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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 TRANSACTIONS SUBSCRIPTION OF INTERESTS IN FUNDS

SUBSCRIPTION OF INTERESTS IN FUNDS

Ningbo Kwung's, an indirectly wholly owned subsidiary of the Company, subscribed interests in the First Fund amounting RMB40,000,000 and interests in the Second Fund amounting RMB60,000,000 on 2 January 2024. Both subscriptions were funded by the Group's surplus cash reserves.

IMPLICATION UNDER THE LISTING RULES

Certain applicable percentage ratios (as defined under the Listing Rules) in respect of the First Subscription and the Second Subscription exceed 5% but are less than 25%. Accordingly both the First Subscription and the Second Subscription constitute discloseable transactions 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 RMB40,000,000 and interests in the Second Fund amounting RMB60,000,000 on 2 January 2024.

THE SUBSCRIPTION AGREEMENTS

The major terms of the Subscription Agreements are summarised as follows:

First Subscription Agreement

Date of subscription agreement:	2 January 2024
Parties:	(i) Ningbo Kwung's, 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 First Fund:	Zhurunle No. 18 Private Equity Investment Fund* (竹潤樂在18號私募證券投資基金)
Investment objective and strategies:	The objective of the investment of the First Fund is to achieve long-term stable return with strict control on investment risk.
Subscription amount:	RMB40,000,000
Redemption:	Interests in the First Fund can be redeemed at the option of the subscriber upon completion of the 180 days of subscription at no redemption cost
Management fee:	0.8% per annum on the net asset value of the fund, calculated and accrued on daily basis, and payable on monthly 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

Second Subscription Agreement

Date of subscription agreement: 2 January 2024

Parties: (i) Ningbo Kwung's, as the subscriber; and
(ii) Jihai Investment Company Limited* (上海霽海投資管理有限公司), as the fund manager

Name of the Second Fund: Qiukehui Haileshan No. 1 Private Equity Investment Fund* (秋客匯霽海樂山1號私募證券投資基金)

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.

Subscription amount: RMB60,000,000

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

Management fee: 1% per annum on the net asset value of the fund, calculated and accrued on daily basis, and payable on quarterly basis

Custody fee: 0.02% per annum on the net asset value of the fund, calculated and accrued on daily basis, and payable on quarterly basis

Operating service fee: 0.02% 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 a company 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 First Fund and the Second Fund are open for subscription by eligible investors. To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, the First Fund and the Second Fund have wide investor bases.

The Fund Managers

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.

Jihai Investment Company Limited* (上海霽海投資管理有限公司) 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 July 2016 (registration number: P1032361), which is principally engaged in asset management services in the PRC.

Jihai Investment Company Limited* (上海霽海投資管理有限公司) is ultimately owned as to 84% by Mr. WANG Jiawei* (王嘉煒), 9.33% by Mr. WANG Jiajun* (汪佳珺) and 6.67% by a number of natural persons. To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, Jihai Investment Company Limited* (上海霽海投資管理有限公司) 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 First Subscription and the Second Subscription provide the Group with better return than fixed deposits generally offered by commercial banks in the PRC; (ii) the First Subscription and the Second Subscription are 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 First Subscription and the Second Subscription are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the First Subscription and the Second Subscription exceed 5% but are less than 25%, the First Subscription and the Second Subscription constitute discloseable transactions 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:

“Board”	the board of Directors
“Company”	Kwung’s Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code:1925)
“Director(s)”	director(s) of the Company
“First Fund”	Zhurunle No. 18 Private Equity Investment Fund* (竹潤樂在18號私募證券投資基金)
“First Subscription”	subscription of interests in the First Fund in an amount of RMB40,000,000 by Ningbo Kwung’s on 2 January 2024
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party independent of and not connected with the Company and its connected persons
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Ningbo Kwung’s”	Ningbo Kwung’s Wisdom Art & Design Company Limited* (寧波曠世智源工藝設計有限公司), a company established in the PRC with limited liability, and an indirectly wholly-owned subsidiary of the Company

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of PRC
“Second Fund”	Qiukehui Haileshan No. 1 Private Equity Investment Fund* (秋客匯霽海樂山1號私募證券投資基金)
“Second Subscription”	subscription of interests in the Second Fund in an amount of RMB60,000,000 by Ningbo Kwung’s on 2 January 2024
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

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

Hong Kong, 2 January 2024

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*