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KWUNG'S AROMA HOLDINGS LIMITED

曠世芳香控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1925)

CONNECTED TRANSACTIONS IN RELATION TO TENANCY AGREEMENTS

BACKGROUND

The Board announces that:

- (i) on 31 October 2025, Ningbo Kwung's entered into the Tenancy Agreement I with Heyi Life Culture to lease the Properties I as production facilities; and
- (ii) on 31 October 2025, Ningbo Fenyuan entered into the Tenancy Agreement II with Heyi Life Culture to lease the Properties II as production facilities.

PRINCIPAL TERMS OF THE TENANCY AGREEMENTS

Tenancy Agreement I

Date:	31 October 2025
Tenant:	Ningbo Kwung's
Landlord's agent:	Heyi Life Culture
Premises:	Building No. 1, Building No. 3 and Office Building, No. 70 Hongwei Road, Binhai Industrial Zone, Yinzhou District, Ningbo City, Zhejiang Province, the PRC (i.e., Properties I)
Area:	Approximately 32,839 square meters
Lease term:	From 1 November 2025 to 30 November 2026 (both days inclusive)
Security deposit:	RMB394,066
Total rent:	RMB5,122,861

Tenancy Agreement II

Date:	31 October 2025
Tenant:	Ningbo Fenyuan
Landlord's agent:	Heyi Life Culture
Premises:	Building No. 2 and Warehouse, No. 70 Hongwei Road, Binhai Industrial Zone, Yinzhou District, Ningbo City, Zhejiang Province, the PRC (i.e., Properties II)
Area:	Approximately 8,574 square meters
Lease term:	From 1 November 2025 to 30 November 2026 (both days inclusive)
Security deposit:	RMB102,882
Total rent:	RMB1,337,469

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 Landlord's Agent

合一生活文化發展股份有限公司 (“**Heyi Life Culture**”), the principal business of which includes property management and agency service in the PRC, is a company established in the PRC with limited liability and is ultimately owned as to 90% by Mr. JIN Jianxin (金建新), 9% by Ms. CHENG Jiangyan (陳姜諺) and 1% by Mr. CHEN Dingfei (陳定飛).

249,360,286 Shares, representing approximately 61.56% of the total number of issued Shares, were held by Golden Element Investment Limited, which in turn was held as to 99.99% by Golden Existence Investment Limited. In addition, 21,000,000 Shares, representing approximately 5.18% of the total number of issued Shares, were held by Golden Serene Co., Ltd., which in turn was held as to 100% by Golden Existence Investment Limited. Golden Existence Investment Limited was held as to 100% by Equiom Fiduciary Services (Hong Kong) Limited which is the trustee of a family trust set up by Mr. JIN Jianxin who can influence how the trustee exercises its discretion in the trust. As a result, Mr. JIN Jianxin is a controlling shareholder of the Company and a connected person of the Company under Chapter 14A of the Listing Rules. Mr. JIN Jianxin is also an executive Director and a chairman of the Board.

Heyi Life Culture is ultimately owned as to 90% by Mr. JIN Jianxin and accordingly, Heyi Life Culture is an associate of Mr. JIN Jianxin and therefore is a connected person of the Company under Chapter 14A of the Listing Rules.

Properties I and Properties II are indirectly owned by Mr. JIN Jianxin, and Heyi Life Culture has been engaged as an agent to manage the leasing matters of Properties I and Properties II.

BASIS OF THE CONSIDERATION

The terms of each of the Tenancy Agreement I and Tenancy Agreement II were negotiated on arm's length basis with reference to the prevailing market rent for comparable properties in the vicinity.

ACCOUNTING TREATMENT

In accordance with HKFRS 16 Leases, the Group will recognise right-of-use assets and related lease liabilities within the consolidated statement of financial position of the Group in connection with the Tenancy Agreement I and the Tenancy Agreement II. The total estimated value of the right-of-use assets to be recognised by the Group under the Tenancy Agreement I and Tenancy Agreement II amounts to approximately RMB6,369,000, which is the present value of rental payments in accordance with HKFRS 16.

