

[For Immediate Release]

Yip's Chemical Plans to Establish a New Solvents Production Base in Gaolan Port, Zhuhai

*To lay a solid foundation for the long-term development of
solvents business in Southern China*

(Hong Kong, 10 March 2020) – **Yip's Chemical Holdings Limited (SEHK: 00408)** ("Yip's Chemical" or the "Group") announced its plan to establish a new solvents production base in the economic development zone of Gaolan Port, Zhuhai. Mr. Zhao Chu Bang, General Manager of Jiangmen Handsome Chemical Development Limited ("Jiangmen Handsome"), a subsidiary of the Group specializing in solvents business, and the representatives of the management committee of the economic development zone of Gaolan Port, Zhuhai held a signing ceremony earlier. Both parties have reached an intention of cooperation, pursuant to which the Group plans to purchase a parcel of land with an aggregate area of 70 mu (畝).

As the world's largest eco-friendly acetate solvents producer, Yip's Chemical's annual production capacity of acetate solvents has exceeded one million tons, accounting for 70% market share in Southern China. For long-term development needs, the Group plans to establish a new solvents production base with an annual production capacity of approximately 600,000 tons in Gaolan Port, Zhuhai under Jiangmen Handsome. The Group will strive to obtain project approval and proceed with related application procedures in the first half of this year. If all goes to plan, the Group will begin construction at the soonest, targeting the commencement of production by end of 2021. The production capacity of the Southern China plants will be adjusted based on market demand. The new plant will adhere to environmentally friendly production principle, and will adopt the latest solvents production technology of Jiangmen Handsome. The Group will also construct comprehensive sewage and exhaust gas treatment facilities to fully achieve energy saving and emissions reduction.

Mr. Yip Tsz Hin, Chief Executive Officer of Yip's Chemical, said, "The Group is pleased to confirm the economic development zone of Gaolan Port, Zhuhai as the site of the new production base, in an effort to strengthen our production volume of solvents in Southern China. The Gaolan Port in Zhuhai, where the new production base is located, is one of the most developed industrial areas in Southern China with comprehensive facilities and equipment. Adjacent to a large port, it possesses competitive advantages in logistics and could provide steam at a competitive cost, which is a strategic production site for the Group. After the new production base coming on stream, it will further bolster our leading position in the global solvents industry, laying a solid foundation for the Group's long-term development."

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About Yip's Chemical Holdings Limited (Incorporated in the Cayman Islands with limited liability)
(SEHK: 00408)

Yip's Chemical Holdings Limited ("Yip's Chemical" or the "Group") was established in 1971 and listed on the Hong Kong Stock Exchange in 1991. The Group focuses on the production and sales of petrochemical products, including solvents, coatings, inks and lubricants, with its nationwide sales network covering all major provinces and cities across China. It is the largest producer of acetate solvents in the world, China's largest manufacturer of inks* and top 10 coatings manufacturer in China#. On top of products, The Group has strived to provide value-added services to consumers in recent years, such as investing in automobile lubricant changing and maintenance chain business.

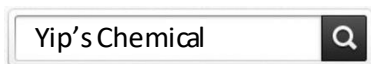
Coating brands operated under the Group are "Bauhinia", "Camel", "Aquapro", "Hang Cheung" for industrial paints and "Da Chang" for resins. The Group also owns brands including "Bauhinia Variegata" for inks and "Hercules" for automotive lubricants.

To achieve long-term sustainable development, the Group will continue to move in the direction supportive of green living, embracing development that is "environmentally friendly", "end-user oriented" and "service oriented".

*Bauhinia Variegata Ink ranked 1st, in terms of production volume and sales revenue, in 2018 by the China Chemistry Industrial Association — Branch of Inks.

#Bauhinia Paints ranked 60th in the "2019 Global Ranking of the Top Manufacturers of Paints and Coatings" released by the US coatings magazine *Coatings World* and is among the top 10 in the PRC in terms of sales revenue.

Learn more about Yip's Chemical on:



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