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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)**

### **DISCLOSEABLE TRANSACTION**

#### **PROVISION OF GUARANTEE**

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Reference is made to the announcement of the Company dated 21 September 2022, in relation to the provision of the Previous Guarantee. On 19 September 2023, Shanghai Xuyi has duly fulfilled its repayment obligations under the Previous Financing Agreement and the Group's obligation in relation to the Previous Guarantee has been released.

On 17 October 2023, UNQ Supply Chain (being an indirect wholly-owned subsidiary of the Company), as guarantor, entered into the Guarantee Agreement with the Creditor, pursuant to which UNQ Supply Chain has agreed to provide guarantee up to a maximum amount of RMB50,000,000 for the due performance of the repayment obligations of Shanghai Xuyi to the Creditor under the Loan Agreement.

##### **LISTING RULES IMPLICATIONS**

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

##### **PROVISION OF GUARANTEE**

The Board announces that on 17 October 2023, UNQ Supply Chain (being an indirect wholly-owned subsidiary of the Company), as guarantor, entered into the Guarantee Agreement with the Creditor, pursuant to which UNQ Supply Chain has agreed to provide guarantee up to a maximum amount of RMB50,000,000 for the due performance of the repayment obligations of Shanghai Xuyi to the Creditor under the Loan Agreement.

## Principal terms of the Guarantee Agreement

<b>Date:</b>	17 October 2023
<b>Parties:</b>	(1) UNQ Supply Chain (as guarantor); and (2) the Creditor
<b>Guarantee:</b>	UNQ Supply Chain, as guarantor, has agreed to provide guarantee up to a maximum amount of RMB50,000,000 to the Creditor for the due performance of Shanghai Xuyi's repayment obligations under the Loan Agreement, including but not limited to that with respect to the principal amount, interest (including penalty interest and compound interest), default penalties, compensation, fees for the custody of the secured property, and the costs incurred by the Creditor in the realisation of the debt
<b>Term:</b>	from 17 October 2023 to the date of the debts under the Loan Agreement are repaid
<b>Guarantee method:</b>	pledged guarantee by way of bank deposit for RMB50,000,000
<b>Effective date of the Guarantee Agreement:</b>	the Guarantee Agreement shall become effective upon due execution, being 17 October 2023

Furthermore, Ms. LI Min (李敏, the controlling shareholder of Shanghai Xuyi, "**Shanghai Xuyi Controlling Shareholder**") has agreed to provide guarantee for the due performance of the repayment obligations of Shanghai Xuyi to the Creditor under the Loan Agreement. Shanghai Xuyi and Shanghai Xuyi Controlling Shareholder entered into counter-guarantee agreements with UNQ Supply Chain respectively, to provide counter-guarantee for UNQ Supply Chain's guarantee liability under the Guarantee Agreement.

## REASONS FOR AND BENEFITS OF THE PROVISION OF GUARANTEE

Shanghai Xuyi is principally engaged in providing offline distribution of brands like Shiseido, FineToday and has established business relationships with some leading offline retail channels. The Directors are of the view that the provision of the Guarantee under the Guarantee Agreement will help achieve cooperative development and sales channels consolidation between the Company's e-commerce business and Shanghai Xuyi's offline business mode. Through providing the Guarantee, the Group will maintain close ties with Shanghai Xuyi and pay close attention to its industrial development and dynamic trends on different sales channels in relation to the related industry. The Group may also be at an advantage if in the future the Group considers to seek opportunities in further strategic cooperation and investment in relation to Shanghai Xuyi. In view of the above reasons, the provision of the Guarantee is conducive in consolidation of the industrial resources and strategic layout for the Group, beneficial for the Group to become industries' leader and is in line with the Group's overall business strategy and interests in the long run.

