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If you are in any doubt about this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yip's Chemical Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser.

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Yip's Chemical Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 408)

**(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Yip's Chemical Holdings Limited to be held at Regus Conference Centre, 35/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 2 June 2020 at 3:00 p.m. is set out on pages 22 to 26 of this circular. A proxy form for use at the annual general meeting is enclosed.

Whether or not you are able to attend and vote at the annual general meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the head office and principal place of business of Yip's Chemical Holdings Limited at 27/F., Fortis Tower, Nos. 77-79 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof.

Completion and return of the proxy form will not preclude you from subsequently attending and voting at the annual general meeting or any adjourned meeting should you so wish.

21 April 2020

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Regus Conference Centre, 35/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 2 June 2020 at 3:00 p.m. for the purpose of considering and, if thought fit, approving the resolutions proposed in the AGM Notice
“AGM Notice”	the notice convening the AGM set out on pages 22 to 26 in this circular
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors (including Non-executive Directors and Independent non-executive Directors)
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Yip’s Chemical Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Allotment Mandate”	a general allotment mandate to the Directors to allot and issue Shares the number of which shall not exceed 20% of the aggregate number of issued shares of the Company as at the date of approval of the mandate (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be allotted and issued as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same)

DEFINITIONS

“General Extension Mandate”	a general mandate to the Directors to add to the General Allotment Mandate the number of Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“Latest Practicable Date”	15 April 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Non-executive Director(s)”	the non-executive director(s) of the Company
“Repurchase Mandate”	a general mandate to the Directors to exercise all the powers of the Company to repurchase such number of Shares not exceeding 10% of the aggregate number of issued shares of the Company as at the date of approval of the mandate (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be repurchased as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 each (or of such other nominal amount as shall result from a sub-division, consolidation, re-classification or re-construction of such shares from time to time) in the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary/subsidiaries”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly
“Takeovers Code”	the Code on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong as revised from time to time
“%”	per cent.



Yip's Chemical Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 408)

Chairman:

Mr. Ip Chi Shing (*Non-executive Director*)

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*)

Non-executive Director:

Mr. Wong Yuk

Independent Non-executive Directors:

Mr. Wong Kong Chi

Mr. Ku Yuen Fun

Mr. Ho Pak Chuen, Patrick

Registered Office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Head Office and Principal Place of
Business in Hong Kong:*

27/F., Fortis Tower

Nos. 77-79 Gloucester Road

Wanchai

Hong Kong

21 April 2020

To: the Shareholders

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the following proposals to be put forward at the AGM to the Shareholders for their consideration and, if thought fit, approval:

- (a) grant of General Allotment Mandate to the Directors;

LETTER FROM THE CHAIRMAN

- (b) grant of Repurchase Mandate to the Directors;
- (c) grant of General Extension Mandate to the Directors;
- (d) re-election of Directors; and
- (e) the declaration of final dividend of HK13 cents per Share for the year ended 31 December 2019.

2. GENERAL ALLOTMENT MANDATE

In the last annual general meeting of the Company held on 4 June 2019, the resolution for a General Allotment Mandate was passed by the Shareholders and such mandate will lapse at the conclusion of the forthcoming AGM.

An ordinary resolution will be proposed at the AGM to approve the grant of a new General Allotment Mandate to the Directors to issue further Shares up to 20% of the aggregate number of issued shares of the Company as at the date of passing the relevant resolution (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be allotted and issued as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same).

As at the Latest Practicable Date, the aggregate number of issued shares of the Company was 564,029,160 fully paid-up Shares. Subject to the passing of the resolution granting the General Allotment Mandate and on the basis that no further Shares will be allotted and issued or repurchased from the Latest Practicable Date and up to the date of the AGM, exercise in full of the General Allotment Mandate could result in up to the issuance of 112,805,832 new Shares (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be allotted and issued as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same). There is however no present intention for any issuance of Shares pursuant to the General Allotment Mandate.

