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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 2021**

The board (the “**Board**”) of directors (the “**Directors**”) of Union Asia Enterprise Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 30 June 2021. This announcement, containing the full text of the 2021/22 first quarterly report of the Company for the three months ended 30 June 2021 (the “**2021/22 First Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities (“**GEM Listing Rules**”) on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM**”) in relation to information to accompany preliminary announcement of the first quarterly results. The printed version of the 2021/22 First Quarterly Report will be dispatched to the shareholders of the Company and available for viewing on the website of GEM at [www.hkgem.com](http://www.hkgem.com) and of the Company at [www.unionasiahk.com](http://www.unionasiahk.com) in due course in the manner as required by the GEM Listing Rules.

By order of the Board  
**Union Asia Enterprise Holdings Limited**  
**Chan Norman Enrique**  
*Executive Director*

Hong Kong, 9 August 2021

*As at the date of this announcement, the Board comprised two executive Directors, Mr. Chan Norman Enrique and Mr. Lee Alex Kam-fai and three independent non-executive Directors, Mr. Kwong U Hoi Andrew, Mr. Wong Jonathan and Mr. Chi Chi Hung Kenneth.*

*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 website of the GEM of The Stock Exchange of Hong Kong Limited at [www.hkgem.com](http://www.hkgem.com) on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at [www.unionasiahk.com](http://www.unionasiahk.com).*

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of Union Asia Enterprise Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report 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 report misleading.*



## **CONTENTS**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	4
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION	5
MANAGEMENT DISCUSSION AND ANALYSIS	10
OTHER INFORMATION	13

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 JUNE 2021

		<b>Three months ended 30 June</b>	
	Note	<b>2021 (unaudited) HK\$'000</b>	2020 (unaudited) HK\$'000
<b>Revenue</b>	5	<b>13,916</b>	15,955
Cost of services		<b>(6,698)</b>	(7,037)
<b>Gross profit</b>		<b>7,218</b>	8,918
Other income		<b>1</b>	644
Other losses		<b>(41)</b>	(3)
Administrative expenses		<b>(4,463)</b>	(4,855)
<b>Profit from operations</b>		<b>2,715</b>	4,704
Finance costs	6	<b>(398)</b>	(466)
<b>Profit before tax</b>		<b>2,317</b>	4,238
Income tax	7	<b>(301)</b>	(614)
<b>Profit and total comprehensive income for the period</b>	8	<b>2,016</b>	3,624
<b>Earnings per share</b>	10		
Basic		<b>HK0.17 cents</b>	HK0.30 cents
Diluted		<b>N/A</b>	N/A

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 30 JUNE 2021

	Attributable to the owners of the Company (unaudited)					
	Share capital HK\$'000	Share premium HK\$'000	Share repurchase reserve HK\$'000	Other reserves HK\$'000 (Note)	Retained profits/ losses) (Accumulated) HK\$'000	Total equity HK\$'000
At 1 April 2020	122	156,179	—	(68,482)	(41,395)	46,424
Profit and total comprehensive income and change in equity for the period	—	—	—	—	3,624	3,624
At 30 June 2020	122	156,179	—	(68,482)	(37,771)	50,048
At 1 April 2021	<b>122</b>	<b>156,179</b>	<b>—</b>	<b>(68,482)</b>	<b>(33,182)</b>	<b>54,637</b>
Profit and total comprehensive income and change in equity for the period	—	—	—	—	<b>2,016</b>	<b>2,016</b>
Shares repurchased but yet to be cancelled (Note 11)	—	—	<b>(7,457)</b>	—	—	<b>(7,457)</b>
Shares repurchase expenses (Note 11)	—	—	<b>(35)</b>	—	—	<b>(35)</b>
<b>At 30 June 2021</b>	<b>122</b>	<b>156,179</b>	<b>(7,492)</b>	<b>(68,482)</b>	<b>(31,166)</b>	<b>49,161</b>

Note:

Other reserves comprise the adjustment of the legal capital of Absolute Surge Limited (“**Absolute Surge**”) to reflect the legal capital of the Company arising from the reverse takeover completed on 13 November 2019 and the difference between the nominal value of share capital of the subsidiaries of Absolute Surge acquired pursuant to the reorganisation completed on 26 April 2019 over the nominal value of the share capital of Absolute Surge issued in exchange therefor.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED 30 JUNE 2021

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands and its shares are listed on GEM of the Stock Exchange. The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is at Flat A-G, 15/F, 15 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company together with its subsidiaries (collectively referred to as the “**Group**”) is principally engaged in the provision of interior design and execution services.

