("Consolidated Share") in the issued share capital of the Company;
- (iii) Capital Reduction: upon Share Consolidation taking effect, the nominal value of the issued Consolidated Shares will be reduced from HK\$4.0 to HK\$0.0001 each (i.e. New Share) by cancelling the paid-up capital to the extent of HK\$3.9999 each, and the total credit arising therefrom will be applied to further set off the accumulated loss of the Company;
- (iv) Unissued Share Capital Cancellation: upon the Capital Reduction taking effect, all the authorized but unissued share capital of the Company will be cancelled in their entirety; and

- (v) Authorised Share Capital Increase: upon the Unissued Share Capital Cancellation taking effect, the authorised share capital of the Company will be increased to HK\$10,000,000 divided into 100,000,000,000 New Shares.

The New Capital Reorganization, being part of the resumption proposal (“Resumption Proposal”) in relation to the proposed restructuring submitted by the Company to the Stock Exchange on 15 September 2017, will be subject to the passing of a special resolution by the shareholders by way of poll at the extraordinary general meeting, and the approval from the Grand Court of the Cayman Islands and the Listing Committee of the GEM Board. For details, please refer to the announcements of the Company dated 9 November 2017 and 14 November 2017.

Proposed open offer

On 9 November 2017, the Company proposed an open offer (“Open Offer”) on the basis of nineteen offer shares (“Offer Shares”) for every one New Share/Consolidated Share held by the qualifying shareholders on the Open Offer Record Date (“Qualifying Shareholders”). A total of 1,297,775,150 Offer Shares will be allotted and issued by the Company to the Qualifying Shareholders and/or the underwriter at the offer price of HK\$0.19 for each Offer Share. The Open Offer will be partially underwritten by the underwriter.

Completion of the Open Offer, being part of the Resumption Proposal, is conditional upon the New Capital Reorganization becoming effective and the completion of an acquisition (“Acquisition”) of a target company (“Target”) which is principally engaged in provision of interior design services for commercial and residential properties, as well as galleries and show flats for local property developers in Hong Kong. For details, please refer to the announcements of the Company dated 9 November 2017 and 28 June 2018.

Net liabilities of the Group deteriorated to approximately HK\$430,970,000 as at 30 June 2018 from approximately HK\$410,031,000 as at 31 March 2018. The increase in net liabilities was mainly attributable to the increase in other borrowings and the relevant finance costs incurred during the Period.

LITIGATION

- (1) On 4 September 2016 the Company announced, amongst other things, that (i) Evotech (Asia) Pte. Limited (“Evotech”), an indirect wholly-owned subsidiary of the Company, had entered into a Surrender Agreement with Jurong Town Corporation (“JTC”) on 6 April 2016 pursuant to which Evotech agreed to surrender its leasehold interest in the real property located at 42 Gul Circle, Singapore 629577 to JTC at the consideration of S\$5,620,000 and such transaction was completed on 27 June 2016 without the approval and authorization of the Board (“the Unauthorized Transaction”), and (ii) the Company was investigating into the circumstances leading to the entering into the Unauthorized Transaction and the payments made by Evotech from the proceeds of the Unauthorized Transaction.

Upon completion of the said investigation and with the benefit of legal advice, Evotech has on 23 November 2016 commenced legal proceedings at the High Court of The Republic of Singapore (Case no. HC/S 1242/2016) against Mr. Koh Tat Lee (“Mr. Koh”) for breaches of his duties as director and employee of Evotech and against Ms. Lily Bey Lay Lay (“Lily Bey”), another ex-director of Evotech, for breaches of her duties as director of Evotech and, for recovery of damages in the sums of S\$2,285,000 and US\$1,070,000 (the “Singapore Legal Action”).

In the Singapore Legal Action, Mr. Koh and Lily Bey filed their Defence and Counterclaim to contest Singapore Legal Action and also commenced Third Party Proceedings (“Third Party Proceedings”) against the Company and Ms. Yip Man Yi, the Chairman of the Company (the “Singapore Third Parties”).

In the Third Party Proceedings, Mr. Koh and Lily Bey sought indemnities and/or contributions against the Singapore Third Parties for authorizing and approving all the monetary transactions claimed by Evotech in the Singapore Legal Action to set off of sums as may be applicable between all parties in the legal action, if any.

