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

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

**DISCLOSEABLE TRANSACTION
RELATING TO
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL IN
A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY**

THE DISPOSAL

On 6 December 2018 (after trading hours of the Stock Exchange), the Vendor, being a direct wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser in relation to the disposal of the Sale Shares for a total consideration of HK\$200,000. Completion took place upon signing of the Disposal Agreement.

The Sale Shares represent the entire issued share capital of the Disposal Company, which is a wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

On 6 December 2018, the Vendor, being a direct wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser in relation to the disposal of the Sale Shares for a total consideration of HK\$200,000. Completion took place upon signing of the Disposal Agreement. Details of the Disposal Agreement are set out below.

THE DISPOSAL AGREEMENT

Date : 6 December 2018 (after trading hours)

Parties : (1) Chen Yue Hong* (陳月紅), as the Purchaser
(2) Talent Zone Global Limited, as the Vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Purchaser is a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules).

Assets to be disposed of

The Sale Shares represent the entire issued share capital of the Disposal Company, which is a wholly-owned subsidiary of the Company.

The principal assets of the Disposal Group are four blocks of a villa located at Tong'an District, Xiamen City, Fujian Province, the PRC held for investment purpose. Further information on the Disposal Group is set out in the section headed "Information on the Disposal Group".

Consideration

Pursuant to the Disposal Agreement, the consideration of HK\$200,000 was paid in cash at Completion.

The consideration was arrived at after arm's length negotiation between the parties with reference to the valuation of the Disposal Company prepared by Roma Appraisals Limited adopting asset-based approach. Based on the valuation, the entire equity interest in the Disposal Company has no commercial value given the Disposal Company was in a net liability position as at 30 September 2018. Accordingly, the consideration was determined at a nominal value that merely covers partial transaction costs of the Disposal.

Completion

Completion took place upon signing of the Disposal Agreement.

Following Completion, the Disposal Company will cease to be a subsidiary of the Company and its financial results will cease to be consolidated into the consolidated financial statements of the Group.

INFORMATION ON THE DISPOSAL GROUP

The Disposal Company is an investment holding company incorporated in Hong Kong with limited liability and was an indirect wholly-owned subsidiary of the Company. The Disposal Company holds the entire equity interests in two companies, namely Xiamen Yaozhong Asia-Pacific Trading Company Limited (廈門耀中亞太貿易有限公司) (the “**Yaozhong**”) and Shenzhen Hailiu Trading Limited* (深圳海流商貿有限公司) (the “**Hailiu**”), where Hailiu is a dormant company.

Yaozhong is an investment holding company and was principally engaged in trading of coal and bottled water in the PRC but the coal trading business ceased in the year of 2015. In September 2018, Yaozhong turned to dormant after the scale of the bottled water trading business withered to a point that it was no longer justified to maintain the business in view of the deteriorating financial position of the Group as a whole.

Yaozhong holds four blocks of a villa of total gross floor area of about 1,069.82 square metre located at Tong’an District, Xiamen City, Fujian Province, the PRC (the “**Property**”) for investment purpose. The Property is currently vacant.

Set out below is the unaudited combined financial information of the Disposal Group for the two financial years ended 31 March 2017 (“**FY2017**”) and 2018 (“**FY2018**”):

<i>(HK\$'000)</i>	FY2017 <i>(unaudited)</i>	FY2018 <i>(unaudited)</i>
Loss before taxation	3,297	10,687
Loss after taxation	6,046	8,607
Net liabilities	53,793	63,791

The net liabilities of the Disposal Company were mainly attributable to the long outstanding payables to the supplier of coal trading business (which have ceased since 2015 as mentioned above) of approximately HK\$31.4 million and the bank and other borrowings of approximately HK\$11.1 million as at 30 September 2018, which is secured by the pledge of the Property valued at approximately HK\$15.9 million as at 30 September 2018.

Upon Completion, the Group is expected to record an unaudited gain of approximately HK\$32.4 million, which is estimated based on the consideration of the Disposal of HK\$200,000 less the net liabilities of the Disposal Group of approximately HK\$32.2 million as at 30 September 2018.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

The Group is principally engaged in trading of metals and securities.

The business environment for the trading of bottled water in the PRC has been competitive in recent years, causing the bottled water trading business of the Disposal Group ceased in September 2018 when the results no longer justified the allocation of resources to the business in view of the Group's deteriorating financial position. Further, the Disposal Group was informed that the outstanding bank loans of approximately HK\$11.2 million will not be extended after maturity in December 2018. Accordingly, the Board considers that the Disposal represents a prime opportunity for the Group to realise its investments in a loss making business and improve its financial position by the significant gain on the Disposal. It is expected that no net proceeds will be resulted from the Disposal given the consideration was determined to merely cover the transaction costs of the Disposal.

The Directors are of the view that the terms of the Disposal Agreement are fair and reasonable and the Disposal is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Dealings in the Shares 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.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Union Asia Enterprise Holdings Limited (stock code: 8173), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the transactions contemplated in accordance with the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the agreement dated 6 December 2018 and entered into between the Purchaser and Vendor and in relation to the sale and purchase of the Sale Shares
“Disposal Company”	Brighton Asia Pacific Investment Holdings Limited (耀中亞太控股有限公司), a company incorporated in Hong Kong with limited liability
“Disposal Group”	the Disposal Company, together with its subsidiaries
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“PRC”	the People’s Republic of China, which for the purposes of this announcement only, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan

“Purchaser”	Chen Yue Hong* (陳月紅), a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules)
“Share(s)”	ordinary share(s) of HK\$0.08 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Talent Zone Global Limited, a company incorporated in the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

* For identification purpose only

For and on behalf of
Union Asia Enterprise Holdings Ltd.
Yip Man Yi
Chairman

Hong Kong, 6 December 2018

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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.