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UNQ HOLDINGS LIMITED

优越汇控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2177)

PROFIT WARNING

This announcement is made by UNQ Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the current preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended December 31, 2022 (“**FY2022**”) and the information currently available to the Group, the revenue of the Group for FY2022 is expected to range between RMB2,260.0 million and RMB2,500.0 million, representing a decrease ranging from approximately 17.6% to 25.5% as compared to the revenue of the Group for the year ended December 31, 2021 (“**FY2021**”) of RMB3,033.1 million; and the Group is expected to record a net loss ranging between RMB111.0 million and RMB123.0 million for FY2022, while the Group recorded a net profit of RMB30.0 million for FY2021.

The abovementioned loss and decline in revenue are mainly attributable to the following factors: (i) as a result of the continuous impact of COVID-19 pandemic, especially in the first half of FY2022, the Group’s supply chain-related businesses including logistics and transportation were intermittently interrupted. The operations of the Group in Shanghai and nearby regions were therefore adversely affected; and (ii) the decrease in consumer confidence, demand and enthusiasm in the market due to the impact of COVID-19 pandemic, which also had a significant adverse impact on the Group's performance for FY2022. In response to the adverse impact of the macro environment, the Group adopted

the selling strategy of a low gross profit margin and promotion rate. To generate more cash from operations and resist operational risks, the Group proactively reduced inventories by price-off promotion, which adversely affected the performance of the Group for FY2022. At the same time, cash flow from operating activities is expected to increase from a cash outflow of RMB124.7 million for FY2021 to a cash inflow ranging between RMB247.0 million to RMB273.0 million for FY2022.

Since December 2022, the Group's business is gradually returning to normal in line with the continuous optimization and adjustment of pandemic prevention and control policies in China. The Board believes that the overall financial position of the Group continues to maintain healthy and sound and is confident of the long-term development and prospects of the Group. It will also pay close attention to the business strategy and operating condition of the Group to cope with the impacts of changes in economic environment and strive to improve long-term business performance to reward the Shareholders.

The information contained in this announcement is only a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group and other information currently available to the Company. Such information has not been audited or reviewed by the auditors or the audit committee of the Company. As the Company is still in the process of finalizing its annual results for FY2022, the Group's actual financial results for FY2022 may be subject to changes and may differ from the information disclosed in this announcement. The actual financial results of the Group for FY2022 and other operating details of the Group will be disclosed in the annual results announcement of the Group for FY2022, which is expected to be released in end of March 2023.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By order of the Board
UNQ HOLDINGS LIMITED
WANG Yong
Chairman

Hong Kong, March 21, 2023

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