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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 FURTHER REDEMPTION OF INTERESTS IN A FUND

FURTHER REDEMPTION OF INTERESTS IN FUNDS

Reference is made to the announcements of Kwung's Holdings Limited (the "**Company**") dated 20 December 2023 and 22 December 2023 (collectively the "**Announcements**") in relation to the First Redemption, the Second Redemption and the Third Redemption. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Announcements.

Further to the First Redemption, the Second Redemption and the Third Redemption, on 25 December 2023, Ningbo Aromage and Ningbo Keman served written notices to the Fund Manager to redeem interests in the Third Fund. The carrying amount of the interests in the Third Fund as at 30 June 2023 under the Fourth Redemption was approximately RMB30,244,000 and the carrying amount of the interests in the Third Fund as at 30 June 2023 under the Fifth Redemption was approximately RMB5,041,000.

IMPLICATION UNDER THE LISTING RULES

Certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Fourth Redemption exceed 5% but are less than 25%. In addition, all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Fifth Redemption are less than 5%.

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Fifth Redemption after aggregation with the First Redemption, the Second Redemption, the Third Redemption and the Fourth Redemption exceed 5% but are less than 25%, the Third Aggregate Redemption constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

Certain indirectly wholly owned subsidiaries of the Company subscribed interests in three funds (the “**Funds**”), namely Zhurun Lezai No. 81 Private Securities Investment Fund* (竹潤樂在81號私募證券投資基金) (the “**First Fund**”), Zhurun Lesheng No. 1 Private Equity Investment Fund* (竹潤樂勝1號私募證券投資基金) (the “**Second Fund**”) and Zhurun Lezai No. 82 Private Equity Investment Fund* (竹潤樂在82號私募證券投資基金) (the “**Third Fund**”) during the year ended 31 December 2022 and the total subscription amounts in the Funds were RMB100,000,000. The Funds are managed by Shanghai Zhurun Investment Company Limited* (上海竹潤投資有限公司) (the “**Fund Manager**”). Please refer to the announcements of the Company dated 4 November 2022, 16 November 2022, 22 November 2022 and 7 December 2022 for the details of the subscriptions in the Funds.

As at 30 June 2023, the total carrying amounts of the interests in the Funds held by the Group was approximately RMB105,202,000.

On 18 December 2023, Ningbo Kwung’s and Ningbo Aromage arranged the First Redemption and the Second Redemption respectively.

On 20 December 2023, Ningbo Kwung’s arranged the Third Redemption.

Further to the above redemptions, Ningbo Aromage and Ningbo Keman served written notices to the Fund Manager to redeem interests in the Third Fund (the “**Fourth Redemption**” and the “**Fifth Redemption**” respectively) on 25 December 2023. The carrying amount of the interests in the Third Fund as at 30 June 2023 under the Fourth Redemption was approximately RMB30,244,000 and the carrying amount of the interests in the Third Fund as at 30 June 2023 under the Fifth Redemption was approximately RMB5,041,000.

On 27 December 2023, the Fund Manager confirmed that the redemption proceeds from the Fourth Redemption was approximately RMB32,327,000 and the redemption proceeds from the Fifth Redemption was approximately RMB5,366,000. The proceeds from the Fourth Redemption and the Fifth Redemption have been deposited to the bank accounts of Ningbo Aromage and Ningbo Keman respectively.

The Group has redeemed all interests in the Funds after the Fifth Redemption.

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 REDEMPTION

The Group has subscribed interests in the Funds for more than one year and there has been stable unrealised gain from such investments in the Funds throughout the subscription period up to the date of the redemption. The Directors are of the view that it is important to make periodic review on the performance and the outlook of the Funds, and consider that it is a good timing to redeem the remaining interests in the Funds to secure the investment gain and then explore other investment opportunities in the market.

The Group intends to use the proceeds from the Fourth Redemption and the Fifth Redemption for other investment and business opportunities that may arise in the future.

In view of the above, the Directors consider that the Fourth Redemption and the Fifth Redemption 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

Certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Fourth Redemption exceed 5% but are less than 25%. In addition, all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Fifth Redemption are less than 5%. Accordingly, the Fourth Redemption on a standalone basis constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules, and the Fifth Redemption on a standalone basis did not constitute a discloseable transaction under Chapter 14 of the Listing Rules.

Since the Funds involved under the First Redemption, the Second Redemption, the Third Redemption, the Fourth Redemption and the Fifth Redemption (collectively the “**Third Aggregate Redemption**”) share similar investment terms, the subscription of interests in the Funds were entered into with the same fund manager, and the Third Aggregate Redemption are carried out within 12 months prior to the date of this announcement, the Third Aggregate Redemption 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 Fifth Redemption after aggregation with the First Redemption, the Second Redemption, the Third Redemption and the Fourth Redemption exceed 5% but are less than 25%, the Third Aggregate Redemption 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 Keman”	Ningbo Keman Import and Export Company Limited* (寧波苛曼進出口有限公司), a company established in the PRC with limited liability, and an indirectly wholly-owned subsidiary of the Company
“Third Aggregate Redemption”	collectively the First Redemption, the Second Redemption, the Third Redemption, the Fourth Redemption and the Fifth Redemption
“Fourth Redemption”	Redemption of interests in the Third Fund by Ningbo Aromage on 25 December 2023, the carrying amount of which was approximately RMB30,244,000 as at 30 June 2023
“Fifth Redemption”	Redemption of interests in the Third Fund by Ningbo Keman on 25 December 2023, the carrying amount of which was approximately RMB5,041,000 as at 30 June 2023

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

Hong Kong, 27 December 2023

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