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UNQ HOLDINGS LIMITED

优趣汇控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2177)

DISCLOSEABLE TRANSACTION

SUBSCRIPTION OF LIMITED PARTNER INTEREST IN THE FUND

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The Board is pleased to announce that on February 28, 2023 (after trading hours), the Subscriber, an indirect wholly-owned subsidiary of the Company, entered into the Subscription Agreement with the Fund (acting by the General Partner), pursuant to which the Subscriber has agreed to subscribe a limited partner interest in the Fund at the Capital Commitment of US\$5 million (equivalent to approximately RMB34.8 million), which represents approximately 33.3% of the Fund Commitment. On the same day, the Subscriber was admitted as a Limited Partner to the Fund by entering into the Limited Partnership Agreement with the General Partner, Gourmet (as Limited Partner) and Sunjoy (as Limited Partner). The Fund will not be accounted for as a subsidiary of the Company and its financial results will not be consolidated into the Company.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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The principal terms of the Subscription Agreement and the Limited Partnership Agreement are set out below.

THE SUBSCRIPTION AGREEMENT

Date:	February 28, 2023
Name of the Fund:	PGA Capital Management Partners L.P.
Parties:	(1) The Fund (acting by the General Partner); and (2) the Subscriber.
Subject matter:	Subscription for the Limited Partner interest
Fund Commitment:	US\$15 million
Capital Commitment:	The Subscriber has agreed to make a Capital Commitment of US\$5 million (equivalent to approximately RMB34.8 million), which represents approximately 33.3% of the Fund Commitment.

The Capital Commitment by the Subscriber was determined after arm's length negotiations between the General Partner and the Subscriber with reference to (i) the investment objective of the Fund; (ii) the expected term of the Fund; (iii) the possible investment returns of the Fund; and (iv) the investment opportunities expected to be available for the Group. The Capital Commitment will be funded by the Group's internal resources and paid fully in cash by the Subscriber through electronic transfer no later than 10 Business Days after the Initial Closing Date.

THE LIMITED PARTNERSHIP AGREEMENT

- Date:** February 28, 2023
- Parties:**
- (1) the General Partner;
 - (2) UNQ Hong Kong Holdings, as a Limited Partner (also the Subscriber);
 - (3) Gourmet, as a Limited Partner; and
 - (4) Sunjoy, as a Limited Partner.
- Purpose of the Fund:** The purpose of the Fund is primarily to: (a) make investments in either debt or equity interests in entities with a focus on the consumer sector with themes of cross-border commerce, innovative consumption, digital economy and supply chain upgrade; and (b) engage in all activities and transactions the General Partner considers necessary or desirable to increase the value of the Fund.
- Term of the Fund:** The term of the Fund commenced on the date of its registration as an exempted limited partnership in the Cayman Islands on December 3, 2021. Unless the Fund is dissolved early, the Fund shall continue until 5 years from the Initial Closing Date (the “**Initial Term**”). The term of the Fund may be extended for two years (the “**Extended Term**”) by the General Partner at its sole discretion.
- Assignments by Limited Partners:** No Limited Partner may assign all or any part of its interest under the Limited Partnership Agreement without the prior written consent of the General Partner.
- Distribution of investment returns:** The available net proceeds will be distributed in the following order of priority:
- (i) firstly, to the Limited Partners until each Limited Partner has received an amount equal to 100% of its aggregate capital contribution, respectively;
 - (ii) secondly, 100% to the Limited Partners in proportion to their respective aggregate capital contributions until they have received a return at a simple annual rate of 6% on the amounts distributed, or deemed distributed, under paragraph (i);

- (iii) thirdly, 100% to the General Partner until the General Partner has received 25% of the total accumulative distributions made to the Limited Partners under paragraph (ii) and to the General Partner under this paragraph (iii); and
- (iv) lastly, 80% of the remaining available net proceeds following the distributions (or deemed distributions) under paragraphs (i), (ii) and (iii) above to all Limited Partners in proportion to their respective aggregate capital contributions, and 20% to the General Partner.

