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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)**

### **UPDATE ON USE OF THE NET PROCEEDS AND SUPPLEMENTAL ANNOUNCEMENT TO ANNUAL REPORT**

Reference is made to (i) the prospectus of Carpenter Tan Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 15 December 2009 (the “**Prospectus**”) and (ii) the annual report for the year ended 31 December 2021 (the “**Annual Report**”) of the Company dated 31 March 2022.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide an update on the use of net proceeds (the “**Net Proceeds**”) raised from the share offer of the Company as supplemental information to the Annual Report.

Net Proceeds from the initial public offering were approximately HK\$132.9 million (equivalent to approximately RMB116.8 million) after deducting all the direct costs associated with the Listing.

As at the date of this announcement, the Group had utilised approximately RMB70.8 million of the Net Proceeds, of which (i) approximately RMB25.5 million had been applied for enhancement of the Group’s design and product development and enhancement of operational efficiency; (ii) approximately RMB16.6 million had been applied for construction of production base, logistic center and purchase of production equipment and machinery; (iii) approximately RMB16.5 million had been applied for enhancement of the sales network and sales support services; and (iv) approximately RMB12.2 million as working capital. The remaining Net Proceeds have been deposited with banks.

Having considered the recent business environment and development of the Group, the Board resolved to revise the schedule of the use of the Net Proceeds.

Details of the use of the Net Proceeds are as follows:

	Planned use of the Net Proceeds as disclosed in the Prospectus (RMB million)	Actual utilised amount of the Net Proceeds as at the date of this announcement (RMB million)	Unutilised amount of the Net Proceeds as at the date of this announcement (RMB million)	Revised allocation of unutilised Net Proceeds (RMB million)	Expected timeline of utilisation
Enhancement of the Group's design and product development and enhancement of operational efficiency	25.5	25.5	—	—	N/A
Construction of production base, logistic center and purchase of production equipment and machinery	27.5	16.6	10.9	10.9	January 2023
Enhancement of the sales network and sales support services through internet and group sales to corporate customers	16.5	16.5	—	—	N/A
General working capital of the Group	12.2	12.2	—	—	N/A
Setting up new international shops in the overseas market	11.0	—	11.0	—	N/A
Setting up high-end home accessories shops in the PRC under the brandname of "Tan's"	19.0	—	19.0	—	N/A
Setting up lifestyle handicraft stores	5.1	—	5.1	—	N/A
Further enhancement of the Group's production facilities and environmental protection infrastructure	—	—	—	18.0	May 2023
Enhancement of the Group's logistic center	—	—	—	17.1	August 2023
	<u>116.8</u>	<u>70.8</u>	<u>46.0</u>	<u>46.0</u>	

*Notes:*

1. The expected timeline for utilising the remaining Net Proceeds is made based on the best estimation of the Company taking into account, among others, the prevailing and future market conditions and business developments and needs, and therefore is subject to change.
2. The unutilised Net Proceeds from the Listing are expected to be used in accordance with the Company's plan as disclosed in the Prospectus except that the original timeline for utilising the remaining Net Proceeds as disclosed in the Prospectus has been delayed due to, among others, the outbreak of coronavirus (COVID-19) since 2019.

## **REASONS FOR THE CHANGE IN USE OF THE NET PROCEEDS**

Due to the change in market environment and the Group's business strategy, the Group has held-up the business plan in setting up new international shops in the overseas market, the high-end home accessories shops in the PRC and the lifestyle handicraft stores. In order to act upon the best interest of the Company and its shareholders, the Board has reallocated approximately RMB35.1 million of the unutilised Net Proceeds as at the date of this announcement from (i) setting up new international shops in the overseas market; (ii) setting up high-end home accessories shops in the PRC under the brandname of "Tan's"; and (iii) setting up lifestyle handicraft stores to (i) further enhancement of the Group's production facilities and environmental protection infrastructure; and (ii) enhancement of the Group's logistic center. The Group will utilise the balance of fund in a conservative manner. Should the Directors decide to reallocate the planned use of the Net Proceeds to other business plans of the Group to a material extent, the Company will make appropriate announcement(s) in due course.

The Board confirms that the above supplemental information does not affect other information contained in the Annual Report.

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

Hong Kong, 21 September 2022

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

\* *For identification purpose only*