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

*(Formerly known as Pan Asia Mining Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8173)*

**MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
THE TARGET**

THE DISPOSAL

The Board announces that on 17 June 2016 (after trading hours), the Company, the Vendor (a direct wholly-owned subsidiary of the Company), Kesterion and the Purchaser entered into the SPA. Pursuant to the SPA, the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares at the Consideration of HK\$5,000,000, which shall be satisfied by setting off against part of the Kesterion Loan at Completion.

As at the date of this announcement, the Target is an indirect wholly-owned subsidiary of the Company and is an investment holding company. The Target Group is principally engaged in trading of scrap metals in Singapore. Upon completion, the Company will cease to hold any equity interest of the Target Group and the results of the Target Group will no longer be consolidated into the consolidated financial statements of the Group.

GEM LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Purchaser is the spouse of Mr. Koh (an ex-executive Director in the last 12 months preceding the date of the SPA and hence is a connected person of the Company pursuant to the GEM Listing Rules) and she is also the beneficial owner of Kesterion and therefore the Purchaser and Kesterion are associates of a connected person of the Company, being Mr. Koh. In addition, Mr. Koh is an executive director of Black Sand Petroleum. The Disposal therefore constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules and is therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

As at the date of this announcement, the Purchaser and its associates are interested in an aggregate of 2,872,300 Shares. As such, the Purchaser and its associates will be required to abstain from voting on the resolution to be proposed at the EGM to approve the SPA and the transactions contemplated thereunder due to their interests in the SPA and the Disposal. Save as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder is required to abstain from voting on the resolution to be proposed at the EGM to approve the SPA and the transactions contemplated thereunder.

GENERAL

The EGM will be convened to consider and, if thought fit, to pass the resolution to approve the SPA and the transactions contemplated thereunder.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the SPA are fair and reasonable and how to vote in respect of the resolution(s) on the Disposal after taking into account the recommendation of the Independent Financial Adviser. In this connection, the Company will appoint the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Disposal.

As more time is needed to prepare the relevant financial and other information to be included in the circular in accordance with the relevant requirements of the GEM Listing Rules, a circular containing, among other things, (i) further details of the SPA and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM, will be despatched by the Company to the Shareholders as soon as practicable.

INTRODUCTION

The Board announces that on 17 June 2016 (after trading hours), the Company, the Vendor, Kesterion and the Purchaser entered into the SPA, pursuant to which, the Purchaser has agreed to acquire and the Vendor has agreed to sell, the Sale Shares at the Consideration of HK\$5,000,000, which shall be satisfied by setting off against part of the Kesterion Loan at Completion.

THE SPA

The principle terms of the SPA are as follows:

Date

17 June 2016 (after trading hours)

Parties

1. The Company: Union Asia Enterprise Holdings Limited
2. The Vendor: Black Sand Enterprises Limited, a direct wholly-owned subsidiary of the Company
3. Kesterion: Kesterion Investments Limited, a company incorporated in the British Virgin Islands and is wholly-owned by the Purchaser
4. The Purchaser: Ms. Eva Wong, the spouse of Mr. Koh (an ex-executive Director)

The Purchaser is the spouse of Mr. Koh (an ex-executive Director in the last 12 months preceding the date of the SPA and hence is a connected person of the Company pursuant to the GEM Listing Rules) and she is also the beneficial owner of Kesterion and therefore the Purchaser and Kesterion are associates of a connected person of the Company, being Mr. Koh.

Assets to be disposed of

The Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares, representing the entire issued share capital of the Target.

Consideration

The consideration for the sale and purchase of the Sale Shares shall be HK\$5,000,000. The Consideration shall be satisfied by the Purchaser at Completion by setting off against part of the Kesterion Loan such that as at Completion, the amount of the Kesterion Loan will be reduced by the amount of the Consideration.

The Kesterion Loan represents the loan provided by Kesterion to the Company. As at the date of this announcement, the amount of the Kesterion Loan is approximately HK\$85,855,000. The Kesterion Loan is bearing interest at a rate of 5% per annum and it will be repayable on November 2016.

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the unaudited consolidated net liability value of the Target Group of approximately HK\$56,052,000 as at 31 March 2016 and the reasons and benefit for the Disposal as stated under the section headed "Reasons and Benefit for the Disposal" below.