On 17 January 2017, the High Court of The Republic of Singapore granted leave for service of the Singapore Third Party Proceedings on the Singapore Third Parties out of the jurisdiction of the Republic of Singapore and the Singapore Third Parties have duly instructed their attorneys in the Republic of Singapore to enter appearance and contest the proceedings.

The hearing commenced on 28 February 2018. At the commencement of the hearing, Mr. Koh and Lily Bey, through their attorney, withdrew the Third Party Proceedings against the Singapore Third Parties. However, Mr. Koh and Lily Bey did not agree to the amount of legal costs payable to the Singapore Third Parties for the withdrawal of the Third Party Proceedings. In this regard, the legal costs to be paid by Mr. Koh and Lily Bey to the Singapore Third Parties shall be determined by the High Court of The Republic of Singapore at a taxation hearing.

The Board has obtained legal opinion that both Evotech and the Company have meritorious claim and defence in the Singapore Legal Action and the Third Party Proceedings and such proceedings shall have no adverse impact upon the financial position of the Company and its subsidiaries (the "Group"). Therefore, no provision in respect of the Singapore Legal Action and the Third Party Proceedings was made in the condensed consolidated financial statements.

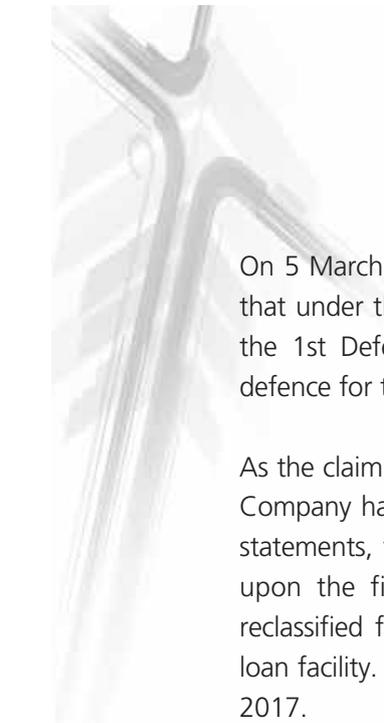
The Company's attorney filed a bill of costs related to the amount of legal costs payable to the Singapore Third Parties for the withdrawal of the Third Party Proceedings on 23 May 2018. On 19 June 2018, Mr. Koh and Lily Bey have been ordered by the High Court of The Republic of Singapore to pay legal costs for the sum of S\$99,000 to the Singapore Third Parties. Formal demand for the payment has been issued to Mr. Koh and Lily Bey. Yet, on 3 July 2018, Mr. Koh and Lily Bey have filed a summons for review of the taxation order. On 11 July 2018 and 16 July 2018, statutory demands were served on Lily Bey and Mr. Koh respectively, demanding payment of the legal costs as awarded. On 23 July 2018, Lily Bey fully settled the said legal cost of S\$99,000.

For details, please refer to the announcements of the Company dated 4 September 2016, 23 November 2016, 10 February 2017 and 2 March 2018.

- (2) On 2 November 2017, the Company received a demand letter from Kesterion Investments Limited ("Kesterion"). On 17 November 2017, the Company received a Writ of Summons issued by Kesterion in the High Court of the Hong Kong Special Administrative Region under Action Number 2631 of 2017 against CAAL as the 1st Defendant and the Company as the 2nd Defendant. On 20 November 2017 and 21 November 2017, the Company and its authorised representatives respectively received another Writ of Summons issued by Kesterion in the High Court of the Hong Kong Special Administrative Region under Action Number 2662 of 2017 against the Company (collectively "the Writs").

The Writs are in relation to the repayment of a loan originally advanced by Kesterion to the Company. On 4 November 2016, the Company was notified by CAAL that CAAL and Kesterion had entered into a deed of assignment on 31 October 2016 pursuant to which Kesterion has assigned all its rights, title and interest in all the debts and liabilities owed by the Company to Kesterion to CAAL.

The Company filed its defence for both actions on 25 January 2018. Kesterion filed its reply for both actions on 22 February 2018.



On 5 March 2018, by consent, the Court ordered that these two actions be consolidated, and that under the consolidated action, Kesterion is the Plaintiff while CAAL and the Company are the 1st Defendant and the 2nd Defendant, respectively. On 28 June 2018, CAAL filed its defence for the consolidated action.