3. REPURCHASE MANDATE

In the last annual general meeting of the Company held on 4 June 2019, resolutions for a Repurchase Mandate were passed by the Shareholders and such mandate will lapse at the conclusion of the forthcoming AGM.

LETTER FROM THE CHAIRMAN

An ordinary resolution will be proposed at the AGM to approve the grant of a new Repurchase Mandate. The new Repurchase Mandate, if granted, will allow the Directors to exercise all the powers of the Company to repurchase its own Shares not exceeding 10% of the number of issued Shares of the Company as at the date of passing the relevant resolution (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be repurchased as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same). Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that there were 564,029,160 fully paid-up Shares as at the Latest Practicable Date and no Shares will be issued or repurchased by the Company from the Latest Practicable Date to the date of AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 56,402,916 Shares (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be repurchased as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same). There is however no present intention for any repurchase of Shares pursuant to the Repurchase Mandate.

An explanatory statement required under Rule 10.06 (1)(b) of the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision in relation to this Repurchase Mandate to be proposed at the AGM as required by the Listing Rules concerning the regulation of repurchases by companies of their own securities on the Stock Exchange is set out in Appendix I to this circular.

4. GENERAL EXTENSION MANDATE

It is recommended that a General Extension Mandate be granted to the Directors permitting them, after the grant of the new Repurchase Mandate referred to above, to add to the new General Allotment Mandate the number of Shares repurchased pursuant to the new Repurchase Mandate.

The authority conferred on the Directors by the new General Allotment Mandate, the new Repurchase Mandate and the General Extension Mandate would continue to be in force until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable law of the Cayman Islands or the Articles; and (iii) its revocation or variation by ordinary resolution of the Shareholders in a general meeting.

LETTER FROM THE CHAIRMAN

5. RE-ELECTION OF DIRECTORS

In accordance with Article 112 of the Articles, at each annual general meeting, not less than one-third of the Directors for the time being shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. Under the corporate governance code as set out in Appendix 14 to the Listing Rules, every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. All retiring Directors shall be eligible for re-election.

Accordingly, the following Directors shall retire from office by rotation at the conclusion of the AGM.

Name	Position
(a) Mr. Ip Chi Shing	Non-executive Director
(b) Mr. Wong Kong Chi	Independent Non-executive Director
(c) Mr. Ku Yuen Fun	Independent Non-executive Director

All of them, being eligible, will offer themselves for re-election at the AGM. All remaining Directors will continue to be in office.

If re-elected at the AGM, Mr. Ip Chi Shing, Mr. Wong Kong Chi and Mr. Ku Yuen Fun will hold office until the conclusion of the annual general meeting of the Company of 2023.

If re-elected, all the aforesaid Directors, subject to the terms agreed otherwise which expired earlier, will be subject to rotation, removal, vacation or termination of their offices as Directors as set out in the Articles or the disqualification to act as a Director under the Articles, the law of the Cayman Islands and the Listing Rules.

The particulars of the aforesaid retiring Directors required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

LETTER FROM THE CHAIRMAN

Recommendation of the Board on re-election of Independent Non-executive Directors

The Board has taken into account the nomination policy and procedures adopted by the Company in making the recommendation to the Board for the re-election of each of Mr. Wong Kong Chi and Mr. Ku Yuen Fun. In particular, the Board has assessed each of Mr. Wong Kong Chi and Mr. Ku Yuen Fun against the following nomination criteria applicable to Independent Non-executive Directors:

- (a) willingness and ability to make sufficient time commitment to the affairs of the Company in order to effectively perform the duties of a Director, including attendance at and active participation in Board and Board committee meetings, and the other responsibility of the relevant candidate (such as other directorships held in public companies the securities of which are listed any securities market in Hong Kong or overseas and other major appointments, if any) and the effort and time that may be required by the candidate in fulfilling such role;
- (b) accomplishments of the candidate in his field;
- (c) outstanding professional and personal reputation; and
- (d) the candidate's ability to meet the independence criteria for directors established in the Listing Rules (for Independent Non-executive Directors).