Management of the Fund:

The General Partner shall exercise all the powers of the Fund in conducting and managing the business of the Fund to the exclusion of the Limited Partners, including but not limited to doing all acts, matters and things on behalf of the Fund it considers necessary or desirable to manage the Fund's business and affairs including, signing, executing and delivering any agreement, instrument, contract or document on behalf of the Fund and establishing the advisory committee to provide investment advisory service in its discretion.

Management fee:

2% per annum of the aggregate commitments is payable to the General Partner during the Initial Term, and no management fee is payable to the General Partner during the Extended Term.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As the purpose of the Fund is to seek investment in consumer sector with a focus on cross-border commerce, innovative consumption, digital economy and supply chain upgrade, the Transaction will enhance the Company's understanding of the latest developments in the relevant field and help the Company to seek its potential strategic partners. The Company believes that the strategic resources possessed by the General Partner will facilitate the sourcing, identification and execution of proprietary investment opportunities in the global consumer sector and generate financial returns for the Group, and the Transaction will (i) increase the breadth and depth of the Company's global exploration of high-quality projects; and (ii) accelerate the development of the Company's international portfolio and enrich its ecosystem through strategic partnerships, investments and acquisitions in consumer sectors by leveraging the Fund's advantages.

Having considered the above, the Board has confirmed that the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Information on The Fund

The Fund is an exempted limited partnership in the Cayman Islands established and registered on December 3, 2021 in accordance with the Exempted Limited Partnership Act (as amended) of the Cayman Islands. As the Fund has not commenced operation since its establishment, neither financial information nor past performance of the Fund is presented in this announcement.

General Partner

PGA Capital Management Partners Limited is an exempted company incorporated in the Cayman Islands, which is wholly owned by HUANG Yong (黃勇). The General Partner is principally engaged in the business of investment management.

Limited Partners

Gourmet is a private company limited by shares established in Singapore. It is principally engaged in international trading of fine foods. As at the date of this announcement, it is 100% held by Orange Supply Chain Management (Shanghai) Co., Ltd., which is held by XU Jian (徐健), HUANG Yong (黃勇), ZHANG Yijing (張以靖), SUN Wei (孫薇), LI Zujun (李祖軍) and FENG Yueping (馮悅萍) as to approximately 65.9%, 15%, 10%, 5%, 4% and 0.1%, respectively.

Sunjoy is a company established in Singapore with limited liability. It is principally engaged in import and export agency trade and sales of consumer goods. As at the date of this announcement, it is 100% held by Shanghai Sunjoy Bio-tech Co.,Ltd., which is held by Zhang Yijing (張以靖), Huang Wei (黃巍), Huang Yong (黃勇), Shanghai Baoxi, Shanghai Pengrui, Hongji Shanghai and Shanghai Xiayan as to approximately 46.3%, 13.6%, 11.6%, 12.7%, 7.2%, 5.7% and 2.9%, respectively.

The Group is a leading brand e-commerce retail and wholesale solutions provider in China strategically focusing on Japanese-branded fast-moving consumer goods, consisting of, among others, personal care products, beauty products, health products and others. UNQ Hong Kong Holdings is a limited liability company incorporated in Hong Kong, principally engaged in sales of food, daily consumer goods and cosmetics, import and export business and other business, and an indirect wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the General Partner and other Limited Partners and their ultimate beneficial owner(s) are Independent Third Parties of the Company and its connected persons (as defined under the Listing Rules).