To the best knowledge of the Company, Shanghai Xuyi's business remains stable and has never defaulted in the repayment. Furthermore, Shanghai Xuyi and Shanghai Xuyi Controlling Shareholder have also provided UNQ Supply Chain with counter-guarantees. Having taken into consideration that the risks exposed to the Group are controllable, the Directors are of the view that the terms of the Guarantee Agreement are on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **The Group**

The Group is a leading brand e-commerce retail and wholesale solutions provider in China strategically focused on Japanese-branded fast-moving consumer goods, consisting of, among others, personal care products, beauty products, health products and others. UNQ Supply chain is a limited liability company incorporated in the PRC, and an indirect wholly-owned subsidiary of the Company.

### **Shanghai Xuyi**

Shanghai Xuyi is a company incorporated in PRC with limited liability, which is principally engaged in sales of food and cosmetics products. As at the date of this announcement, Shanghai Xuyi is indirectly owned as to 30% by the Company through UNQ Supply Chain and 70% by Ms. LI Min, an Independent Third Party.

### **Creditor**

The Creditor is a licensed bank established under the laws of the PRC which is principally engaged in banking and financial services. The single largest shareholder of the Creditor is Fujian Financial Investment Co., Ltd. (福建省金融投資有限責任公司), an Independent Third Party, which holds approximately 16.91% equity interests in the Creditor according to the public information. Save as disclosed above, none of the other shareholders of the Creditor holds more than 16.91% of the interest of the Creditor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Shanghai Xuyi and the Creditor 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 applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the guaranteed amount of the Guarantee is more than 5% but less than 25%, the provision of the Guarantee constitutes a discloseable transaction for 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
“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 31 October 2019
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules
“Creditor”	the Shanghai Minhang sub-branch of Industrial Bank Co., Ltd. (興業銀行股份有限公司), the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 601166), being the loan provider under the Loan Agreement and the creditor under the Guarantee Agreement
“Director(s)”	the director(s) of the Company
“Loan Agreement”	the liquidity loan agreement dated 17 October 2023 entered into between Shanghai Xuyi and the Creditor in relation to the grant of a loan with an amount of RMB48,000,000 by the Creditor to Shanghai Xuyi
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee provided by UNQ Supply Chain to the Creditor pursuant to the Guarantee Agreement
“Guarantee Agreement”	the deposit agreement dated 17 October 2023 entered into between UNQ Supply Chain and the Creditor, pursuant to which, UNQ Supply Chain agreed to provide the Guarantee to the Creditor as security for the repayment obligations of Shanghai Xuyi under the Loan Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected person(s) and is/are not connected person(s) of the Company
“PRC”	the People’s Republic of China
“Previous Financing Agreement”	the letter of credit financing agreement dated 21 September 2022 entered into between Shanghai Xuyi and the Shanghai sub-branch of China CITIC Bank Corporation Limited (中信銀行股份有限公司) in relation to the grant of a financing with maximum amount up to amount of RMB50,000,000 by the Shanghai sub-branch of China CITIC Bank Corporation Limited to Shanghai Xuyi

“Previous Guarantee”	the guarantee provided by UNQ Supply Chain to Shanghai sub-branch of China CITIC Bank Corporation Limited, to provide guarantee up to a maximum amount of RMB50,000,000 in favour of Shanghai Xuyi for the due performance of Shanghai Xuyi’s repayment obligations under the Previous Financing Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Xuyi”	Shanghai Xuyishiye Co., Ltd. (上海旭一實業有限公司), a company established in the PRC with limited liability which, as at the date of this announcement, is owned as to 70% and 30% by Ms. LI Min, an Independent Third Party, and UNQ Supply Chain, an indirect wholly-owned subsidiary of the Company, respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UNQ Supply Chain”	UNQ (Shanghai) Supply Chain Management Co., Ltd. (優趣匯(上海)供應鏈管理有限公司), a company established under the laws of the PRC on 17 October 2014 and an indirect wholly-owned subsidiary of the Company
“%”	per cent

By order of the Board  
**UNQ HOLDINGS LIMITED**  
**WANG Yong**  
*Chairman*

Hong Kong, 17 October 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.*