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Yip's Chemical Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 408)

RETIREMENT AND APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS AND CHANGE OF MEMBERS OF BOARD COMMITTEES

The board of directors (the “Board”) of Yip’s Chemical Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) hereby announces the following changes in directorate and composition of Board committees:

RETIREMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND MEMBER OF BOARD COMMITTEES

Mr. Ku Yuen Fun has a retirement plan and will resign as an independent non-executive director of the Company, the chairman of the health, safety and environment committee, a member of the audit committee and a member of the remuneration committee of the Company with effect from 1 July 2020.

He has confirmed that he has no disagreement with the Board and the Company, and there are no matters relating to his resignation that need to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Board would like to take this opportunity to express its sincere gratitude to Mr. Ku Yuen Fun for his valuable contributions to the Company during his tenure of service with the Company.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE OF MEMBERS OF BOARD COMMITTEES

Mr. Wong Yuk is currently a non-executive director of the Company, and a member of each of the audit committee, the remuneration committee and the health, safety and environment committee of the Company. He will be appointed as the chairman of the health, safety and environment committee of the Company with effect from 1 July 2020.

Mr. Ku Yee Dao, Lawrence (“Mr. Lawrence Ku”) will be appointed as an independent non-executive director of the Company and a member of the audit committee of the Company with effect from 1 July 2020.

Details of Mr. Lawrence Ku

Mr. Lawrence Ku, aged 41, obtained a Bachelor of Arts in Economics and a Master of Accounting from the University of Michigan. Mr. Lawrence Ku joined Knorr-Bremse Asia Pacific (Holding) Limited, the Asia Pacific regional headquarters of Knorr-Bremse Group (a company listed on the Frankfurt Stock Exchange) since 2008 and is currently the Finance Director of Global Business Unit Steering and the Regional Financial Controller of Commercial Vehicle Systems Asia Pacific. Previously, he joined Hong Kong Oxygen & Acetylene Company Limited, a subsidiary of the Linde Group) as an accounting manager in 2007. Mr. Lawrence Ku also developed his career in Deloitte Touche Tohmatsu, CPA for more than four years. Mr. Lawrence Ku is a member of American Institute of Certified Public Accountants (AICPA).

Mr. Lawrence Ku will enter into an appointment letter with the Company pursuant to which he will be entitled to a director’s fee of HKD200,000 per annum. His remuneration is determined by the Board based on the recommendations given by the remuneration committee of the Company with reference to the Group’s remuneration policy and taking into account, among the others, his qualifications and experience, the responsibilities undertaken and the prevailing market level of remuneration for similar positions.

Mr. Lawrence Ku’s initial term of directorship will last until the conclusion of the next annual general meeting of the Company at which he is eligible for re-election and he is also subject to retirement by rotation and re-election in accordance with the articles of association of the Company, the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and the laws of the Cayman Islands.

While Mr. Lawrence Ku is the son of Mr. Ku Yuen Fun, the resigning director of the Company, the Board however considers that Mr. Lawrence Ku is independent and an appropriate candidate to fill the casual vacancy arising from the resignation of Mr. Ku Yuen Fun for, among others, the following reasons: (i) Mr. Lawrence Ku satisfies all the independence criteria set out in Rule 3.13 of the Listing Rules except for Rule 3.13(6) of the Listing Rules solely for him being the son of the resigning director of the Company; and (ii) the Company believes that Mr. Lawrence Ku is capable of exercising his professional judgment and draw upon his extensive knowledge and experience in the accounting and financial industry. Furthermore, the Stock Exchange has

confirmed that it agreed with the Company's view that Mr. Lawrence Ku is independent to act as an independent non-executive director of the Company.

As at the date of this announcement, save as disclosed above, Mr. Lawrence Ku (i) does not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company; (ii) does not have other major appointments and professional qualifications; (iii) does not at present and did not in the past three years hold any directorship in other listed companies; (iv) does not hold any position with the Company and other members of the Group; and (v) has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

There is no information relating to the appointment of Mr. Lawrence Ku that is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and the Board is not aware of any other matters which need to be brought to the attention of the shareholders of the Company or the Stock Exchange.

The Board would like to welcome Mr. Lawrence Ku to the Board.

By order of the Board
Yip's Chemical Holdings Limited
Ip Chi Shing
Chairman

Hong Kong, 26 June 2020

As at the date of this announcement, the Board comprises the following:

Non-executive Directors:

Mr. Ip Chi Shing (*Chairman*)
Mr. Wong Yuk
Mr. Wong Kong Chi *
Mr. Ku Yuen Fun *
Mr. Ho Pak Chuen, Patrick *

Executive Directors:

Mr. Yip Tsz Hin (*Deputy Chairman and
Chief Executive Officer*)
Mr. Ip Kwan (*Deputy Chief Executive Officer*)
Mr. Ho Sai Hou (*Chief Financial Officer*)

* *Independent Non-executive Directors*