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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)

**MONTHLY UPDATE ON THE
RESUMPTION PROPOSAL INVOLVING, INTER ALIA,
(I) PROPOSED CAPITAL REORGANISATION;
(II) CREDITORS SCHEMES AND VERY SUBSTANTIAL DISPOSAL;
(III) PROPOSED OPEN OFFER ON THE BASIS OF NINETEEN OFFER
SHARES FOR EVERY ONE NEW SHARE/CONSOLIDATED SHARE
HELD ON THE OPEN OFFER RECORD DATE;
(IV) VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION;
(V) REVERSE TAKEOVER INVOLVING
A NEW LISTING APPLICATION;
(VI) APPLICATION FOR WHITEWASH WAIVER;
(VII) SPECIAL DEAL; AND
(VIII) PROPOSED APPOINTMENT OF DIRECTORS;
AND
QUARTERLY UPDATE ON RECENT DEVELOPMENT OF
SUSPENSION OF TRADING**

This announcement is made by Union Asia Enterprise Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.26A of the GEM Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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, 4 June 2018, 28 June 2018 and 29 June 2018 in relation to, among other things, the proposed capital reorganisation, creditors schemes and very substantial disposal, proposed open offer, very substantial acquisition and connected transaction, reverse takeover involving a new listing application, application for whitewash waiver, special deal, and proposed appointment of directors (the “**Announcements**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

This announcement sets out the business operations of the Group for the first quarter of the year and the update on the implementation of the Resumption Proposal by the Company and status of the resumption conditions as of the date of this announcement.

BUSINESS OPERATIONS

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 three months ended 30 June 2018. 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.

UPDATE ON IMPLEMENTATION OF THE RESUMPTION PROPOSAL AND STATUS OF THE RESUMPTION CONDITIONS

As disclosed in the Announcement dated 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 agreement dated 9 November 2017) was 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. For details of the Restructuring Framework Agreement and its amendments please refer to the Announcements. Save for the aforesaid, there is no material change to the Resumption Proposal.

As disclosed in the Announcement dated 29 June 2018, the Company has submitted the new listing application (the “**Listing Application**”) to the Stock Exchange on 29 June 2018. Also, the Company has submitted documents in relation to the Creditors Schemes to Hong Kong Court and the Grand Court on 18 July 2018. Meanwhile, the Listing Application is pending for the approval and the sanction of the Creditors Schemes will be sought once the Scheme Meeting has been held. Save for this, no other material update is noted since the publication of previous monthly update announcements.

Pursuant to the Restructuring Framework Agreement, the completion of the Open Offer and the Acquisition and the Creditors Schemes becoming effective will take place simultaneously. The following table sets forth the pending events and update in the expected timetable for resumption of trading of the Company:

Key events	Conditions/Status	Expected timeframe
Announcement of quarterly results for the three months ended 30 June 2018	The Company is in the process of preparing the quarterly results and will hold the meeting of the board of directors for the said results as scheduled.	10 August 2018
Despatch of circular in relation to the Resumption Proposal	The circular has been submitted to the Stock Exchange and the SFC for vetting on 29 June 2018.	Late September 2018

Key events	Conditions/Status	Expected timeframe
The EGM to approve the Capital Reorganisation; the Creditors Schemes; the Open Offer (including the Underwriting Agreement); the Acquisition; the Whitewash Waiver; the Special Deal and the proposed appointment of the proposed Directors	<p>The EGM is expected to be convened and held on a day which is 14 days after the despatch of circular in relation to the Resumption Proposal.</p> <p>The Whitewash Waiver and the Special Deal consent have not yet been granted by the Executive.</p>	15 October 2018
Grand Court hearing of petition to sanction the Creditors Schemes	The Company is in the process of seeking directions from the Grand Court in respect of the Creditors Schemes. Subject to such directions and the requisite majority and number of Creditors approving the Creditors Schemes at the scheme meeting, the Company intends to file the relevant documents with and seek the sanction of the Creditors Schemes by the Grand Court.	18 October 2018
Hong Kong Court hearing of petition to sanction the Creditors Schemes	The Company has obtained approval from the Hong Kong Court in respect of the originating summons of the Creditors Schemes. Subject to the requisite majority and number of the Creditors approving the Creditors Schemes at the scheme meeting, the Company intends to file the relevant documents with and seek the sanction of the Creditors Schemes by the Hong Kong Court.	Late October 2018

Key events	Conditions/Status	Expected timeframe
Capital Reorganisation becoming effective	The effective date of the Capital Reorganisation is subject to a number of conditions, including but not limited to the results of the EGM and the availability of and confirmation of the Capital Reduction from the Grand Court of the Cayman Islands.	12 February 2019
Open Offer becoming unconditional	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.	15 March 2019
Completion of 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.	21 March 2019
Creditors Schemes becoming effective	The Creditors Schemes are subject to a number of conditions, including but not limited to the sanction of the Creditors Schemes from the High Court and the Grand Court having been obtained and the approval having been obtained from the Creditors and the Independent Shareholders.	21 March 2019

Key events	Conditions/Status	Expected timeframe
Acquisition Completion	Acquisition Completion is subject to a number of conditions, including but not limited to the conditions precedent to the Acquisition being satisfied on or before the Long Stop Date.	21 March 2019
Resumption and dealing in the New Shares/Offer Shares commence	Resumption and dealing in the New Shares/Offer Shares is subject to the approval from the Stock Exchange	22 March 2019

Monthly and quarterly announcement(s) will be made by the Company to update the Shareholders with any developments relating to the captioned matters and progress of the Listing Application as and when appropriate. The Company will also make announcement(s) if any material development is noted.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Dealings in the Shares on the GEM Board 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. It is expected that the Company will publish an updated quarterly announcement by early November 2018 in respect of the business operations of the Company for the period from July 2018 to September 2018 and an update on the implementation of the Resumption Proposal and status of the resumption conditions.

The Company hereby reminds Shareholders that the information contained in this announcement can only be treated as a preliminary assessment by the Board based on information currently available to the Group and is not based on any figures or information that has been audited or reviewed by the auditor of the Company.

The Acquisition is subject to a number of conditions, including but not limited to the Independent Shareholders' approval, which may or may not be fulfilled. In addition, the Listing Committee's approval on the Listing Application may or may not be granted. In the event that the approval of the Listing Application is not granted by the Listing Committee, the Acquisition Agreement will not become unconditional and the Acquisition will not proceed. The Shareholders and potential

investors of the Company should exercise caution when they deal or contemplate dealing in the shares of the Company.

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

Hong Kong, 1 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 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Investor and the Target Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by the Directors in this announcement (other than those expressed by the directors of the Investor) 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.

As at the date of this announcement, the board of the Investor comprises two directors, Mr. Chan Enrique, Norman and Lee Kam Fai, Alex.

The directors of the Investor jointly and severally accept full responsibility for the accuracy of the information relating to the Investor and the Target Group contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by the directors of the Investor 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.

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.