In the opinion of the directors of the Company, as at 30 June 2021, Whistle Up Limited (“**Whistle Up**”), a company incorporated in the British Virgin Islands, is the immediate and ultimate holding company and Mr. Chan Norman Enrique (“**Mr. Norman Chan**”) is the ultimate controlling party of the Company.

The condensed consolidated financial information is presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated.

## 2. BASIS OF PREPARATION

This unaudited condensed consolidated financial information has been prepared in accordance with the applicable disclosures provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange. The condensed consolidated financial information does not include all the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated financial information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which are measured at fair value.

The unaudited condensed consolidated financial information should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 March 2021. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial information for the three months ended 30 June 2021 are consistent with those used in the audited consolidated financial statements of the Group for the year ended 31 March 2021.

#### 4. ADOPTION OF NEW AND REVISED HKFRSs

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The accounting policies applied in this unaudited condensed consolidated financial information is the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 March 2021. A number of new or amended standards are effective from 1 April 2021 but they do not have a material effect on the unaudited condensed consolidated financial information.

#### 5. REVENUE

An analysis of the Group's revenue for the period is as follows:

	<b>Three months ended 30 June</b>	
	<b>2021 (unaudited) HK\$'000</b>	2020 (unaudited) HK\$'000
Interior design and execution services	<b>13,806</b>	15,631
Colour-rendering services	<b>110</b>	324
	<b>13,916</b>	15,955

#### 6. FINANCE COSTS

	<b>Three months ended 30 June</b>	
	<b>2021 (unaudited) HK\$'000</b>	2020 (unaudited) HK\$'000
Interest on lease liabilities	<b>22</b>	32
Interest on bank loans	<b>376</b>	434
	<b>398</b>	466

#### 7. INCOME TAX

Hong Kong Profits Tax has been provided at a rate of 16.5% for the three months ended 30 June 2020 and 2021 on the estimated assessable profits arising in Hong Kong.

Under the two-tiered profits tax regime, profits tax rate for the first HK\$2 million of assessable profits of qualifying corporations established in Hong Kong is lowered to 8.25%, and profits above that amount is subject to the tax rate of 16.5%. The two-tiered profits tax rates are applicable to the Group for the three months ended 30 June 2020 and 2021.



## 8. PROFIT FOR THE PERIOD

The Group's profit for the period is stated after charging/(crediting) the following:

	<b>Three months ended 30 June</b>	
	<b>2021 (unaudited) HK\$'000</b>	2020 (unaudited) HK\$'000
Employee benefit expenses:		
Salaries and allowances	<b>6,460</b>	7,042
Other benefits (represent rent paid)	<b>87</b>	130
Retirement benefit scheme contributions	<b>237</b>	259
	<b>6,784</b>	7,431
Depreciation of property, plant and equipment	<b>130</b>	220
Depreciation of right-of-use assets	<b>1,127</b>	1,112
Government grants (Note)	<b>—</b>	(611)

Note: Government grants for the Employment Support Scheme (the "ESS") in respect of the COVID-19 pandemic were received to provide financial support to the Group to retain its employees during the three months ended 30 June 2020.

## 9. DIVIDENDS

The Board does not recommend a payment of any dividend by the Company for the three months ended 30 June 2021 (three months ended 30 June 2020: Nil).

## 10. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the owners of the Company for the period is based on the following:

	<b>Three months ended 30 June</b>	
	<b>2021 (unaudited) HK\$'000</b>	2020 (unaudited) HK\$'000
<b>Earnings</b>		
Profit attributable to owners of the Company	<b>2,016</b>	3,624

	<b>Three months ended 30 June</b>	
	<b>2021 (unaudited) '000</b>	2020 (unaudited) '000
<b>Number of shares</b>		
Weighted average number of ordinary shares used in basic earnings per share calculation	<b>1,221,053</b>	1,221,053

No diluted earnings per share for the three months ended 30 June 2021 and 2020 has been presented as there were no potential dilutive shares outstanding.

