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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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On 28 December 2021, UNQ Supply Chain (being an indirect wholly-owned subsidiary of the Company), as guarantor, entered into the Guarantee Agreement in favour of the Creditor, pursuant to which UNQ Supply Chain has agreed to provide guarantee up to a maximum amount of RMB61,100,000 for the due performance of the repayment obligations of Shanghai Xuyi to the Creditor under the Loan Agreement.

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

The assets ratio and consideration ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the guaranteed amount of the Guarantee is 3.28% and 10.25%, respectively. 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 28 December 2021, UNQ Supply Chain (being an indirect wholly-owned subsidiary of the Company), as guarantor, entered into the Guarantee Agreement in favour of the Creditor, pursuant to which UNQ Supply Chain has agreed to provide guarantee up to a maximum amount of RMB61,100,000 for the due performance of the repayment obligations of Shanghai Xuyi to the Creditor under the Loan Agreement.

## **Principal terms of the Guarantee Agreement**

Date:	28 December 2021
Parties:	(1) UNQ Supply Chain (as guarantor); and (2) the Creditor
Guarantee:	UNQ Supply Chain, as guarantor, has agreed to provide guarantee up to a maximum amount of RMB61,100,000, in favour of 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, interests, penalty interests, default penalties, compensations and other expenses incurred by the Creditor from the realisation of its debt and guarantee rights
Guarantee period:	from 1 January 2022 until the following date whichever is earlier: (1) Shanghai Xuyi has performed its repayment obligations under the Loan Agreement; and (2) 30 September 2022
Guarantee method:	pledged guarantee by way of cash deposit for RMB61,100,000
Effective date of the Guarantee Agreement:	the Guarantee Agreement shall become effective upon due execution, being 28 December 2021

Furthermore, Ms. LI Min (李敏女士, the controlling shareholder of Shanghai Xuyi, "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, Shanghai Xuyi Controlling Shareholder and the general manager of Shanghai Xuyi, an Independent Third Party, entered into the 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 Unicharm 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 enables to benefit cooperative development between the Company's e-commerce business and Shanghai Xuyi's offline business mode and consolidation of sales channels. 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, Shanghai Xuyi Controlling Shareholder and the general manager of Shanghai Xuyi have also provided UNQ Supply Chain with counter-guarantee. Having taken into consideration that the risks exposed to the Group is 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, beauty products and personal care products. 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 largest shareholder of the Creditor is Shanghai Junyao (Group) Co., Ltd. (上海均瑶(集团)有限公司), an Independent Third Party, which holds approximately 30% equity interests in 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**

The assets ratio and consideration ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the guaranteed amount of the Guarantee is 3.28% and 10.25%, respectively. 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.

## **DELAY IN DISCLOSURE AND REMEDIAL ACTIONS**

Pursuant to Rule 14.34 of the Listing Rules, after the terms of a disclosable transaction have been finished, the Company must publish an announcement as soon as possible. As such, the failure by the Company to comply with the above requirement constituted non-compliance with Chapter 14 of the Listing Rule. To the best of the Company's knowledge and belief, the delay in disclosure and the non-compliance with the Chapter 14 of the Listing rules was due to the unintentional and inadvertent oversight by the responsible staff and management. The Company has taken steps to rectify the omission by way of this announcement and obtaining approval from the Board.

The Company deeply regrets its non-compliance with the Listing Rules as disclosed in this announcement, but it would like to stress that such non-compliances were inadvertent, and the Company had no intention to withhold any information relating to the Guarantee Agreement from disclosure. To prevent the reoccurrence of the similar incidents of non-compliance with the Listing Rules, the following remedial actions have been or will be taken by the Group:

- (a) The Company has required its responsible staff and management of the treatment of the Guarantee Agreement under the Listing Rules to avoid delay in report and disclosure in the future should such obligations arise. The Company will also arrange regular trainings on regulatory compliance matters relating to notifiable transactions to the Directors, senior management, responsible staff and management to strengthen and reinforce their existing knowledge as well as their ability to identify potential issues at an early state, ensure that they fully understand the requirements of the Listing Rules;
- (b) The Company shall work more closely with its external legal advisers on compliance issues and shall, as and when appropriate, consult other professional advisers before entering into possible notifiable transaction or when notifiable transactions are being contemplated; and
- (c) The Company will strengthen the coordination and reporting arrangements for notifiable transactions among various departments of the Company to ensure due compliance of the Listing Rules. Prior to entering into any transaction not in the ordinary and usual course of business of the Company in the future where disclosure threshold is met, the relevant departments will be notified and draft agreements will be circulated for their review to ensure compliance with applicable requirements under the Listing Rules.

The Directors believe that the implementation of the remedial measures as disclosed in this announcement will effectively rectify such misapprehension, strengthen and reinforce the knowledge of the responsible staff and management, senior management and Directors relating to notifiable transactions under the Listing Rules, and improve the regulatory compliance abilities of the Company in the identification and reporting of related issues with assistance from appropriate external advisers.

## **DEFINITIONS**

“Board”	the board of Directors of the Company
“Company”	UNQ Holdings Limited (優趣匯控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on October 31, 2019
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules

“Creditor”	Shanghai Huarui Bank Co., Ltd. (上海華瑞銀行股份有限公司), a licensed bank established under the laws of the PRC, being the lender under the Loan Agreement and the creditor under the Guarantee Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantee”	The guarantee provided by UNQ Supply Chain to Creditor pursuant to the Guarantee Agreement
“Guarantee Agreement”	the Deposit Pledge Contract dated 28 December 2021 entered into between UNQ Supply Chain and Creditor, pursuant to which, UNQ Supply Chain agreed to provide the Guarantee in favour of 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)”	independent third party(ies) who is/are not connected person(s) and is/are not connected person(s) of the Company
“Loan Agreement”	the liquidity revolving loan agreement dated 28 December 2021 entered into between Shanghai Xuyi and the Creditor in relation to the grant of a loan with maximum amount up to amount of RMB60,000,000 by the Creditor to Shanghai Xuyi
“PRC”	the People’s Republic of China
“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 the date of this announcement, is owned as to 70% and 30% by Ms. LI Min, an Independent Third Party, and UNQ Supply Chain, one of subsidiaries of the Group, 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 October 17, 2014 and an indirect wholly-owned subsidiary of our Company

“%”

per cent

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

Hong Kong, 9 March 2022

*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.*