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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)

VOLUNTARY ANNOUNCEMENT
IN RELATION TO THE NEW EXPANSION OF PRODUCTION
CAPACITY FOR IRON PHOSPHATE PRODUCTS BY SHANDONG TSAKER

The board (the “**Board**”) of directors (the “**Directors**”) of Tsaker Chemical Group Limited (the “**Company**” or “**we**” or “**our**”, together with its subsidiaries, the “**Group**”) is pleased to announce that Shandong Tsaker New Materials Co., Ltd. (“**Shandong Tsaker**”), a subsidiary of the Company, intends to invest in a new iron phosphate product production line project (the “**Project**”) in Dongying, Shandong Province, the People’s Republic of China, and has obtained confirmation of relevant filings from the government authorities. The Project will be constructed in two phases with a total investment amount of approximately RMB250 million. The overall plan for the Project is to increase an annual production capacity of 50,000 tonnes per year of iron phosphate products. Upon the commencement of the production under the Project, together with the existing iron phosphate product production line, the Group will reach an aggregate annual production capacity of 70,000 tonnes per year.

In order to meet the needs for the rapid development of downstream lithium battery market, the Company, with regard to the Group’s strategic plan and approval from the Board, planned to leverage on the Group’s technical advantages and production advantages in the iron phosphate field to carry out the construction of the Project in the existing premises of Shandong Tsaker. We plan to complete the construction of (i) phase I of the Project with iron phosphate products production capacity of 25,000 tonnes per year before the end of December 2022, and with an estimated investment amount of approximately RMB150 million; and (ii) phase II of the Project with iron phosphate products production capacity of 25,000 tonnes per year before the end of December 2024, and with an estimated investment amount of approximately RMB100 million. The Project shall be funded by internal funds or through bank financing or equity financing. As at the date of this announcement, the Group has not identified any equity fund raising plan.

The implementation of the Project will further promote the business development of the Group, optimize our industrial layout, and further enhance our market competitiveness in the iron phosphate product field. We will seize the opportunities arising from the new energy market and meet the increasing domestic and overseas demand for iron phosphate products. We will also strive to expand our operating scale and consolidate our pioneer advantage in the market to realize sustainable development of the Group. The implementation of the Project will ultimately be beneficial to enhancing the overall profitability of the Group and is in line with the Group’s strategic development plan and long-term development goals.

Shareholders and potential investors of the Company should be aware that this announcement is published as a voluntary disclosure to inform the public of the latest business development of the Company. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Tsaker Chemical Group Limited
GE Yi
Chairman

Beijing, the PRC, 8 October 2021

As at the date of this announcement, the Board comprises Mr. GE Yi (Chairman), Mr. BAI Kun and Ms. ZHANG Nan as executive Directors; Mr. FONTAINE Alain Vincent as a non-executive Director; and Mr. HO Kenneth Kai Chung, Mr. ZHU Lin and Mr. YU Miao as independent non-executive Directors.

* *For identification purpose only*