## 11. SHARES REPURCHASE

During the period, on 24 June 2021 and 25 June 2021, pursuant to the general mandate to repurchase the shares of the Company granted by the shareholders of the Company to the Board at the annual general meeting of the Company held on 7 August 2020, the Company repurchased a total of 100,960,000 shares of the Company (the "Repurchased Shares A") on the Stock Exchange at a price ranging from HK\$0.070 to HK\$0.076 per share at a total consideration (before expenses of approximately HK\$35,000) of approximately HK\$7,457,000 which had yet to be cancelled as at 30 June 2021.

## 12. RELATED PARTY TRANSACTIONS

The directors of the Company are of the view that during the period, transactions with the following parties are considered as related party transactions:

<b>Name of related party</b>	<b>Relationship with the Group</b>
Waldorf Holdings Limited	Controlled by Mr. Norman Chan
H. S. Chan Company Limited	Controlled by a close family member of Mr. Norman Chan

### (a) Related party transactions

The Group's related party transactions during the period are as follows:

	<b>Three months ended 30 June</b>	
	<b>2021 HK\$'000</b>	2020 HK\$'000
Office rental paid to Waldorf Holdings Limited	<b>1,044</b>	1,044
Cleaning expense to H.S. Chan Company Limited	<b>5</b>	4

(b) **Key management personnel compensation**

The emoluments of directors and other key management personnel of the Group during the period are as follows:

	<b>Three months ended 30 June</b>	
	<b>2021 HK\$'000</b>	2020 HK\$'000
Salaries and allowances	<b>837</b>	825
Other benefits (represent rent paid)	<b>87</b>	87
Retirement benefit scheme contributions	<b>13</b>	13
	<b>937</b>	925

**13. EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed elsewhere in this report, the Group has the following significant events subsequent to the end of the reporting period.

- (a) Subsequent to the end of the reporting period, on 5 July 2021, 6 July 2021 and 7 July 2021, pursuant to the general mandate to repurchase the shares of the Company granted by the shareholders of the Company to the Board at the annual general meeting of the Company held on 7 August 2020, the Company repurchased a total of 7,840,000 shares of the Company (the "**Repurchased Shares B**") on the Stock Exchange at a price ranging from HK\$0.063 to HK\$0.067 per share at a total consideration, before expenses, of approximately HK\$507,000.
- (b) Subsequent to the end of the reporting period, on 19 July 2021, the Repurchased Shares A and the Repurchased Shares B were cancelled and the nominal value of share capital was reduced by an aggregate amount equivalent to the nominal value of these shares of approximately HK\$11,000 from approximately HK\$122,000 to approximately HK\$111,000.

## MANAGEMENT DISCUSSION AND ANALYSIS

The board of Directors (the “**Board**”) hereby announces the unaudited condensed consolidated results of the Group for the three months ended 30 June 2021, together with the comparative unaudited figures for the corresponding periods in 2020.

### FINANCIAL REVIEW

#### Revenue

Revenue decreased from approximately HK\$16.0 million for the three months ended 30 June 2020 to approximately HK\$13.9 million for the three months ended 30 June 2021, representing a decrease of approximately HK\$2.1 million or 12.8%. The decrease was mainly attributable to the decrease in revenue from residential and commercial projects.

#### Cost of services

Cost of services for the three months ended 30 June 2020 and 2021 amounted to approximately HK\$7.0 million and HK\$6.7 million, respectively, representing a decrease of approximately HK\$0.3 million or 4.8%. The decrease was mainly due to the decrease in subcontracting charges and direct staff costs.

#### Gross profit and gross profit margin

For the three months ended 30 June 2021, gross profit amounted to approximately HK\$7.2 million, which decreased by approximately HK\$1.7 million from approximately HK\$8.9 million for the three months ended 30 June 2020. The decrease in gross profit was mainly due to the decrease in revenue which decreased by approximately HK\$2.1 million. Gross profit margin decreased from approximately 55.9% for the three months ended 30 June 2020 to approximately 51.9% for three months ended 30 June 2021.