As the claim under the Writs is related to the assignment between Kesterion and CAAL and the Company has already recorded the corresponding loan in the condensed consolidated financial statements, the Board considered that the claim under the Writs shall have no adverse impact upon the financial position of the Group except that the corresponding loan has been reclassified from non-current liabilities to current liabilities based on the original terms of the loan facility. For details, please refer to the announcement of the Company dated 28 November 2017.

For details, please refer to the announcement of the Company dated 28 November 2017.

- (3) On 2 July 2018, Evotech received a Writ of Summons issued by Kesterion in the High Court of the Republic of Singapore under Case Number HC/S 653 of 2018 (the "Writ") in relation to the repayment of a loan provided by Kesterion to Evotech in the sum of S\$400,000. As stated in the Writ, the loan was interest free and repayable on demand and were for the purposes of settling the obligations owed to the Singapore authorities, specifically, the Goods and Services Tax payments owed to the Inland Revenue Authority of Singapore, as a result of surrender of leasehold property as mentioned in the Company's announcement dated 4 September 2016 and for general working capital.

Evotech has engaged a Singapore law firm to contest the proceedings. The memorandum of appearance was filed by the Singapore law firm on behalf of Evotech on 9 July 2018. On 24 July 2018, Evotech has filed a defence denying the claim.

The Board has obtained legal opinion and expects that the Writ will have no significant effects on the overall financial and/or operation conditions of the Group. Therefore, no provision in respect of the claim was made in the condensed consolidated financial statements.

For details, please refer to the announcement of the Company dated 4 July 2018.

Save as discussed in the above section, during the Period, no member of the Group is engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

LISTING STATUS

The Company has received a letter dated 2 December 2016 from the Stock Exchange considered that the Company has failed to maintain sufficient operations or assets under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of its shares. The Stock Exchange has therefore decided to suspend trading in the Company's shares under Rule 9.04 of the GEM Listing Rules and commence the procedures to cancel the Company's listing under Rules 9.14 to 9.16 of the GEM Listing Rules (the "Decision"). The letter serves as a notice to the Company under Rule 9.15 of the GEM Listing Rules.

After considering legal advice, the Company through its lawyer submitted a written request to the GEM Listing Committee of the Stock Exchange (the "Committee") pursuant to Chapter 4 of the GEM Listing Rules for reviewing of the Decision on 6 December 2016. On 14 December 2016, it was confirmed by the Stock Exchange that the review hearing of the Committee has been scheduled on 7 March 2017.

On 17 March 2017, the Stock Exchange notified the Company that the Committee, having considered all the submissions (both written and oral) made by the Company to the Listing Department of the Stock Exchange, the Committee considered that the Company had failed to maintain sufficient operations or assets under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of the Company's shares. The Committee therefore decided to uphold the Decision to suspend trading in the Company's shares under Rule 9.04 of the GEM Listing Rules and commenced the procedures to cancel the Company's listing under Rules 9.14 to 9.16 of the GEM Listing Rules.

After considering legal advice, the Board has decided not to appeal against the decision of the Committee to the Listing Appeals Committee.

At the request of the Company, trading in the shares of the Company has been suspended with effect from 9:00 a.m. on 20 March 2017.

On 15 September 2017, the Company submitted the Resumption Proposal to the Stock Exchange and entered into a restructuring framework agreement with an investor to set out the terms of the proposed restructuring comprising (i) the Capital Reorganisation; (ii) the Open Offer; (iii) the Creditors Schemes; and (iv) the Acquisition.

On 30 October 2017, the Company received a letter from the Stock Exchange in which it stated that the Stock Exchange agreed to allow the Company to submit a new listing application (the "Listing Application") relating to the Resumption Proposal on or before 8 January 2018.



On 19 January 2018, the Stock Exchange granted an extension of time to the Company to submit the new listing application relating to the Resumption Proposal on or before 29 March 2018 and (ii) despatch the circular in accordance with the requirements under the Listing Rules and the Takeovers Code on or before 19 June 2018. On 29 March 2018, the Stock Exchange granted a further extension of time to the Company to submit the new listing application relating to the Resumption Proposal on or before 29 June 2018 and (ii) despatch the circular in accordance with the requirements under the Listing Rules and the Takeovers Code on or before 12 September 2018.

