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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)**

### **ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES**

This announcement is made by Tsaker Chemical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that, on 5 December 2017, Tsaker Chemical (Hong Kong) Company Limited (the “**Subsidiary**”) as borrower and the Company as offshore guarantor entered into a facility agreement (the “**Facility Agreement**”) with three banks (Hang Seng Bank Limited as leader) as lenders and mandated lead arrangers, and Hang Seng Bank Limited as agent and security trustee, pursuant to which a term loan facility of US\$50,000,000 (the “**Loan Facility**”), with a final maturity date falling thirty-six months after the date of the Facility Agreement, has been made available to the Subsidiary for the purpose of refinancing the existing financial indebtedness and financing the general corporate requirements of the Group.

The Loan Facility shall be available for utilisation within six months from the date of the Facility Agreement. Pursuant to the terms and conditions of the Facility Agreement, Mr. Ge Yi (“**Mr. Ge**”), an executive Director, the Chairman of the Board, the Chief Executive Officer and one of the controlling shareholders of the Company:

- (1) shall not cease to own, directly or indirectly, at least 51% of the beneficial interest in the issued share capital in the Company, carrying at least 51% of the voting right free from any security; and
- (2) shall not cease to have management control over the Subsidiary, the Company and/or the Group.

As at the date of this announcement, Mr. Ge indirectly held 690,117,000 shares of the Company, representing approximately 66.09% of the total issued share capital of the Company. Failure to comply with the said requirement will trigger an event of default under the Facility Agreement, in which case the agent under the Facility Agreement may, and shall if so directed by the majority of the lenders:

- (1) cancel the commitments (and reduce them to zero), whereupon they shall immediately be cancelled (and reduced to zero); or

- (2) cancel any part of any commitment (and reduce such commitment accordingly), whereupon the relevant part shall immediately be cancelled (and the relevant commitment shall be immediately reduced accordingly); and/or
- (3) declare that all or part of the loans under the Loan Facility, together with accrued interest, and all other amounts accrued or outstanding under the Facility Agreement and other finance documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (4) declare that all or part of the loans under the Loan Facility be payable on demand, whereupon they shall immediately become payable on demand by the agent under the Facility Agreement on the instructions of the majority of the lenders; and/or
- (5) exercise or direct the security trustee under the Facility Agreement to exercise any or all of its rights, remedies, powers or discretions under the Facility Agreement and other finance documents and in respect of the transaction security created or evidenced under the relevant security documents.

The Company will comply with the continuing disclosure obligations under Rule 13.21 of the Listing Rules in its subsequent interim and annual reports so long as obligations regarding the control of the Company exist.

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

Beijing, the PRC, 5 December 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*