#### Administrative expenses

Administrative expenses decreased from approximately HK\$4.9 million for the three months ended 30 June 2020 to approximately HK\$4.5 million for the three months ended 30 June 2021, representing a decrease of approximately HK\$0.4 million or 8.1%. The decrease was mainly due to the decrease in salaries and allowances as compared with the same period last year.

#### Finance costs

Finance costs, which comprised interests on bank loans and lease liabilities, decreased by approximately HK\$0.1 million or 14.6%, from approximately HK\$0.5 million for the three months ended 30 June 2020 to approximately HK\$0.4 million for the three months ended 30 June 2021.

## **Profit before tax**

Profit before tax decreased from approximately HK4.2 million for the three months ended 30 June 2020 to approximately HK\$2.3 million for the three months ended 30 June 2021, representing a decrease of approximately HK\$1.9 million. The decrease was mainly due to the decrease in revenue of approximately HK\$2.1 million as compared with the same period last year.

## **Income tax**

Income tax decreased by approximately HK\$0.3 million or 52.4% from approximately HK\$0.6 million for the three months ended 30 June 2020 to approximately HK\$0.3 million for the three months ended 30 June 2021. The decrease in income tax was consistent with the decrease in profit before tax which decreased by approximately HK\$1.9 million.

## **Profit and total comprehensive income**


Profit and total comprehensive income for the three months ended 30 June 2021 decreased by approximately HK\$1.6 million, from approximately HK\$3.6 million to profit attributable to owners of the Company for the three months ended 30 June 2020 to approximately HK\$2.0 million. Such decrease was mainly attributable to the combined effect of the aforementioned items.

## **Charges over assets of the Group**

As at 30 June 2021, the Group's banking facilities are secured by the Group's key management insurance policies at fair value of approximately HK\$16.5 million. On 31 May 2021, the Group has submitted the relevant form to FWD Life Insurance Company (Bermuda) Limited (the "**FWD**") for the withdrawal of the life insurance policy entered into by BTR HK Limited (the "**BTR HK**") with FWD on 23 March 2018 to insure Mr. Norman Chan (the "**Life Insurance Policy**") (collectively, the "**Withdrawal**") by BTR HK as the policy holder and beneficiary, at the surrender value (after deduction of surrender charge by FWD). As at 31 May 2021, the surrender value of the Life Insurance Policy amounted to an aggregate of approximately United State dollar 1,047,000 (equivalent to HK\$8,129,000). The net proceeds from the Withdrawal will be used for partial repayment of bank loans granted to the Group which are secured by the Life Insurance Policy. For details, please refer to the announcement of the Company dated 31 May 2021.

## **BUSINESS REVIEW AND PROSPECTS**

The Group is principally engaged in provision of interior design and execution services to premises including private residences, corporate offices, service apartments, hotels, residential clubhouses, show flats and sales galleries.



The Group's goals are to achieve sustainable growth and further strengthen its overall competitiveness and business growth in the interior design industry in Hong Kong. The Directors of the Company are of the view that the Group's capability to understand customers' requirements and transform far-fetched concepts into visionary solutions that embrace functionality and aesthetics has gained trust and appreciation from customers and enabled the Group to be one of the reputable players in the interior design industry in Hong Kong.

Hong Kong's primary residential market remained relatively resilient surrounded by various social incidents and the COVID-19 pandemic during the period, with market transactions being impacted by social distancing measures. Despite weakening market sentiment, the Company is of the view that the Hong Kong residential market is likely to be supported by relatively low mortgage rates and continuous demand. The Group will closely monitor potential impact of COVID-19 and local social incidents on the Group's businesses and will continue to develop and strengthen its overall competitiveness and business growth in the interior design industry in Hong Kong.