On 28 June 2018, the Company and the Investor entered into the second supplemental restructuring framework agreement pursuant to which, the restructuring framework agreement (as amended and supplemented by the first supplemental restructuring framework agreement dated 9 November 2017) were further amended and supplemented to give effect to certain terms of the proposed restructuring.

On 29 June 2018, the Company has submitted the Listing Application to the Stock Exchange and the Securities and Futures Commission for vetting.

For details, please refer to the announcements of the Company dated 2 December 2016, 6 December 2016, 20 March 2017, 9 November 2017, 10 November 2017, 21 December 2017, 22 January 2018, 22 February 2018, 23 March 2018, 4 April 2018, 4 May 2018, 4 June 2018, 28 June 2018, 29 June 2018 and 1 August 2018.

OUTLOOK

The Group is principally engaged in trading of metals, household products, nephrite, beverages, securities and chartering out of pleasure vessel.

Among the Group's six business segments, the trading of metals/stainless steel wires and household products contributed the majority of the Company's revenue for the Period. In view of the high demand for stainless steel wires from the mobile communication and medical industries as raw materials in recent years, revenue from the trading of metals remained steady throughout the mentioned period. Also, in order to streamline and improve efficiency, the Group will continue to focus its resources on metals trading.

The Group continues to import household products from Korea and Japan and sell them on a wholesale basis to distributors in Hong Kong and the PRC, as well as the trading of nephrite and beverages. The Group considers that these business segments have provided a limited contribution to the Group during the first quarter of the year.

In addition, as the Acquisition forms part and parcel of the Resumption Proposal, upon completion of the Resumption Proposal, the Group will primarily engage in the Target Group's business. All the existing businesses including assets and liabilities of the Company will be transferred to a nominee of the Scheme Administrator.

The Group will continue to take various measures to enhance its liquidity and financial position including, but not limited, to the possible disposal of investment properties, vessel of the Group and the equity of individual subsidiaries of the Company. Also, in view of the limited contribution of trading of household products, nephrite and beverages in recent months, the Group does not preclude the possibility of ceasing these businesses so as to minimize losses. The Company will consult its advisers in respect of the possible measures to enhance the liquidity and financial position of the Group.

FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2018

The board of Directors (the "Board") of the Company is pleased to report the unaudited condensed consolidated results of the Group for the Period together with the comparative figures for the corresponding period in 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the three months ended 30 June	
	Notes	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Turnover	4	15,902	34,846
Revenue	4	13,670	28,129
Cost of sales		(12,804)	(26,122)
Gross profit		866	2,007
Administrative expenses		(7,021)	(6,357)
Other operating income, net	5	72	734
Loss from operations		(6,083)	(3,616)
Finance costs	6	(15,176)	(12,480)
Loss before tax		(21,259)	(16,096)
Income tax expenses	7	(100)	(32)
Loss for the period		(21,359)	(16,128)
Other comprehensive income for the period, net of tax			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		421	14
Total comprehensive expenses for the period		(20,938)	(16,114)

Loss for the period attributable to:Owners of the Company
Non-controlling interests**Total comprehensive expenses
for the period attributable to:**Owners of the Company
Non-controlling interestsFor the three months ended
30 June

	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
	(21,359)	(16,125)
	–	(3)
	<u>(21,359)</u>	<u>(16,128)</u>
	(20,938)	(16,111)
	–	(3)
	<u>(20,938)</u>	<u>(16,114)</u>

For the three months ended
30 June**Loss per share**

Basic

Diluted

Note	2018 (unaudited)	2017 (unaudited)
8	<u>(0.63) cents</u>	<u>(0.47) cents</u>
	<u>N/A</u>	<u>N/A</u>

NOTES TO THE CONDENSED QUARTERLY FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KYI-1104, Cayman Islands. Its principal business is investment holding.

The Group is principally engaged in trading of metals, household products, nephrite, beverages, securities and chartering out of pleasure vessel.

2. GOING CONCERN BASIS

The Group had a total deficit of approximately HK\$21,359,000 for the Period, which indicated that the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

The condition above indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. To address the issues above, the Company had explored and negotiated with the investor, the creditors and any other parties concerned for the Proposed Restructuring of the Group.