In view of the above, the Board (excluding the independent non-executive Directors who will form their view after receiving the advice from the Independent Financial Adviser) considers that the terms and conditions (including the Consideration) of the SPA are fair and reasonable and on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

Conditions precedent

Completion shall be conditional upon and subject to:

- (a) the Board approving and authorising the transactions contemplated under the SPA;
- (b) the passing by the Independent Shareholders at the EGM of an ordinary resolution approving the SPA and the transactions contemplated thereunder in accordance with the GEM Listing Rules;
- (c) all necessary governmental and regulatory approvals or consents (or waivers), including but not limited to those from the Stock Exchange and/or the Securities and Futures Commission, required by the Vendor, the Target and the Company in respect of the SPA and the transactions contemplated thereby having been obtained; and
- (d) all necessary waiver, consent, approval, licence, authorisation, permission, order and exemption (if required) from the relevant governmental or regulatory authorities or other third parties which are necessary in connection with the SPA and the transactions contemplated thereby having been obtained.

If the above conditions have not been satisfied on or before 5:00 p.m. on the Long Stop Date, the Purchaser and the Vendor shall not be bound to proceed with the sale and purchase of the Sale Shares and the SPA (other than clauses relating to the conditions, confidentiality, notices, costs and stamp duty and governing law and jurisdiction as set out in the SPA) shall from the Long Stop Date, become void and of no further effect and, save in respect of any antecedent breaches, all liabilities and obligations of the parties to the SPA shall cease and determine provided that such termination shall be without prejudice to any rights or remedies of the parties thereto which shall have accrued prior to such termination.

Completion

Completion shall take place at 5:00 p.m. on the Completion Date or such date as the parties to the SPA may agree in writing.

INFORMATION ON THE TARGET GROUP

The Target is a company incorporated in Singapore with limited liability and is an indirect wholly-owned subsidiary of the Company. The Target is principally engaged in investment holding and it has two subsidiaries, being Evotech and Black Sand Petroleum.

Evotech is a company incorporated in Singapore and a wholly-owned subsidiary of the Target. Evotech is principally engaged in trading of scrap metals in Singapore and it is the operating arm of the Target Group.

Black Sand Petroleum is a company incorporated in Singapore and it is a 90% owned subsidiary of the Target. Black Sand Petroleum is an inactive company with no assets and no business operations.

Set out below are the consolidated financial information of the Target Group as prepared in accordance with Hong Kong Accounting Standards for the year ended 31 March 2015 and 2016 respectively:

	Year ended 31 March 2015 (Audited) <i>HK\$'000</i>	Year ended 31 March 2016 (Unaudited) <i>HK\$'000</i>
Turnover	31,052	12,728
Net (loss) before taxation	(40,840)	(32,866)
Net (loss) after taxation	(40,840)	(32,866)

According to the unaudited financial information of the Target as at 31 March 2016, the Target Group recorded an unaudited net liabilities of approximately HK\$56,052,000.

Upon Completion, the Company will cease to hold any equity interest of the Target Group and the results of the Target Group will no longer be consolidated into the consolidated financial statements of the Group.

For illustrative purpose, based on the unaudited consolidated net liability value of the Target Group as at 31 March 2016 of approximately HK\$56,052,000; and (ii) the Consideration of HK\$5,000,000, it is estimated that the Group will record a gain of approximately HK\$60,452,000 (before taxation) from the Disposal after deducting the expenses attributable to the Disposal of approximately HK\$600,000. Shareholders should note that the actual amount of the gain or loss on the Disposal to be recognized in the consolidated financial statements of the Company depends on the net liability/net asset value of the Target Group as at the date of Completion and therefore may be different from the amount mentioned above.

REASONS AND BENEFIT FOR THE DISPOSAL

The Group is principally engaged in exploration and exploitation of mineral resources and trading of coals, metals, bunker fuel and beverages.

The Target Group is principally engaged in trading of scrap metals in Singapore.

Due to the stringent environmental protection requirements in Singapore, the gross profit margin of the scrap metal processing is low. Given the deteriorating financial results and unsatisfactory performance of the Target Group over the past two years (i.e. 31 March 2015 and 2016), the Company intends to realize the investment in the Target Group rather than devoting further resources to the Target Group which is loss making. Further, the Consideration of HK\$5,000,000 shall be satisfied by setting off against part of the Kesterion Loan at Completion. Given the Kesterion Loan is bearing interest at a rate of 5% per annum, the set-off of the Consideration against part of the Kesterion Loan will enable the Group to save future interests and improve the gearing level of the Group without cash outlay.

