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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**”, together with its subsidiaries, the “**Group**”) announces that, on 27 November 2020, two wholly owned subsidiaries of the Company and Bank of Jiangsu entered into the Bank of Jiangsu Wealth Management Product Agreement (the “**Agreement**”).

As the highest relevant applicable percentage ratio (as defined under the Hong Kong Listing Rules) exceeds 5% but is less than 25%, the Agreement constitutes discloseable transaction of the Company and is subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

1) BACKGROUND

On 27 November 2020, Chongqing Carpenter Tan Handicrafts Co., Ltd.* and Jiangsu Mujianggu Tourism Development Co., Ltd.* (two wholly owned subsidiaries of the Company) and Bank of Jiangsu entered into the Agreement.

2) MAJOR TERMS OF THE BANK OF JIANGSU WEALTH MANAGEMENT PRODUCT AGREEMENT

Major terms of the Agreement are hereby listed as follows:

- (1) Name of product: Bank of Jiangsu principal guaranteed 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 Mujianggu Tourism Development Co., Ltd.* is RMB15,000,000.
- (5) Valid period of product: 90 days commencing from 28 November 2020 and up to 25 February 2021.
- (6) Expected net return per annum: 3.55% annually.
- (7) Principal guaranteed: Bank of Jiangsu 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 lower risk such as interbank deposits and interbank borrowings by Bank of Jiangsu, 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, Bank of Jiangsu 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 AGREEMENT

The entering of the Agreement mainly aims at enhancing the utilization of funds mainly generated from operations of the Group. Therefore, the Directors consider that the Agreement 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

As the highest relevant applicable percentage ratio (as defined under the Hong Kong Listing Rules) exceeds 5% but is less than 25%, the Agreement constitutes discloseable transaction of the Company and is subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

5) PRINCIPAL BUSINESS ACTIVITIES

The principal business activities carried on by the Company and Bank of Jiangsu are as follows:

The Company

The Company is an investment holding company and 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).

Bank of Jiangsu

Bank of Jiangsu, a modern joint – stock commercial bank in China, was founded by merging and restructuring the ten commercial banks in Jiangsu province, which created a new model of local corporate banking reform. Formally entered into service on 24 January 2007. It is a one of the large local provincial corporate banks in Jiangsu. As of the end of 2019, it has possessed total assets of approximately RMB2,000 billion, total deposits of approximately RMB1,200 billion, and has provided loans of approximately RMB900 billion in total. It has more than 530 business offices in total and approximately 14,000 employees. On 2 August 2016, its initial public offering of A shares was successfully listed on the Shanghai Stock Exchange (stock code: 600919), at present it has been included in the MSCI index.

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

Hong Kong, 30 November 2020

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 Ms. Tan Yinan and Ms. Huang Zuoan; and three independent non-executive Directors, namely Ms. Liu Liting, Mr. Yang Yang and Mr. Chau Kam Wing, Donald.

* For identification purpose only