As the Company is preparing the Resumption Proposal, the successful implementation of which will effect, including but not limited to, the Proposed Restructuring comprising (i) the Capital Reorganisation; (ii) the Creditors Schemes; (iii) the Open Offer; and (iv) the Acquisition. For details, please refer to the section of "Listing Status" above therefore, the Directors are of the view that the major procedures of the Proposed Restructuring will eventually be agreed upon by the Company's creditors, the investor, management of the Target Group, the Company's shareholders and any other parties concerned, and will be successfully implemented. Besides, the Directors have considered that the Group obtained additional financing facilities from an independent third party of approximately HK\$35,000,000 in June 2018. Accordingly, the Directors have prepared the indented consolidated financial statements on a going concern basis.

Should the Group be unable to achieve a successful restructuring as mentioned above, or alternatively under other available options of restructuring, and therefore be unable to continue its business as a going concern, adjustments might have to be made to the carrying amounts of the Group's assets to state them at their recoverable amounts and to provide for any further liabilities which might arise.

3. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, the applicable disclosure requirements of the GEM Listing Rules and accounting principles generally accepted in Hong Kong.

These unaudited condensed consolidated financial statements, which do not include all information and disclosures as required in the annual financial statements, should be read in conjunction with the annual report for the year ended 31 March 2018.

The accounting policies and method of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2018.

4. REVENUE

Revenue represents the net amounts received and receivable for sales of goods to customers, net of goods returned and trade discounts. Revenue recognized during the period is as follows:

	For the three months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Sale of metals	8,667	9,225
Sale of household products	4,583	15,089
Charter income from vessel	420	420
Sale of nephrite	–	3,157
Sale of beverages	–	238
	<hr/>	<hr/>
Revenue	13,670	28,129
Proceeds from sale of listed securities	2,232	6,717
	<hr/>	<hr/>
Turnover	<u>15,902</u>	<u>34,846</u>

5. OTHER OPERATING INCOME, NET

	For the three months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Gain/(loss) on disposal of financial assets at fair value through profit or loss	1,002	(4,774)
Fair value (loss)/gain on financial assets at fair value through profit or loss	(930)	3,176
Reversal of provision of compensation paid to suppliers	–	2,076
Dividend income from listed securities	–	20
Net sundry income	–	236
	<u>72</u>	<u>734</u>

6. FINANCE COSTS

	For the three months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Interest on convertible bonds	12,011	10,503
Interest on promissory notes	1,037	915
Interest on bank and other borrowings	2,128	1,062
	<u>15,176</u>	<u>12,480</u>

7. INCOME TAX EXPENSES

	For the three months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax		
Provision for the period	100	32

Entities incorporated in other countries are subject to income tax rates of 16.5% to 30% (2017: 16.5% to 30%) prevailing in the countries in which such entities operate, based on existing legislation, interpretation and practices in respect thereof.

8. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company for the Period of approximately HK\$21,359,000 (2017: approximately HK\$16,125,000) and the weighted average number of ordinary shares of 3,415,198,000 shares (2017: 3,415,198,000 shares) in issue during the Period.

Diluted loss per share

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in a decrease in loss per share for both periods.

9. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Foreign currency translation reserve HK\$'000	Convertible bonds equity reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
At 1 April 2017 (audited)	273,216	3,661,406	(3,416)	141,439	(4,410,980)	(338,335)	(10,442)	(348,777)
Total comprehensive income/(expenses) for the three months ended 30 June 2017	-	-	14	-	(16,125)	(16,111)	(3)	(16,114)
Changes in equity for the period	-	-	14	-	(16,125)	(16,111)	(3)	(16,114)
At 30 June 2017 (unaudited)	273,216	3,661,406	(3,402)	141,439	(4,427,105)	(354,446)	(10,445)	(364,891)
At 1 April 2018 (audited)	273,216	3,661,406	1,633	141,439	(4,487,072)	(409,378)	(653)	(410,031)
Total comprehensive income/(expenses) for the three months ended 30 June 2018	-	-	421	-	(21,359)	(20,938)	-	(20,938)
Changes in equity for the period	-	-	421	-	(21,359)	(20,938)	-	(20,938)
At 30 June 2018 (unaudited)	273,216	3,661,406	2,054	141,439	(4,508,431)	(430,316)	(653)	(430,969)

INTERIM DIVIDEND

The Directors do not recommend the payment of a dividend for the Period (2017: Nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2018, there are no long and short positions of the Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations that (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO") (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSABLE UNDER THE SFO