Based on the above, the Directors (excluding the independent non-executive Directors who will form their view after reviewing the advice from the Independent Financial Adviser) consider that the terms of the Disposal are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Purchaser is the spouse of Mr. Koh (an ex-executive Director in the last 12 months preceding the date of the SPA and hence is a connected person of the Company pursuant to the GEM Listing Rules) and she is also the beneficial owner of Kesterion and therefore the Purchaser and Kesterion are associates of a connected person of the Company, being Mr. Koh. In addition, Mr. Koh is an executive director of Black Sand Petroleum. The Disposal therefore constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules and is therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

As at the date of this announcement, the Purchaser and its associates are interested in an aggregate of 2,872,300 Shares. As such, the Purchaser and its associates will be required to abstain from voting on the resolution to be proposed at the EGM to approve the SPA and the transactions contemplated thereunder due to their interests in the SPA and the Disposal. Save as above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder is required to abstain from voting on the resolution to be proposed at the EGM to approve the SPA and the transactions contemplated thereunder.

GENERAL

The EGM will be convened to consider and, if thought fit, to pass the resolution(s) to approve the SPA and the transactions contemplated thereunder.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the SPA are fair and reasonable and how to vote in respect of the resolution(s) on the Disposal after taking into account the recommendation of the Independent Financial Adviser. In this connection, the Company will appoint the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Disposal.

As more time is needed to prepare the relevant financial and other information to be included in the circular in accordance with the relevant requirements of the GEM Listing Rules, a circular containing, among other things, (i) further details of the SPA and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM, will be despatched by the Company to the Shareholders as soon as practicable.

As the Disposal is subject to fulfillment of certain conditions precedent and may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Black Sand Petroleum”	Black Sand Petroleum (S) Pte. Limited, a company incorporated in Singapore and a 90% owned subsidiary of the Target
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong and Singapore throughout their normal business hours

“Company”	Union Asia Enterprise Holdings Limited 萬亞企業控股有限公司, formerly known as Pan Asia Mining Limited 寰亞礦業有限公司, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8173)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the SPA
“Completion Date”	the third Business Days after the date of fulfillment (or waiver) of all the conditions set out in the SPA
“connected persons”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	the consideration of HK\$5,000,000 payable by the Purchaser for the acquisition of the Sale Shares under the SPA
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal of the Sale Shares pursuant to the terms and conditions of the SPA
“EGM”	the extraordinary general meeting of the Company to be convened to consider and approve the SPA and the transactions contemplated thereunder
“Evotech”	Evotech Asia Pte. Limited, a company incorporated in Singapore and a wholly owned subsidiary of the Target
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of the Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Financial Adviser”	an independent financial adviser to be appointed to advise the Independent Board Committee and Independent Shareholders in respect of the terms of the SPA and the transactions contemplated therein
“Independent Shareholders”	Shareholders other than (i) Mr. Koh, the Purchaser and their respective associates; (ii) Kesterion; and (iii) any Shareholder with a material interest in the Disposal or the transactions contemplated in the SPA
“Kesterion”	Kesterion Investments Limited
“Kesterion Loan”	the outstanding loan amount together with the relevant interests owing by the Company to Kesterion pursuant to minutes of the Board of the Company dated 19 November 2015 which includes, inter alia, details of the Kesterion Loan
“Long Stop Date”	30 October 2016 or such later date as the Vendor and the Purchaser may agree in writing
“Mr. Koh”	Mr. Michael Koh Tat Lee, an ex-executive Director who resigned on 29 March 2016
“Purchaser”	Ms. Eva Wong, the spouse of Mr. Koh
“Sale Shares”	7,881,400 ordinary shares in the Target, representing the entire issued share capital of the Target
“Share(s)”	ordinary share(s) of HK\$0.08 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Singapore”	the Republic of Singapore
“SPA”	the agreement to acquire the Sale Shares entered into among the Company, the Purchaser, Kesterion and the Vendor dated 17 June 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Black Sand International (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability and is an indirect wholly-owned subsidiary of the Company
“Target Group”	Target together with Evotech and Black Sand Petroleum

“Vendor”

Black Sand Enterprises Limited, a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Company

“%”

per cent

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

Hong Kong, 17 June 2016

As at the date of this announcement, the Board comprises two executive Directors, Ms. Yip Man Yi and Mr. Shiu Chi Tak, Titus, two non-executive Directors, Mr. Liang Tongwei and Mr. Wong Chi Man, and six independent non-executive Directors, Mr. Chu Hung Lin, Victor, Mr. Tong Wan Sze, Mr. Fung Kwok Leung, Dr. Wan Ho Yuen, Terence, Mr. Li Kwok Chu and Mr. Lau Shu Yan.

This announcement, for which the Directors jointly and individually accept full responsibility, including the 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.