

TARGET

Intelligence Report

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S A T U R D A Y

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**TSAKER CHEMICAL GROUP LTD:
CAN THE ‘POSITIVE PROFIT ALERT’ OF FEBRUARY 11, 2022,
SPILL OVER INTO THE DECEMBER 31, 2022, FINAL RESULTS ?**

Tsaker Chemical Group Ltd (彩客化學集團有限公司) (Code: 1986, Main Board, The Stock Exchange of Hongkong Ltd) has forecast that, in respect of the Financial Year, ended December 31, 2021, the Company’s Net Profit ‘is expected to be not less than 75.40 million renminbi (RMB).’

This forecast was published in an announcement, dated February 11, 2022, signed by Mr Ge Yi (戈弋), the Chairman of the Board of Directors of the Company and an Executive Director.

The following is a verbatim copy of the February 11, 2022, announcement, headlined: ‘**POSITIVE PROFIT ALERT**’:

*‘This announcement is made by Tsaker Chemical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).*

*‘The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (the “**Reporting Period**”), the net profit of the Group for the Reporting Period is expected to be not less than RMB220.0 million, which would represent a significant increase by not less than RMB75.4 million or 52.1% as compared with that of approximately RMB144.6 million for the year ended 31 December 2020. Such increase was mainly attributable to (i) the increase in sales volume of dye intermediates and pigment intermediates during the Reporting Period due to the increase in market demand and the reduced impact of COVID-19 on production suspension; and (ii) the Group’s completion of the upgrading of its production line for iron phosphate (a battery material) in June 2021, and such iron phosphate has been gradually mass-produced, coupled with*

the strong market demand, the production, sales volumes and market price of iron phosphate products increased significantly, which led to the increase in revenue and gross profit of the Group during the Reporting Period.

‘The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the Reporting Period and information currently available to the Company, and is not based on any figures or information which have been audited or reviewed by the Company’s auditors. Figures and information mentioned in this announcement are in the course of being considered and checked and are therefore subject to adjustments. Details of the Group’s financial information and performance will be disclosed in the annual results announcement of the Group for the Reporting Period in compliance with the Listing Rules.

‘Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.’

Whether or not the forecasted ‘**POSITIVE PROFIT ALERT**’ of February 11, 2022, will have much of a material bearing on the final results of the Company in respect of the Financial Year, ended December 31, 2022, one will just have to wait to see because, inter alia, the past five Financial Years’ summary was not, exactly, heart-warming.

The following intelligence with regard to the Company’s past five Financial Years, going back to the 2016 Financial Year, is extracted from the database of **TOLFIN** (泰達資訊), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, by express permission:

	With Regard To The Financial Years, Ended December 31				
	2016	2017	2018	2019	2020
	All Figures Are Denominated In Renminbi’000 (RMB) (except where otherwise stipulated)				
Revenue	1,041,142	1,247,392	1,515,882	1,818,347	1,275,274
Gross Profit	293,605	362,989	524,093	1,040,957	445,335
Gross Profit Margin*	28.20 percent	29.10 percent	34.57 percent	57.25 percent	34.92 percent
Profit For The Year	120,921	136,106	222,817	518,284	144,599
Net Profit Attributable To Shareholders	120,921	136,131	222,901	517,927	144,875
Net Profit Margin*	11.61 percent	10.91 percent	14.70 percent	28.48 percent	11.36 percent

* These are **TARGET**’s calculations.

Tsaker Chemical Group Ltd is a company, based in the People’s Republic of China (PRC), the shares of which were listed on the premier equity market of the Hongkong Special Administrative Region of the PRC, on July 3, 2015.

The Business Of Tsaker Chemical Group Ltd

The profile of Tsaker Chemical Group Ltd, as at December 31, 2021, included that it is principally engaged in the manufacture and sale of dye intermediates, pigment intermediates, agricultural chemical intermediates and battery materials, as well as the provision of environmental technology consultancy services.

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