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Board”	the board of Directors of the Company
“Business Day”	any day(s) excluding Saturday and Sunday on which banks are generally open for business
“Capital Commitment”	US\$5 million (equivalent to approximately RMB34.8 million), the aggregate amount of the capital agreed to be contributed to the Fund by the Subscriber
“Company”	UNQ Holdings Limited (优趣汇控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on October 31, 2019
“Director(s)”	the director(s) of the Company
“Fund”	PGA Capital Management Partners L.P., an exempted limited partnership established in the Cayman Islands
“Fund Commitment”	US\$15 million (equivalent to approximately RMB104.3 million), the aggregate amount of capital agreed to be contributed to the Fund by the Limited Partners
“General Partner”	PGA Capital Management Partners Limited, an exempted company incorporated in the Cayman Islands
“Gourmet”	Gourmet International Group PTE. LTD., a privated company limited by shares incorporated in Singapore, is a Limited Partner
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hongji Shanghai”	Hong Ji (Shanghai) Investment Center (L.P.) (弘驥(上海)投資中心(有限合夥)), is a limited partnership established in the PRC. As at the date of this announcement, Song Yaqing (宋亞青) is the single largest shareholder of Hongji Shanghai, who held approximately 23.3% of the interest in Hongji Shanghai. Save as disclosed above, none of the other shareholders of Hongji Shanghai held more than 23.3% of the interest in Hongji Shanghai

“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) and is/are not connected person(s) of the Company
“Initial Closing Date”	the first closing date of the subscription of interests (i.e. February 28, 2023), or such later date as may be determined by the General Partner in its discretion
“Limited Partner(s)”	the limited partners of the Fund
“Limited Partnership Agreement”	the first amended and restated limited partnership agreement for PGA Capital Management Partnership L.P. entered into between the General Partner and the Limited Partners in respect of the Fund on February 28, 2023
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Baoxi”	Shanghai Baoxi Consulting Management Partnership (Limited Partnership) (上海寶義諮詢管理合夥企業(有限合夥)), a limited partnership established in the PRC. As at the date of this announcement, Huang Yong (黃勇) is the single largest shareholder of Shanghai Baoxi, who held approximately 32.2% of the interest in Shanghai Baoxi. Save as disclosed above, none of the other shareholders of Shanghai Baoxi held more than 30% of the interest in Shanghai Baoxi
“Shanghai Pengrui”	Shanghai Pengrui Consulting Management Partnership (Limited Partnership) (上海芄睿諮詢管理合夥企業(有限合夥)), a limited partnership established in the PRC. As at the date of this announcement, Zhang Yijing (張以靖) is the single largest shareholder of Shanghai Pengrui, who held approximately 34.5% of the interest in Shanghai Pengrui. Save as disclosed above, none of the other shareholders of Shanghai Pengrui held more than 30% of the interest in Shanghai Pengrui
“Shanghai Xiayan”	Shanghai Xiayan Venture Capital Center (Limited Partnership) (上海夏雁創業投資中心(有限合夥)), a limited partnership established in the PRC. As at the date of this announcement, YIN Junping (尹軍平) and ZHU Yingchun (朱迎春) held 99% and 1% of the interest in Shanghai Xiayan, respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriber” or “UNQ Hong Kong Holdings”	UNQ Holdings (HK) Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“Subscription Agreement”	the subscription agreement dated February 28, 2023 entered into between the Subscriber and the Fund (acting by the General Partner) in respect of the Transaction
“Sunjoy”	Sunjoy Marketing PTE. LTD., a company incorporated in Singapore with limited liability, is a Limited Partner
“Transaction”	the subscription of a limited partnership interest in the Fund by the Subscriber pursuant to the terms of the Subscription Agreement and the Limited Partnership Agreement
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

By order of the Board
UNQ HOLDINGS LIMITED
WANG Yong
Chairman

Hong Kong, February 28, 2023

As of the date of this announcement, the executive Directors are Mr. WANG Yong, Mr. SHEN Yu and Mr. MATSUMOTO Ryoji; the non-executive Director is Mr. NAKAYAMA Kokkei; and the independent non-executive Directors are Mr. NG Kam Wah Webster, Mr. WEI Hang and Ms. XIN Honghua.