The Board has reviewed the written confirmation of independence of each of Mr. Wong Kong Chi and Mr. Ku Yuen Fun based on the independence criteria as set out in Rule 3.13 of the Listing Rules. Whilst Mr. Wong Kong Chi has been an Independent Non-executive Director since 1993 and thus has served the Company for more than 26 years, Mr. Wong Kong Chi has confirmed to the Company that he would still be able to devote sufficient time to the Board, and he does not have any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company. Given that Mr. Wong Kong Chi has been an Independent Non-executive Director for a number of years, he is very familiar with the business and operation of the Group as well as relevant responsibilities, obligations and requirements under the Listing Rules for being an Independent Non-executive Director. The Company is not aware of any matter which may indicate that Mr. Wong Kong Chi cannot remain as an Independent Non-executive Director.

Mr. Ku Yuen Fun has been an Independent Non-executive Director since 2008 and thus has served the Company for more than 11 years, Mr. Ku Yuen Fun has confirmed to the Company that he would still be able to devote sufficient time to the Board, and he does not have any relationship with any other Directors, senior management or any substantial or

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controlling shareholders of the Company. Given that Mr. Ku Yuen Fun has been an Independent Non-executive Director for a number of years, he is very familiar with the business and operation of the Group as well as relevant responsibilities, obligations and requirements under the Listing Rules for being an Independent Non-executive Director. The Company is not aware of any matter which may indicate that Mr. Ku Yuen Fun cannot remain as an Independent Non-executive Director.

Having considered the above, the Board is satisfied that both Mr. Wong Kong Chi and Mr. Ku Yuen Fun remain independent in accordance with Rule 3.13 of the Listing Rules.

In addition, the Board has evaluated their performance as Independent Non-executive Directors and considers that both of them have provided valuable contributions to the Company and have demonstrated their abilities to provide independent, balanced and objective view to the Company's affairs.

The Board is also of the view that each of Mr. Wong Kong Chi and Mr. Ku Yuen Fun would bring to the Board their own perspective, skills and experience, as further described in their respective biographies in Appendix II to this circular. With their strong and diversified educational background and professional experience, including their respective in-depth knowledge in accounting and the oil and petrochemical industry, and connections in various industries, the Board considers that each of Mr. Wong Kong Chi and Mr. Ku Yuen Fun would contribute to the diversity of the Board and their re-election would be in the interests of the Company and the Shareholders as a whole.

6. ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 22 to 26 of this circular and a proxy form for use at the AGM is herein enclosed.

Whether or not you are able to attend the AGM in person, please complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at 27/F., Fortis Tower, Nos. 77-79 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding such meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting at the AGM or any adjourned meeting should you so desire.

LETTER FROM THE CHAIRMAN

7. FINAL DIVIDEND

The Board has recommended the declaration of a final dividend to be paid out of the distributable profit of the Company to the Shareholders whose names appear on the register of members of the Company on Friday, 12 June 2020. An ordinary resolution will be proposed at the AGM to approve the declaration of final dividend.

8. CLOSURE OF REGISTER OF MEMBERS

8.1. Book Closure for ascertaining the Shareholders' entitlement to attend and vote at the AGM

The Hong Kong branch register of members of the Company will be closed from Thursday, 28 May 2020 to Tuesday, 2 June 2020 (both dates inclusive) for the purpose of ascertaining Shareholders' entitlement to attend and vote at the forthcoming AGM. No transfer of the Shares may be registered on those dates. In order to qualify for the Shareholders' entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates should be lodged with the Company's Branch Registrar in Hong Kong, Tricor Secretaries Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 27 May 2020.

