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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

SUBSCRIPTION OF FUNDS

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 on 1 November 2022 amounting RMB20,000,000, and Ningbo Kwung's subscribed interests in the Second Fund amounting RMB10,000,000 on 2 November 2022, all of which were 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 First Subscription, the Second Subscription and the Third 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 Second Subscription after aggregation with the First Subscription, and also those of the Third Subscription after aggregation with the First Subscription and the Second Subscription, exceed 5% but are less than 25%. Accordingly, the 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.

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

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

THE SUBSCRIPTION AGREEMENTS

The major terms of the agreements for the Fund Subscriptions are summarised as follows:

First Subscription agreement

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| Date of subscription agreement: | 24 June 2022 |
| 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 fund: | Zhurun Lesheng No. 1 Private Equity Investment Fund* (竹潤樂勝1號私募證券投資基金) (the " First Fund ") |
| 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. The investment products of the First Fund includes but not limit to reverse repurchase arrangements for bonds, cash, bank deposits and money market fund. |
| Subscription amount: | RMB25,000,000 |
| 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: | 0.6% 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 |

Second Subscription Agreement

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| Date of subscription agreement: | 1 November 2022 |
| Parties: | (i) Ningbo Fenyuan, 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: | RMB20,000,000 |
| 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 |

Third Subscription Agreement

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| Date of subscription agreement: | 2 November 2022 |
| 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 fund: | Zhurun Lezai No. 82 Private Equity Investment Fund* (竹潤樂在82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. 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: | RMB10,000,000 |
| 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. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Shanghai Zhurun Investment Company Limited* (上海竹潤投資有限公司) and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected person(s).

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The Directors are of the view that (i) the Fund Subscriptions provide the Group with better return than fixed deposits generally offered by commercial banks in the PRC; (ii) the Fund Subscriptions 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 Fund Subscriptions 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

All of the applicable percentage ratios (as defined under the Listing Rules) in respect of the First Subscription, the Second Subscription and the Third Subscription, on a standalone basis, are less than 5%. Accordingly, both the First Subscription, the Second Subscription and the Third 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 First Subscription, the Second Subscription and the Third 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 Second Subscription after aggregation with the First Subscription, and also those of the Third Subscription after aggregation with the First Subscription and the Second Subscription, exceed 5% but are less than 25%, the 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:

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| “Board” | the board of Directors |
| “Company” | Kwung’s Holdings Limited Beijing Sports, 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” | Zhurun Lesheng No. 1 Private Equity Investment Fund* (竹潤樂勝1號私募證券投資基金) |
| “First Subscription” | subscription of interests in the First Fund in an amount of RMB25,000,000 by Ningbo Kwung’s on 24 June 2022 |
| “Fund Manager” | Shanghai Zhurun Investment Company Limited* (上海竹潤投資有限公司), a company established in the PRC with limited liability and registered as a private fund manager under the Asset Management Association of China in October 2019 (registration number: P1070287) |
| “Fund Subscriptions” | collectively, the First Subscription, the Second Subscription and the Third Subscription |
| “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 Fenyuan” | Ningbo Fenyuan Aromatherapy Products Company Limited* (寧波芬緣香薰製品有限公司), a company established in the PRC with limited liability, and an indirectly wholly-owned subsidiary of the Company |

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| “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” | Zhurun Lezai No. 82 Private Equity Investment Fund* (竹潤樂在82號私募證券投資基金) |
| “Second Subscription” | subscription of interests in the Second Fund in an amount of RMB 20,000,000 by Ningbo Fenyuan on 1 November 2022 |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Third Subscription” | subscription of interests in the Second Fund in an amount of RMB10,000,000 by Ningbo Kwung’s on 2 November 2022 |
| “%” | percentage |

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

Hong Kong, 4 November 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 only