The above figure is unaudited and may be subject to adjustment in the future.

REASONS AND BENEFITS FOR THE CONNECTED TRANSACTIONS

The Group has recently completed the construction of the first phase of production facilities on a piece of land acquired by the Group, which is located at the Sanshan Economic Development Zone* (三山經濟開發區) of Wuhu City, Anhui Province, the PRC (the “**Wuhu Production Base**”). The Wuhu Production Base is the primary infrastructure of the Group in the PRC and it is the long-term plan of the Group to consolidate its domestic production capacity into Wuhu Production Base. The Group started leasing the Properties I and Properties II since 2022 and management of the Group considers that it is beneficial for the Group to renew the leasing of the properties until the operation of the Wuhu Production Base is proved to be fully effective.

The Directors (including the independent non-executive Directors) are of the view that the Tenancy Agreement I and the Tenancy Agreement II are entered into in the ordinary course of business of the Group and on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole, and that the rentals under the Tenancy Agreement I and the Tenancy agreement II are fair and reasonable. Mr. JIN Jianxin is regarded as having a material interest in the transactions contemplated under the Tenancy Agreement I and the Tenancy Agreement II, and therefore Mr. JIN Jianxin has abstained from voting on the Board resolution to approve the transactions contemplated under the Tenancy Agreement I and the Tenancy Agreement II. Save and except for the aforesaid, none of the Directors has any material interest in the Tenancy Agreement I and the Tenancy Agreement II, and was required to abstain from voting on the Board resolutions in relation to the transactions contemplated under the Tenancy Agreement I and the Tenancy Agreement II.

IMPLICATIONS OF THE LISTING RULES

In accordance with HKFRS 16 Leases, the rental payment to be made by Ningbo Kwung's or Ningbo Fenyuan under the Tenancy Agreement I and the Tenancy Agreement II will be recognised as right-of-use assets and will be regarded as an acquisition of assets by the Group for the purpose of the Listing Rules. As such, pursuant to Chapter 14A of the Listing Rules, the payment of rentals under the Tenancy Agreement I and the Tenancy Agreement II constitute one-off connected transactions of the Company.

The transactions contemplated under the Tenancy Agreement II, on a standalone basis, are exempted from the reporting, announcement and independent shareholders' approval requirements as all applicable percentage ratios are more than 0.1% but less than 5%, and the total consideration of the transaction is less than HK\$3,000,000.

Since both the Tenancy Agreement I and the Tenancy Agreement II share similar transaction nature and are entered into with Heyi Life Culture, the landlord's agent, and transactions thereunder are carried out within 12 months prior to the date of this announcement, those transactions are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules.

The transactions contemplated under the Tenancy Agreement II, when aggregated with the transaction contemplated under the Tenancy Agreement I, shall be subject to the reporting, announcement but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules as the applicable percentage ratios were less than 5% but the aggregated consideration of the transactions exceeded HK\$3,000,000.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Kwung’s Aroma Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the same meaning ascribed to it under the Listing Rule
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rule
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Ningbo Fen Yuan”	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
“Ningbo Kwung’s”	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 purposes of this announcement only, excludes Hong Kong, Macao Special Administrative Region and Taiwan
“Properties I”	Building No. 1, Building No. 3 and Office Building, No. 70 Hongwei Road, Binhai Industrial Zone, Yinzhou District, Ningbo City, Zhejiang Province, the PRC
“Properties II”	Building No. 2 and Warehouse, No. 70 Hongwei Road, Binhai Industrial Zone, Yinzhou District, Ningbo City, Zhejiang Province, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rule
“Tenancy Agreement I”	the tenancy agreement dated 31 October 2025 entered into between Ningbo Kwung’s and Heyi Life Culture in respect of the lease of the Properties I
“Tenancy Agreement II”	the tenancy agreement dated 31 October 2025 entered into between Ningbo Fenyuan and Heyi Life Culture in respect of the lease of the Properties II
“%”	Percentage

* For identification only

By order of the Board
Kwung’s Aroma Holdings Limited
JIN Jianxin
Chairman and executive Director

Hong Kong, 31 October 2025

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