8.2. Book Closure for ascertaining the shareholders' entitlement to the proposed final dividend

The Hong Kong branch register of members of the Company will be closed from Thursday, 11 June 2020 to Friday, 12 June 2020 (both dates inclusive) for the purpose of ascertaining Shareholders' entitlement to the proposed final dividend upon the passing of relevant resolution. No transfer of the Shares may be registered on those dates. In order to qualify for the Shareholders' entitlement to the proposed final dividend, all transfer forms accompanied by the relevant share certificates should be lodged with the Company's Branch Registrar in Hong Kong, Tricor Secretaries Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 10 June 2020.

9. VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except, the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the voting on all resolutions at the AGM will be conducted by way of poll.

LETTER FROM THE CHAIRMAN

10. RESPONSIBILITY OF THE DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would render any statement herein this circular misleading.

11. RECOMMENDATION

The Board believes that the resolutions proposed in this circular are in the best interests of the Company and the Shareholders as a whole. The Board recommends that the Shareholders vote in favour of all resolutions to be proposed at the AGM.

12. PRECAUTIONARY MEASURES FOR THE AGM IN VIEW OF THE RECENT CORONAVIRUS PANDEMIC

In view of the recent development of the coronavirus pandemic caused by Coronavirus Disease 2019 (COVID-19), and in order to better protect the safety and health of the Shareholders, a series of pandemic precautionary measures will be implemented at the venue of the AGM:

- (i) compulsory body temperature check will be conducted for every person at the entrance of the venue of AGM. Any person with a body temperature of over 37.5 degree Celsius will not be admitted to the venue; and
- (ii) every person is required to wear facial mask at the venue of the AGM.

LETTER FROM THE CHAIRMAN

Furthermore, the Company will not serve refreshment at the AGM to avoid the coming into close contact amongst participants at the AGM. The Company wishes to remind the Shareholders and other participants who will attend the AGM in person to take personal precautions and abide by the requirements of pandemic precaution and control at the venue of the AGM. The Company also advises the Shareholders to attend and vote at the AGM by way of non-physical presence. The Shareholders may choose to vote by filling in and submitting the relevant proxy form of the AGM, and appoint the chairman of the AGM as a proxy to vote on relevant resolution(s) as instructed in accordance with the relevant proxy form instead of attending the AGM in person. For more details, please refer to the proxy form for the AGM.

Your attention is also drawn to Appendices I and II to this circular and the AGM Notice.

Yours faithfully,
Ip Chi Shing
Chairman

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules.

1. THE SHARE REPURCHASE RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their fully-paid up shares on the Stock Exchange subject to certain restrictions. In this regard, the definition of “shares” in Chapter 10 of the Listing Rules would, and where used below in this explanatory statement (including the use of the word “Share(s)”) shall (unless the context otherwise requires) include shares of all classes and securities which carry a right to subscribe or purchase Shares of the Company. The most important restrictions contained in the Listing Rules are summarised below:

1.1. Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of 564,029,160 Shares in issue as at the Latest Practicable Date and on the basis that no new Shares are issued prior to the date of the resolution approving the Repurchase Mandate, could result in up to 56,402,916 Shares being repurchased by the Company, representing 10% of the number of issued Shares as at the Latest Practicable Date (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be repurchased as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same), during the period from the date on which the resolution granting the Repurchase Mandate is passed until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable law of the Cayman Islands or the Articles; and (iii) its revocation or variation by ordinary resolution of the Shareholders in a general meeting.

1.2. Reasons for Repurchases

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase the Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and its assets per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

1.3. Funding of Repurchases

In repurchasing Shares, the Company may only apply funds from the Company's internal source legally available for such purpose in accordance with the law of the Cayman Islands and the Articles.

On the basis of the consolidated net tangible assets of the Group as at 31 December 2019, and taking into account the current working capital position of the Group, the Directors consider that there would be no material adverse effect on the working capital and gearing position of the Group in the event that the Repurchase Mandate is exercised in full at any time during the effective period of the Repurchase Mandate. The Directors do not propose to exercise the Repurchase Mandate to such extent as it would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Group.

2. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
April	2.98	2.55
May	2.73	2.45
June	2.84	2.36
July	2.57	2.36
August	2.44	2.20
September	2.38	2.22
October	2.39	2.22
November	2.39	2.30
December	2.44	2.26
2020		
January	2.65	2.35
February	2.49	2.28
March	2.39	1.90
April (up to the Latest Practicable Date)	2.39	2.25

3. GENERAL

No purchase of Shares was made by the Company in the previous six months ended on the Latest Practicable Date, whether on the Stock Exchange or otherwise.

None of the Directors nor (to the best of the knowledge of the Directors having made all reasonable enquiries) any of their close associates have any present intention to sell any of the Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No core connected person of the Company has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and any applicable law of the Cayman Islands.

If, as the result of a Share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. In certain circumstances, a Shareholder or a group of Shareholders acting in concert could as a result of increase of its or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Assuming that no further Shares will be allotted and issued or repurchased from the Latest Practicable Date, on exercise in full of the Repurchase Mandate, the number of issued Shares will decrease from 564,029,160 to 507,626,244. As at the Latest Practicable Date, Mr. Ip Chi Shing held 186,218,532 Shares (including the Shares held jointly with his wife Madam Liang Bih Yu and the Shares held through corporations controlled by him). Should the Repurchase Mandate be exercised in full, the percentage shareholding of Mr. Ip Chi Shing will increase from approximately 33.02% to approximately 36.68% of the total number of issued shares of the Company. Such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to such an extent as would result in such mandatory offer obligation arising.

The Company has no intention to exercise the Repurchase Mandate to the effect that it will result in the public float to fall below 25% or such other minimum percentage prescribed by the Listing Rules from time to time.

Set out below are details of the Directors who will be proposed to be re-elected at the AGM.

1. **Mr. Ip Chi Shing** (“**Mr. Ip**”), aged 72, is the Chairman and the Co-founder of the Group and Mr. Ip was re-designated as the Chairman of the Group and a Non-executive Director of the Company in 2012. Mr. Ip focuses on the leading of the Board, formulating the Group’s long-term development strategy and the planning and inheritability of human resources of the Group. He is the brother of Mr. Yip Tsz Hin, the Deputy Chairman of the Group, the Chief Executive Officer of the Group, an Executive Director of the Company as well as a member of the Senior Leadership Team and the father of Mr. Ip Kwan, the Deputy Chief Executive Officer of the Group, an Executive Director of the Company and a member of the Senior Leadership Team. In 2006, Mr. Ip established “Ip Chi Shing Charitable Foundation Limited” with the current objectives of carrying out charity activities in China and Hong Kong including fostering education in China and providing care for the underprivileged groups in Hong Kong and making contributions to society.

As at the Latest Practicable Date, Mr. Ip is interested or is deemed to be interested in 188,224,532 Shares for the purpose of Part XV of the SFO (Note). Each of Mr. Ip and his wife holds one non-voting deferred share of Yip’s H.C. (Holding) Limited, a subsidiary of the Company.

Mr. Ip entered into a service contract with the Company and under the service contract, he is entitled to receive the director’s emoluments of approximately HKD1,476,000 per annum.

Mr. Ip, subject to the terms agreed otherwise which expire earlier, will also be subject to rotation, removal, vacation or termination of their offices as Directors as set out in the Articles or the disqualification to act as a Director under the Articles, the laws of the Cayman Islands and the Listing Rules. If re-elected at the AGM, Mr. Ip’s term of directorship will last until the conclusion of the 2023 annual general meeting of the Company, subject to terms of the Articles, the Listing Rules and the laws of the Cayman Islands.

Save as disclosed above,

- (i) Mr. Ip did not hold any directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold any other positions with the Company or other members of the Group;

- (ii) Mr. Ip has no interest in the Shares within the meaning of Part XV of the SFO;
- (iii) Mr. Ip does not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company; and
- (iv) there is no other information which is discloseable nor is/was Mr. Ip involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. The Board is not aware of any other matters which need to be brought to the attention of the shareholders of the Company.