As at 30 June 2018, so far as the Directors are aware, the following person (other than Directors and chief executives of the Company) had an interest and/or a short position in the shares or underlying shares in respect of equity derivatives of the Company that has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO):

Long and short positions in shares of the Company

Name of shareholder	Number of shares	Approximate percentage of shareholding	Capacity
Yeung Wing Yee	846,760,000	24.79	Beneficial owner

Save as disclosed above, as at 30 June 2018, the Company has not been notified by any other person (other than any Directors or chief executives of the Company) who had an interest or a short position in the shares, underlying shares or debentures of the Company as recorded in the register required to be kept pursuant to Section 336 to the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Directors' and chief executives' interests and short positions in the shares, underlying shares or debentures" above, at no time during the Period was the Company, or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 30 July 2012 (the "Share Option Scheme") for the purpose of providing incentives and rewards to the eligible participants who contributed to the growth of the Group and will expire on 29 July 2022. Under the Share Option Scheme, the Directors may grant options to eligible full-time or part-time employees, including any executive, non-executive and independent non-executive Directors, and consultants or advisers of the Company and/or any of its subsidiaries. The Share Option Scheme is valid and effective for a period of ten years from the adoption date.

The total number of shares in respect of which options may be granted under the Share Option Scheme, and any other option schemes is not permitted to exceed 30% of the issued share capital of the Company from time to time. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the issued share capital of the Company without prior approval from the Company's shareholders.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

Options granted must be taken up within thirty days of the date of grant, upon payment of HK\$1 per grant.

Options may be exercised at any time during a period to be notified by the Board upon the grant of options provided that the option period shall not exceed 10 years from the date of grant of the options. No minimum period for which an option must be held is required. The exercise price, which is determined by the Board, is the highest of: (i) the closing price per share on the date of grant; (ii) the average closing price per share for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.

Options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

Under the Share Option Scheme, if the options remain unexercised after a period of 3 years from the date of grant, the options expire. Options are forfeited if the employee is dismissed by the Group by reason of persistent or serious misconduct, breach of material term of the relevant employment contract or summary dismissal.

All the share options have been lapsed during the year ended 31 March 2017. There was no outstanding share options during the Period.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or any of their associates (as defined in the GEM Listing Rules), is or was interested in any business apart from the Group's business, that of the Company competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Period and up to and including the date of this report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its listed securities during the Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE

Throughout the Period, the Company has adopted and complied with the principles and code provisions set out in Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 15 of the GEM Listing Rules except for the deviation described below.

Under code provision A.2.1 of the CG code, the role of Chairman and chief executive officer (the "CEO") should be separated and should not be performed by the same individual. Subsequent to the removal of former CEO, Mr. Cheung Hung Man, by the Board on 23 May 2016, the post has been vacant as at 30 June 2018. The Board will keep reviewing the current structure of the Board from time to time and the Company will make appointment to fill the post of the CEO as appropriate.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the code of conduct for securities transactions by Directors set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company issues notices to its Directors 4 times a year reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of quarterly, interim and annual results.

The Company has confirmed that, having made specific enquiry of all Directors, all Directors have complied with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules during the Period.

The Company has adopted the same code of conduct for securities transactions by relevant employees to regulate certain employees of the Group who are deemed to be in possession of unpublished inside information of the Company when dealing in the securities of the Company.

CHANGE OF DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, upon specific enquiry by the Company and following confirmations from the Directors, there is no change in the information of the Directors subsequent to the date of the Company's annual report 2017/18.

AUDIT COMMITTEE

The Audit Committee of the Company currently comprises three members, of which all are independent non-executive Directors, namely, Dr. Wan Ho Yuen, Terence, Mr. Li Kwok Chu and Mr. Lau Shu Yan. The chairman of the Audit Committee is Dr. Wan Ho Yuen, Terence. The written terms of reference of the Audit Committee sets out the role and functions of the Audit Committee which includes overseeing the relationship with auditor, reviewing and supervising the financial reporting system, risk management and internal control procedures of the Group and reviewing and approving the Company's annual reports and accounts, interim report and quarterly reports to the Board. The Audit Committee has reviewed this first quarterly report in accordance with the GEM Listing Rules.

By Order of the Board

Union Asia Enterprise Holdings Limited

Yip Man Yi

Chairman

Hong Kong, 10 August 2018

As at the date of this report, 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.