The Group will continue to capitalise on opportunities by leveraging the Group's competitive strengths and implementing the following strategies: (i) maintain and strengthen market position in Hong Kong; (ii) enhance brand recognition and strengthen marketing efforts; and (iii) continue to recruit talents and enhance internal training to support future growth.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2021, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

#### Long and short positions in the ordinary shares and underlying shares of the Company and associated corporation

The Company/ Name of associated corporation	Name of Director/ chief executive	Capacity/ Nature of interests	Interest in shares (Note 1 and 4)	Interest in underlying shares (Note 1 and 4)	Total interest in shares (Note 1 and 4)	Approximate percentage of shareholding (Note 1, 3 and 4)
1. the Company	Mr. Norman Chan (Note 2)	Interest of controlled corporation	794,736,842(L)	—	794,736,842(L)	65.09%(L)
2. Whistle Up	Mr. Norman Chan Mr. Lee Alex Kam-fai ("Mr. Alex Lee")	Beneficial owner Beneficial owner	96(L) 3(L)	— —	96(L) 3(L)	96.00%(L) 3.00%(L)

Notes:

- (1) "L" represents long position in shares or underlying shares of the Company or its associated corporations and "S" represents short position in shares or underlying shares of the Company or its associated corporations.
- (2) Whistle Up is beneficially owned as to 96% by Mr. Norman Chan, 3% by Mr. Alex Lee and 1% by Ms. Kwok Lai Yi Susanna (the spouse of Mr. Norman Chan) ("**Ms. Susanna Kwok**"). Under the SFO, Mr. Norman Chan is deemed to be interested in the Shares held by Whistle Up.
- (3) The percentage is calculated on the basis of 1,221,052,631 Shares in issue as at 30 June 2021.
- (4) On 24 June 2021 and 25 June 2021, the Company repurchased the Repurchased Shares A on the Stock Exchange which had yet to be cancelled as at 30 June 2021. Whistle Up controls more than one-third of the voting power at general meetings of the Company and was deemed to be interested in the Repurchased Shares A. The interest of Whistle Up increased from approximately 65.09% to approximately 73.35% as at 30 June 2021 taking into account of its deemed interest in the Repurchased Shares A.

Save as disclosed above, as at 30 June 2021, so far as is known to any Directors or chief executive of the Company, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

### **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 30 June 2021, so far as is known to the Directors and the chief executives of the Company, the interests and shorts positions of the persons or corporations (other than the Directors and the chief executive of the Company) in the shares and underlying shares as recorded in the register to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of shareholder	Capacity/Nature of interest	Interest in shares of the Company (Note 1 and 4)	Interest in underlying shares of the Company (Note 1 and 4)	Total interest in shares of the Company (Note 1 and 4)	Approximate percentage of shareholding (Note 1, 3 and 4)
Whistle Up	Beneficial owner (Note 2)	794,736,842(L)	—	794,736,842(L)	65.09%(L)
Ms. Susanna Kwok	Interest of spouse (Note 2)	794,736,842(L)	—	794,736,842(L)	65.09%(L)

Notes:

- (1) "L" represents long position in shares or underlying shares of the Company and "S" represents short position in shares or underlying shares of the Company.
- (2) Whistle Up is beneficially owned as to 96% by Mr. Norman Chan, 3% by Mr. Alex Lee and 1% by Ms. Susanna Kwok. Under the SFO, Mr. Norman Chan is deemed to be interested in the Shares held by Whistle Up. Ms. Susanna Kwok is the spouse of Mr. Norman Chan. Ms. Susanna Kwok is deemed to be interested in all the Shares in which Mr. Norman Chan is interested in for the purpose of the SFO.
- (3) The percentage is calculated on the basis of 1,221,052,631 Shares in issue as at 30 June 2021.
- (4) On 24 June 2021 and 25 June 2021, the Company repurchased the Repurchased Shares A on the Stock Exchange which had yet to be cancelled as at 30 June 2021. Whistle Up controls more than one-third of the voting power at general meetings of the Company and was deemed to be interested in the Repurchased Shares A. The interest of Whistle Up would be increased from approximately 65.09% to approximately 73.35% as at 30 June 2021 taking into account of its deemed interest in the Repurchased Shares A.



Save as disclosed above, as at 30 June 2021, so far as is known to the Directors and the chief executive of the Company, and based on the public records filed on the website of the Stock Exchange and records kept by the Company, no other persons or corporations (other than the Directors and the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### **SHARE OPTION SCHEME**

The Company adopted a share option scheme at the annual general meeting of the Company held 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 which will expire on 29 July 2022.