Note: Out of those Shares, 2,006,000 Shares are held by his wife, 6,796,000 Shares are held by Mr. Ip and his wife jointly, 20,300,000 Shares are held by Ip Chi Shing Charitable Foundation Limited, a charitable organization, and 4,080,000 Shares are held by Yip's Care Extension Foundation Limited. Mr. Ip Chi Shing controls 50% (together with his wife control 100%) and 60% (together with his younger sister and brother control 100%) of the voting power at the general meetings of Ip Chi Shing Charitable Foundation Limited and Yip's Care Extension Foundation Limited, respectively. He is therefore deemed to be interested in those Shares held by these two corporations.

2. **Mr. Wong Kong Chi** (“**Mr. Wong**”), aged 62, has been an Independent Non-executive Director of the Company since 1993. He is a fellow member of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Wong retired in 1993 after working in the merchant banking industry for over 10 years. Mr. Wong is the chairman of the audit committee of the Company, a member of the remuneration committee of the Company and a member of the health, safety and environment committee of the Company. Mr. Wong does not hold any directorship in other listed companies.

As Mr. Wong is not actively involved in the daily operation of the Group nor does he hold an interest of more than 1% of the issued share capital in the Company, the Board considers that Mr. Wong is independent notwithstanding that he has served as an Independent Non-executive Director for more than nine years. Given his experience and expertise in accounting and finance, the Board is of the view that Mr. Wong should be re-elected as an Independent Non-executive Director.

Mr. Wong's wife holds 100,000 Shares. Save as disclosed herein, he does not have any other interests in the Shares within the meaning of Part XV of the SFO.

Mr. Wong entered into an appointment letter with the Company and under the appointment letter, he is entitled to receive a director's fee of HKD200,000 per annum.

Mr. Wong, subject to the terms agreed otherwise which expire earlier, will also be subject to rotation, removal, vacation or termination of their offices as Directors as set out in the Articles or the disqualification to act as a Director under the Articles, the laws of the Cayman Islands and the Listing Rules. If re-elected at the AGM, Mr. Wong's term of directorship will last until the conclusion of the 2023 annual general meeting of the Company, subject to the terms of the Articles, the Listing Rules and the laws of the Cayman Islands.

Save as disclosed above,

- (i) Mr. Wong did not hold any directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold any other positions with the Company or other members of the Group;
 - (ii) Mr. Wong has no interest in the Shares within the meaning of Part XV of the SFO;
 - (iii) Mr. Wong does not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company; and
 - (iv) there is no other information which is discloseable nor is/was Mr. Wong involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. The Board is not aware of any other matters which need to be brought to the attention of the shareholders of the Company.
3. **Mr. Ku Yuen Fun** (“**Mr. Ku**”), aged 68, has been an Independent Non-executive Director of the Company since 2008. Mr. Ku graduated from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) and began his career at Shell Chemicals. Mr. Ku has extensive managerial experience in the oil & petrochemical industries in the Greater China region. He was a Director of Shell Hong Kong Limited, a Board Director of the Business Environment Council and the Chairman of Tianjin International Petroleum Storage and Transportation Company Limited. Mr. Ku is the chairman of the health, safety and environment committee of the Company, a member of the audit committee of the Company and a member of the remuneration committee of the Company. Mr. Ku does not hold any directorship in other listed companies.

As Mr. Ku is not actively involved in the daily operation of the Group nor does he hold an interest of more than 1% of the issued share capital in the Company, the Board considers that Mr. Ku is independent notwithstanding that he has served as an Independent Non-executive Director for more than nine years. Given his experience and expertise in business development and management, the Board is of the view that Mr. Ku should be re-elected as an Independent Non-executive Director.

