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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)

CHANGE IN USE OF PROCEEDS

References are made to (i) the section headed “Future Plans and Use of Proceeds” in the prospectus of UNQ Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 June 2021 (the “**Prospectus**”) in relation to the listing (the “**Listing**”) of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) by way of global offering, and (ii) the section headed “Other Information – Use of Proceeds from Listing” in the interim report of the Company for the six months ended 30 June 2024 published on 26 September 2024 (the “**Interim Report**”), in which the utilization status of the Net Proceeds (as defined below) as at 30 June 2024 was disclosed. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus and the Interim Report.

As disclosed in the Interim Report, the Company was listed on the Main Board of the Stock Exchange on 12 July 2021 with total net proceeds raised from the global offering (the “**Net Proceeds**”) of approximately HK\$320 million after deducting underwriting fees, commissions and estimated expenses, and the original intended use and allocation of which were disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. As at 30 June 2024, the Company had utilised approximately HK\$246 million of the Net Proceeds, and the unutilised Net Proceeds amounted to approximately HK\$74 million.

CHANGE IN USE OF PROCEEDS

For the reasons and benefits set out in the paragraphs headed “Reasons for and Benefits of the Change in Use of Proceeds” below, after careful consideration and detailed evaluation of the Group’s operations and business strategies, on 23 December 2024, the board (the “**Board**”) of directors (the “**Directors**”) of the Company has resolved to change the intended use of the unutilised Net Proceeds with an updated expected timeline of full utilisation as follows:

Intended use of Net Proceeds	Amount of Net Proceeds allocated upon the Listing (HK\$ million)	Utilised amount as at 30 June 2024 (HK\$ million)	Unutilised amount as at 30 June 2024 (HK\$ million)	Revised allocation of unutilised amount of Net Proceeds (HK\$ million)	Updated expected timeline for use of the unutilised Net Proceeds
For investing in social media marketing and advertising, growing proprietary brands, diversifying brand portfolios and strengthening supply chain management	174	147	27	27	By 31 December 2027
For diversifying our brand and product offerings for health products, in particular OTC drugs	50	50	0	0	Not applicable
For enhancing our technology systems and data analytics capabilities	22	17	5	5	By 31 December 2027
For pursuing strategic investments in technology companies and O2O service providers	42	0	42	0	Not applicable
For working capital and general corporate uses	32	32	0	0	Not applicable
For acquisitions and pursuing strategic investments and cooperations with brands in health and beauty industry	0	0	0	42	By 31 December 2027
Total	320	246	74	74	

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

(1) Changes in “For investing in social media marketing and advertising, growing proprietary brands, diversifying brand portfolios and strengthening supply chain management”

As the Group has strengthened the efficiency and effectiveness of its use of funds in relation to the investment in social media marketing and advertising, and has continued to proactively optimise its brand and channel structure, terminated the cooperation of some businesses with low gross profit margins and become more prudent in the use of funds, it is expected that the remaining allocated Net Proceeds will not be fully utilised by 31 December 2024, in accordance with the originally expected timeline. Accordingly, the Board has resolved to extend the expected timeline for the use of the remaining allocated Net Proceeds “For investing in social media marketing and advertising, growing proprietary brands, diversifying brand portfolios and strengthening supply chain management” to 31 December 2027 or before, so as to allow additional time to adapt to the evolving market conditions and to strategically evaluate and implement marketing efforts that resonate with current consumer trends.

(2) Changes in “For enhancing our technology systems and data analytics capabilities”

Due to the Group’s adherence to stringent standards and prudent principles in the purchases and developments and usage fees of relevant hardware and software, as well as the continuous improvement in human resources efficiency in the development of the research and development team, it is expected that the remaining allocated Net Proceeds will not be fully utilised by 31 December 2024, in accordance with the originally expected timeline. Accordingly, the Board has resolved to extend the expected timeline for the use of the remaining Net Proceeds allocated to “For enhancing our technology systems and data analytics capabilities” to 31 December 2027 or before, so as to allow sufficient time to facilitate the construction and upgrade of the data middle platform to enhance data analytics capabilities.

(3) Changes in “For pursuing strategic investments in technology companies and O2O service providers”

Since the Listing, the Group has been actively exploring strategic investment opportunities in technology companies and O2O service providers that have business synergies with the Group. The Group has closely monitored the market trends and been paying attention to the dynamics of the investment market in the industry and the upstream and downstream industrial chains in order to search for high-quality strategic investment targets (i) compatible with the Group’s business philosophy and culture, (ii) whose project layouts are in line with the Group’s development strategy, and (iii) with reasonable profitability, quality and valuation. However, no suitable strategic investment target has been identified due to changes in the market structure and taking into account the value of the potential investment target, the Group’s expected return on investment and other factors. As there have been significant changes in market and industry conditions in recent years and the Group has been adhering to stringent investment criteria and prudent investment strategy, the Group was unable to identify and expects to encounter difficulties in identifying suitable investment targets in the near future, therefore the Net Proceeds allocated towards strategic investments in technology companies and O2O service providers have not yet been fully utilised as at the date of this announcement.

The Group intends to change the unutilised amount of HK\$42 million allocated to “For pursuing strategic investments in technology companies and O2O service providers” to “For acquisitions and pursuing strategic investments and cooperations with brands in health and beauty industry”, so as to better utilise its financial resources, capture more favourable development opportunities and maintain maximum flexibility in order to adapt to the ever-changing market conditions and industry environment. Specifically, (i) the Group will seek to co-operate and co-create with brands through the establishment of joint venture companies or strategic investments in brands, and to participate in depth in the research and development, promotion and marketing of brands; and (ii) in addition to the provision of traditional e-commerce operation services, the Group will develop its own brands through seeking to acquire and invest in suitable domestic and overseas brands of products of fast moving consumer goods with special characteristics and competitive edges in niche areas, to achieve a breakthrough from an e-commerce service provider to a brand owner.

The Board is of the view that considering the reasons mentioned above, the proposed change in use of proceeds will enable the Company to allocate its financial resources more effectively and enhance the Group’s business performance in the long term, and will not result in any material change in the nature of business objectives as set out in the Prospectus or any material adverse impact on the existing business and operations of the Group and thus, is in the interest of the Company and its shareholders as a whole.

The Company will provide the latest information on the update of the usage of unutilised Net Proceeds to its shareholders through disclosures in its annual report and interim report. The Company will make further announcement(s) in accordance with the requirements under the Listing Rules and other applicable laws as and when appropriate.

The Board will continuously monitor the use of the unutilised Net Proceeds and may revise or amend the plan for such use where necessary to cope with the changing market conditions and strive for better business performance for the Group.

By order of the Board
UNQ HOLDINGS LIMITED
WANG Yong
Chairman

Hong Kong, 23 December 2024

As of the date of this announcement, the executive Directors are Mr. WANG Yong, Mr. SHEN Yu and Ms. CHEN Weiwei; 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.