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KWUNG'S HOLDINGS LIMITED

曠世控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1925)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF INTERESTS IN FUNDS

FURTHER SUBSCRIPTION OF FUNDS

Reference is made to the announcements of Kwung's Holdings Limited (the "**Company**") dated 4 November 2022 in relation to the Fund Subscriptions, dated 15 November 2022 in relation to the Fourth Subscription, dated 22 November 2022 in relation to the Fifth Subscription and dated 7 December 2022 in relation to the First Fund, Second Fund and Third Fund (collectively the "**Announcements**"). Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Announcements.

Further to the Fifth Aggregate Fund Subscriptions, Ningbo Aromage, an indirectly wholly owned subsidiary of the Company, subscribed interests in the Second Fund amounting RMB15,000,000 on 7 December 2022, which was funded by the Group's surplus cash reserves.

IMPLICATION UNDER THE LISTING RULES

All of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Sixth Subscription on a standalone basis are less than 5%. In addition, certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Sixth Subscription after aggregation with the Fifth Aggregate Fund Subscriptions exceed 5% but are less than 25%. Accordingly, the Sixth Aggregate Fund Subscriptions constitute a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

Ningbo Kwung's, an indirectly wholly owned subsidiary of the Company, subscribed interests in the First Fund amounting RMB25,000,000 on 24 June 2022.

Ningbo Fenyuan, an indirectly wholly owned subsidiary of the Company, subscribed interests in the Second Fund amounting RMB20,000,000 on 1 November 2022.

Ningbo Kwung's subscribed interests in the Second Fund amounting RMB10,000,000 on 2 November 2022.

Ningbo Kwung's subscribed interests in the Third Fund amounting RMB10,000,000 on 15 November 2022.

Ningbo Kwung's subscribed interests in the Second Fund amounting RMB20,000,000 on 22 November 2022.

Further to the above subscription of interests in funds, Ningbo Aromage subscribed interests in the Second Fund amounting RMB15,000,000 on 7 December 2022.

THE SUBSCRIPTION AGREEMENT

The major terms of the agreement for the Sixth Subscription are summarised as follows:

Date of subscription agreement: 7 December 2022

Parties: (i) Ningbo Aromage, as the subscriber, and
(ii) Shanghai Zhurun Investment Company Limited* (上海竹潤投資有限公司), as the fund manager

Name of the fund: Zhurun Lezai No. 82 Private Equity Investment Fund * (竹潤樂在82號私募證券投資基金) (the "Second Fund")

Investment objective and strategies: The objective of the investment of the Second Fund is to achieve long-term stable return with strict control on investment risk.

The investment products of the Second Fund includes but not limit to reverse repurchase arrangements for bonds, cash, bank deposits and money market fund.

Subscription amount: RMB15,000,000

Redemption: Interests in the Second Fund can be redeemed at the option of the subscriber upon completion of the 180 days of subscription at no redemption cost

Management fee: 0.6% per annum on the net asset value of the fund, calculated and accrued on daily basis, and payable on quarterly basis

Custody fee: 0.01% per annum on the net asset value of the fund, calculated and accrued on daily basis, and payable on quarterly basis

Operating service fee: 0.01% per annum on the net asset value of the fund, calculated and accrued on daily basis, and payable on quarterly basis

INFORMATION OF THE PARTIES

The Group

The Company is incorporated in Cayman Islands with limited liability and the Group is principally engaged in the design and manufacturing of home decoration products, comprising candles, home fragrance and home accessories in the PRC.

The Fund Manager

Shanghai Zhurun Investment Company Limited* (上海竹潤投資有限公司) was established in 2015 under the laws of PRC and was registered as a private fund manager under the Asset Management Association of China in October 2019 (registration number: P1070287), which is principally engaged in asset management services in the PRC.

Shanghai Zhurun Investment Company Limited * (上海竹潤投資有限公司) is ultimately owned as to 60% by Mr. LE Zhengnan * (樂徵楠) and 40% by Mr. LI Ye * (栗葉). To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, Shanghai Zhurun Investment Company Limited* (上海竹潤投資有限公司) and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The Directors are of the view that (i) the Sixth Subscription provides the Group with better return than fixed deposits generally offered by commercial banks in the PRC; (ii) the Sixth Subscription is funded by the Group's surplus cash reserves and have no impact to the Group's working capital position or operation; and (iii) appropriate wealth management with low risk exposure is conducive to enhancing the utilization of capital and increasing income from idle funds of the Group. Accordingly, the Directors consider that the Sixth Subscription is on normal commercial terms which are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

IMPLICATIONS UNDER THE LISTING RULES

All of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Sixth Subscription on a standalone basis are less than 5%. Accordingly, the Sixth Subscription on a standalone basis, did not constitute discloseable transactions under Chapter 14 of the Listing Rules at the time of entering into the subscription agreement.

Since the Fifth Aggregate Fund Subscriptions and the Sixth Subscription share similar transaction nature and investment terms, are entered into with the same Fund Manager, and transactions thereunder are carried out within 12 months prior to the date of this announcement, such transactions are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Sixth Subscription after aggregation with the Fifth Aggregate Fund Subscriptions exceed 5% but are less than 25%, the Sixth Aggregate Fund Subscriptions constitute a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Ningbo Aromage”	Ningbo Aromage Homeware Company Limited * (寧波香薰時代家居用品有限公司), a company established in the PRC with limited liability, and an indirectly wholly-owned subsidiary of the Company
“Sixth Aggregate Fund Subscriptions”	collectively, the First Subscription, the Second Subscription, the Third Subscription, the Fourth Subscription, the Fifth Subscription and the Sixth Subscription
“Sixth Subscription”	subscription of interests in the Second Fund in an amount of RMB 15,000,000 by Ningbo Aromage on 7 December 2022

By order of the Board
Kwung's Holdings Limited
JIN Jianxin
Chairman

Hong Kong, 7 December 2022

As at the date of this announcement, the executive Directors are Mr. JIN Jianxin and Mr. TIAN Dong; the non-executive Director is Mr. SHAO Patrick; and the independent non-executive Directors are Mr. LAI Chun Yu, Ms. XU Qiong and Mr. ZHOU Kai.

** For identification purposes only*