Mr. Ku is interested or is deemed to be interested in 34,680 Shares of which 20,680 Shares are personal interests and 14,000 Shares are held by his wife. Save as disclosed herein, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Ku entered into an appointment letter with the Company and under the appointment letter, he is entitled to receive a director's fee of HKD200,000 per annum.

Mr. Ku, subject to the terms agreed otherwise which expire earlier, will also be subject to rotation, removal, vacation or termination of their offices as Directors as set out in the Articles or the disqualification to act as a Director under the Articles, the laws of the Cayman Islands and the Listing Rules. If re-elected at the AGM, Mr. Ku's term of directorship will last until the conclusion of the 2023 annual general meeting of the Company, subject to the terms of the Articles, the Listing Rules and the laws of the Cayman Islands.

Save as disclosed above,

- (i) Mr. Ku did not hold any directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold any other positions with the Company or other members of the Group;
- (ii) Mr. Ku has no interest in the Shares within the meaning of Part XV of the SFO;
- (iii) Mr. Ku does not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company; and

- (iv) there is no other information which is discloseable nor is/was Mr. Ku involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. The Board is not aware of any other matters which need to be brought to the attention of the shareholders of the Company.

DIRECTORS' EMOLUMENTS

The amounts of emoluments received by the above Directors, to be re-elected at the upcoming AGM, for the year ended 31 December 2019 are set out in the table below:

Directors	Directors' emoluments		
	Directors Fees	Salaries and other benefits	Total
	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>
Mr. Ip Chi Shing	—	1,476	1,476
Mr. Wong Kong Chi	200	—	200
Mr. Ku Yuen Fun	200	—	200

The emoluments of the above Non-executive Director and Independent Non-executive Directors for the year ended 31 December 2019 and that for the year ended 31 December 2020 are covered by their respective appointment letters and determined by the Board based on the recommendation given by the Remuneration Committee with reference to the Company's remuneration policy and taking into account, among other factors, the Directors' qualification and experience, responsibilities undertaken, contribution to the Company, and the prevailing market level of remuneration for similar position.

NOTICE OF ANNUAL GENERAL MEETING



Yip's Chemical Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 408)

NOTICE IS HEREBY GIVEN THAT the annual general meeting (“AGM”) of Yip’s Chemical Holdings Limited (the “Company”) will be held at Regus Conference Centre, 35/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 2 June 2020 at 3:00 p.m. for transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company (“**Directors**”) and the independent auditors of the Company (“**Auditors**”) for the year ended 31 December 2019;
2. To declare a final dividend of HK13 cents per ordinary share of the Company (“**Share**”) for the year ended 31 December 2019 to be paid out of the distributable profits of the Company to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 12 June 2020;
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as the Auditors and to authorise the board of Directors to fix their remuneration;
4. To re-elect Mr. Ip Chi Shing as an Non-executive Director;
5. To re-elect Mr. Wong Kong Chi as an Independent Non-executive Director;
6. To re-elect Mr. Ku Yuen Fun as an Independent Non-executive Director;
7. To authorise the board of Directors to fix the remuneration of the Directors.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions (with or without modification):

8. **“THAT**

- a. a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and deal with unissued Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for any Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers either during or after the Relevant Period, in addition to any Shares which may be issued from time to time (a) on a Rights Issue (as hereinafter defined) or (b) upon exercise of any options under any option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or (c) upon the exercise of rights of subscription or conversion attaching to any warrants or convertible bonds issued by the Company or any securities which are convertible into Shares the issue of which warrants and other securities has previously been approved by shareholders of the Company or (d) as any scrip dividend pursuant to the Articles, not exceeding 20% of the aggregate number of issued shares of the Company as at the date of this resolution (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be allotted and issued as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same); and
- b. for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of;
 - i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable law of the Cayman Islands or the Articles; and
 - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

NOTICE OF ANNUAL GENERAL MEETING

and “Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractions entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or of the requirements of any recognised regulatory body or any stock exchange applicable to the Company).”

