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CARPENTER TAN HOLDINGS LIMITED

譚木匠控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 837)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

The board (the “**Board**”) of directors (the “**Directors**”) of Carpenter Tan Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) announces that, on 6 December 2019, two wholly owned subsidiaries of the Company and China Construction Bank Corporation (“**CCB**”) entered into the China Construction Bank Wealth Management Product Agreements (the “**Agreements**”), respectively.

The relevant subscription amounts under the Agreements shall be aggregated pursuant to Rule 14.22 of the Hong Kong Listing Rules. As the highest relevant applicable percentage ratio (as defined under the Hong Kong Listing Rules) exceeds 5% but is less than 25%, the Agreements constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

1) BACKGROUND

On 6 December 2019, Chongqing Carpenter Tan Handicrafts Co., Ltd.* and Jiangsu Carpenter Tan Tourism Development Co., Ltd.* (wholly owned subsidiaries of the Company) and CCB entered into the Agreements, respectively.

2) MAJOR TERMS OF THE CHINA CONSTRUCTION BANK WEALTH MANAGEMENT PRODUCT AGREEMENTS

Major terms of the Agreements are hereby listed as follows:

- (1) Name of product: China Construction Bank RMB wealth management product.
- (2) Type of product: Principal-guaranteed and floating income wealth management product.

- (3) Risk rating of product: Very low risk.
- (4) Subscription amount: Chongqing Carpenter Tan Handicrafts Co., Ltd.* is RMB44,000,000 and Jiangsu Carpenter Tan Tourism Development Co., Ltd* is RMB26,000,000.
- (5) Valid period of product: 183 days commencing from 6 December 2019 and up to 5 June 2020.
- (6) Expected net return per annum: 3.75% annually.
- (7) Principal guaranteed: CCB guaranteed to the investors to return 100% of the principal amount of such wealth management product upon maturity.
- (8) Investment scope: The principal of this wealth management product will be fully invested in the investment instruments with very low risk such as interbank deposits and interbank borrowings by CCB, and floating income will be generated by reinvesting the gains derived from the investment in debentures and bills.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, CCB and its ultimate beneficial owners are the third parties independent of the Company and connected persons of the Company, and are not connected persons of the Company.

3) REASONS AND BENEFITS FOR ENTERING INTO THE AGREEMENTS

The entering of the Agreements mainly aims at enhancing the utilization of idle funds mainly generated from operations of the Group. Therefore, the Directors consider that the Agreements is fair and reasonable and in the interests of the Company and the shareholders as a whole.

4) IMPLICATION OF THE HONG KONG LISTING RULES

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5) PRINCIPAL BUSINESS ACTIVITIES

The principal business activities carried on by the Company and CCB are as follows:

The Company

The Company is an investment holding company. The Group is principally engaged in (i) the design, production and sale of small size wooden accessories which are mainly made of natural wood, designed with traditional Chinese cultural features and with high artistic qualities; (ii) the operation of a franchise and distribution network primarily in China; and (iii) the operation of retailing shops for direct sale of the Group's products in Hong Kong.

The Group's products are mainly classified into four categories, namely (i) wooden or horn combs; (ii) pocket-size wooden mirrors; (iii) other wooden accessories and adornments such as bead bracelets and massage tools; and (iv) box sets which combine its different products featured in themes for gift purpose. The Group's products are mainly sold under the brand name of "Carpenter Tan" (譚木匠).

CCB

CCB, headquartered in Beijing, is a leading large-scale joint stock commercial bank in China. Its predecessor China Construction Bank was established in October 1954. It was listed on Hong Kong Stock Exchange in October 2005 (stock code: 939) and the Shanghai Stock Exchange in September 2007 (stock code: 601939). At the end of 2017, CCB's market capitalisation reached US\$232,898 million, ranking fifth among all listed banks in the world. In terms of tier 1 capital, CCB ranked second in the World's Top 1,000 Banks by the UK magazine The Banker in 2017.

With more than 14,000 banking outlets and approximately 353,000 staff members. CCB has commercial banking branches and subsidiaries in 29 countries and regions, and its subsidiaries cover various industries, including asset management, financial leasing, trust, life insurance, property and casualty insurance, investment banking, futures and pension.

By order of the Board
Carpenter Tan Holdings Limited
Tan Chuan Hua
Chairman

Hong Kong, 9 December 2019

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tan Chuan Hua, Mr. Tan Di Fu and Mr. Tan Lizi; two non-executive Directors, namely Madam Tan Yinan and Madam Huang Zuoan; and three independent non-executive Directors, namely Madam Liu Liting, Mr. Yang Yang and Mr. Chau Kam Wing, Donald.

* *For identification purpose only*