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**Tsaker Chemical Group Limited**  
**彩客化學集團有限公司\***  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1986)**

**INSIDE INFORMATION**

**TERMINATION OF MAJOR TRANSACTION**

**TERMINATION OF MEMORANDUM OF UNDERSTANDING  
IN RELATION TO THE PROPOSED ACQUISITION OF  
75% EQUITY INTEREST IN  
YNNOVATE SANZHENG (YINGKOU) FINE CHEMICALS CO., LTD.**

This announcement is made by Tsaker Chemical Group Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong).

Reference is made to the announcement of the Company dated 10 February 2017 (the “**MOU Announcement**”) in relation to the entering into of a legally binding memorandum of understanding dated 10 February 2017 (the “**MOU**”) amongst the Company, Mr. Liu Zhixun (the “**Seller**”) and Ynnovate Sanzheng (Yingkou) Fine Chemicals Co., Ltd.\* (營創三征(營口)精細化工有限公司) (the “**Target Company**”) in relation to the proposed acquisition of 75% equity interest in the Target Company by the Company (or its designated subsidiary) from the Seller. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the MOU Announcement.

The Board wishes to announce that, as the Company, the Seller and the Target Company could not reach an agreement on certain terms in respect of the Proposed Acquisition after negotiations and discussions, on 21 July 2017, the parties to the MOU entered into a termination agreement (the “**Termination Agreement**”), pursuant to which the parties agreed to terminate the MOU and the Proposed Acquisition with effect from the date thereof. Upon termination, the MOU (save for the terms in relation to confidentiality) shall cease to have any further binding and legal effect upon the Company, the Seller and the Target Company, and each of them shall be released from all rights and obligations thereunder.

The Board considers that the terms of the Termination Agreement are on normal commercial terms and are fair and reasonable and the Termination Agreement is in the interests of the Company and the Shareholders as a whole.

By Order of the Board  
**Tsaker Chemical Group Limited**  
**Ge Yi**  
*Chairman*

Beijing, the PRC, 21 July 2017

*As at the date of this announcement, the Board comprises Mr. Ge Yi, Ms. Duan Weihua, Ms. Jin Ping and Mr. Bai Kun as executive Directors, Mr. Xiao Yongzheng and Mr. Fontaine Alain Vincent as non-executive Directors and Mr. Ho Kenneth Kai Chung, Mr. Zhu Lin and Mr. Yu Miao as independent non-executive Directors.*

\* *For identification purpose only*