9. **“THAT** an unconditional general mandate be and is hereby granted to the Directors to repurchase Shares, and that the exercise by the Directors of all powers of the Company to purchase Shares subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved, subject to the following conditions:
- a. such mandate shall not extend beyond the Relevant Period;
 - b. such mandate shall authorise the Directors to procure the Company to repurchase Shares at such price as the Directors may at their discretion determine;
 - c. the Shares to be repurchased by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall be no more than 10% of the aggregate number of issued Shares as at the date of passing this resolution (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be repurchased as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same); and
 - d. for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable law of the Cayman Islands or the Articles; and
 - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

10. “**THAT**, subject to the availability of unissued share capital and conditional upon the resolutions nos. 8 and 9 above being passed, the number of Shares which are repurchased by the Company pursuant to and in accordance with resolution no. 9 above shall be added to the number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with resolution no. 8 above.”

By order of the Board
Ip Chi Shing
Chairman

Hong Kong, 21 April 2020

Notes:

1. The Hong Kong branch register of members of the Company will be closed from Thursday, 28 May 2020 to Tuesday, 2 June 2020 (both dates inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. No transfer of the Shares may be registered on those dates. In order to qualify for the shareholders' entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates should be lodged with the Company's Branch Registrar in Hong Kong, Tricor Secretaries Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 27 May 2020. The Hong Kong branch register of members of the Company will be closed from Thursday, 11 June 2020 to Friday, 12 June 2020 (both dates inclusive) for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. No transfer of the Shares may be registered on those dates. In order to qualify for the shareholders' entitlement to the proposed final dividend, all transfer forms accompanied by the relevant share certificates should be lodged with the Company's Branch Registrar in Hong Kong, Tricor Secretaries Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 10 June 2020.
2. In view of the recent development of the coronavirus pandemic caused by Coronavirus Disease 2019 (COVID-19), and in order to better protect the safety and health of the Shareholders, the Company will not serve refreshment at the AGM to avoid the coming into close contact amongst participants at the AGM. The Company wishes to remind the Shareholders and other participants who will attend the AGM in person to take personal precautions and abide by the requirements of pandemic precaution and control at the venue of the AGM. The Company also advises the Shareholders to attend and vote at the AGM by way of non-physical presence. The Shareholders may choose to vote by filling in and submitting the relevant proxy form of the AGM, and appoint the chairman of the AGM as a proxy to vote on relevant resolution(s) as instructed in accordance with the relevant proxy form instead of attending the AGM in person. For details, please refer to the proxy form of the AGM.
3. A member of the Company who is a holder of two or more Shares, and who is entitled to attend and vote at the AGM is entitled to appoint more than one proxy or a duly authorised corporate representative to attend and vote in his stead. A proxy need not be a member of the Company. Completion and return of the proxy form will not preclude a member of the Company from attending the AGM and vote in person if the member so wishes, but the proxy's authority to vote on a resolution is to be regarded as revoked if the member attends in person at the AGM and votes on that particular resolution.

NOTICE OF ANNUAL GENERAL MEETING

4. A proxy form for the AGM is enclosed with the Company's circular. In order to be valid, a proxy form together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the head office of the Company at 27/F., Fortis Tower, Nos. 77-79 Gloucester Road, Wanchai, Hong Kong, not later than 48 hours before the time appointed for holding the meeting or adjourned meeting.
5. Where there are joint registered holders of any Share, any one of such persons may vote at any meeting, either personally by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders, stand on the register in respect of the relevant joint holding.
6. With regard to resolutions nos. 8 and 10 above, the Directors wish to state that they have no immediate plans to issue any new Shares of the Company pursuant to the general allotment mandate to be granted under resolution no. 8 above and the general extension mandate to be granted under resolution no. 10 above.
7. As at the date hereof, the Board of Directors comprises the following Directors:

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*