

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

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

UPDATE OF LEGAL ACTION

This is an announcement made by Union Asia Enterprise Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provision (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance, Cap 571.

Reference is made to the announcements of the Company dated 4 September 2016, 23 November 2016, 10 February 2017, 28 November 2017 and 2 March 2018 (the “**Announcements**”) in relation to the Singapore Legal Action commenced by Evotech in the High Court of The Republic of Singapore against Mr. Koh and Ms. Lily Bey for breaches of their duties as director and/or employee, and for the recovery of damages in the sums of S\$2,285,000 and US\$1,070,000. Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Announcements.

The Singapore Legal Action is Evotech’s claim against Mr. Koh and Ms. Lily Bey (collectively “**the Defendants**”), who were the former directors of Evotech for breach of fiduciary duties in authorizing payments to various parties after their removal as directors of Evotech. There were seven payments made to four different parties including Mr. Koh himself. Mr. Koh brought a counterclaim against Evotech for salary in lieu of notice and housing allowance following his termination as an employee of Evotech.

The trial of the Singapore Legal Action lasted for eight days. On 8 October 2018, an oral judgment was handed down by the trial judge who ruled in favour of Evotech.

The trial judge found that all seven payments were made in breach of the Defendant’s fiduciary duties as they were not in discharge of Evotech’s obligations.

The Defendants argued that they did not breach their fiduciary duties as the seven payments were made for the benefit of the Company or other entities under the Company, and being directors of Evotech they were entitled to take into consideration the interests of the business group as a whole in exercising their discretion. The trial judge was not convinced that the Defendants were indeed motivated by the interests of the Company group when they authorized the seven payments. Evotech had its own unpaid creditors and was in poor financial health. The Defendants had breached their fiduciary duties owed to Evotech by using Evotech's assets to pay off the creditors of the Company and related entities, not to mention that creditors preferred by the Defendants were those related or connected to the Defendants.

In the premises, it is clear that the Defendants were in breach of their fiduciary duties in making the seven payments. Even though they might not have been aware of their removal as directors for the May Payments, they authorized the payments when they were not made to discharge Evotech's obligations and in any event, the Court disbelieved that the Defendants were motivated by the Company's interests in making the payments. The payments were also related-party transactions which gave rise to clear conflicts of interests, but no attempts were made to seek approval or ratification from the board of Evotech. The Defendants were therefore clearly in breach of their fiduciary duties owed to Evotech. The Court therefore allowed Evotech's claim in its entirety.

The Court also found that Mr. Koh's counterclaim is unsustainable both legally and factually and therefore dismissed the counterclaim in its entirety.

Judgment is therefore awarded in favour of Evotech against the Defendants jointly and severally in the total sum claimed by Evotech. Interest runs on each of these sums from the date when payment was made by Evotech on various dates, at the rate of 5.33% per annum. Mr. Koh's counterclaim is disallowed.

Evotech is seeking legal advice in relation to the enforcement of the judgment against the Defendants. The directors of the Company will make further announcement(s) regarding any material developments of the Singapore Legal Action as and when appropriate.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Dealings in the Shares on GEM has been suspended since 20 March 2017 as it failed to maintain sufficient operations or assets under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of the Shares, and will remain suspended until further notice. The Company will make further announcements on the latest development of the Group as and when appropriate pursuant to the requirements of the GEM Listing Rules and the Takeovers Code.

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

Hong Kong, 10 October 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 of the Company 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.