During the three months ended 30 June 2021, no share options were granted, exercised, cancelled, lapsed or forfeited. As at 30 June 2021, there were no outstanding share option.

### **DIRECTORS’ RIGHTS TO ACQUIRE SHARES AND DEBENTURES**

Save as disclosed in this report, at no time during the three months ended 30 June 2021 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors (including their respective spouses and children under the age of 18) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations, and none of the Directors or their respective spouses or children under the age of 18 had any right to subscribe for shares of the Company or any of its associated corporations or had exercised any such right during the three months ended 30 June 2021.

### **COMPETING INTERESTS**

As at 30 June 2021, none of the Directors, the substantial shareholders of the Company nor any of their respective close associates (as defined under the GEM Listing Rules) had any interest in a business which has or may have significant competition with the business of the Group.

### **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND AFFILIATED COMPANIES**

The Group had no material acquisitions or disposals of subsidiaries, associates and affiliated companies during the three months ended 30 June 2021.

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

During the three months ended 30 June 2021, the Company has repurchased 100,960,000 ordinary shares of HK\$0.0001 each (the "**Share**") on GEM, which have been cancelled by the Company on 19 July 2021. The Directors believe that the share repurchases were exercised in the best interests of the Company and its shareholders and would ultimately benefit the Company and create value for its shareholders. Details of these repurchased shares are as follows:

Date of repurchase	Number of shares repurchased	Highest purchase price per Share HK\$	Lowest purchase price per Share HK\$	Consideration HK\$
24 June 2021	50,000,000	0.075	0.075	3,750,000
25 June 2021	50,960,000	0.076	0.070	3,707,200
	<u>100,960,000</u>			<u>7,457,200</u>

Save as disclosed above, during the three months ended 30 June 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the three months ended 30 June 2021.

## CORPORATE GOVERNANCE PRACTICES

The Company considers the maintenance of a high standard of corporate governance is important to the continuous growth of the Group. The Company's corporate governance practices are based on code provisions as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 15 to the GEM Listing Rules. The Company has adopted the CG Code to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner.

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Norman Chan is acting as the chairman and chief executive officer. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board considers the deviation from code provision A.2.1 of the CG Code to be appropriate in such circumstance.

The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Throughout the three months ended 30 June 2021 and up to the date of this report, other than the deviation from code provision A.2.1, the Company complied with the provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules.

## **DIVIDEND**

The Board does not recommend a payment of any dividend by the Company for the three months ended 30 June 2021.


## **INTEREST OF THE COMPLIANCE ADVISER**

As notified by Messis Capital, the Company's compliance adviser, save for the compliance adviser agreement entered into between the Company and Messis Capital dated 31 October 2019, neither Messis Capital, its close associates (as defined in the GEM Listing Rules) nor any of its directors, employees has or may have any interest in the Group or which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 June 2021.

## **AUDIT COMMITTEE AND REVIEW OF QUARTERLY RESULTS**

The Group has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The primary duties of the Audit Committee are to oversee the relationship with Company's auditor, review of the Company's financial information and oversee the Company's financial reporting system, risk management and internal control system.

The Audit Committee comprises of three independent non-executive directors, namely Mr. Chi Chi Hung Kenneth, Mr. Kwong U Hoi Andrew and Mr. Wong Jonathan. The chairman of the Audit Committee is Mr. Chi Chi Hung Kenneth, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules to serve as the chairman of the Audit Committee.



The first quarterly results of the Group for the three months ended 30 June 2021 have not been audited. The Audit Committee has reviewed and approved the unaudited condensed consolidated financial information of the Group for the three months ended 30 June 2021 and is of the opinion that the preparation of such information complied with the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

#### **EVENT AFTER THE REPORTING PERIOD**

Save as disclosed in Note 13, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2021 and up to the date of this report.

By order of the Board  
**Union Asia Enterprise Holdings Limited**  
**Chan Norman Enrique**  
*Executive Director*

Hong Kong, 9 August 2021

*As at the date of this report, the Board comprised two executive Directors, Mr. Chan Norman Enrique and Mr. Lee Alex Kam-fai and three independent non-executive Directors, Mr. Kwong U Hoi Andrew, Mr. Wong Jonathan and Mr. Chi Chi Hung Kenneth.*