[For Immediate Release]

Yip’s Chemical Begins Construction of New Inks Plant in Zhejiang

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To Enhance Coatings and Solvents Production Capacity
And Further Develop Business in Eastern China

(Hong Kong, 13 May 2007) – Yip’s Chemical Holdings Limited (SEHK: 0408) ("Yip’s Chemical” or the “Group”), one of China’s largest manufacturers of petrochemical products, announced that its wholly-owned subsidiary Yip’s Ink & Chemicals (Group) Ltd. ("Yip’s Ink") held a groundbreaking ceremony for its new inks plant in Tungxiang, Zhejiang earlier this year.

The new plant is located in the third phase of the industrial area in Tungxiang, the Economic Development Zone in Zhejiang, which has excellent land and river transportation networks, connecting and serving the Shanghai, Suzhou and Hangzhou markets. The project, with a total planned construction area of 47,000 sq.m, will be built in two phases. The construction area of phase I is 35,000 sq.m. and is expected to commence operation in August 2008 with annual production capacities of 15,000 tonnes of inks, 5,000 tonnes of industrial paints and varnishes, and 5,000 tonnes of mixed solvents. The total construction cost of the inks plant is estimated at HK$80 million.

**Mr. Tony Chi Shing Ip, Chairman and Managing Director of Yip’s Chemical**, said, “The new plant will enhance our overall productivity and operational efficiency, as well as facilitate expansion of our coatings business in Eastern China and thus strengthen our leading position in the China market. With the Group’s solid foundation, strong reputation and customer support to ride on, the new plant in Zhejiang will become a major growth driver for us in the future. “

The Group engages in the manufacture and sale of solvents, coatings and lubricants; it currently has 15 plants in major cities and provinces in China. Coatings have wide applications, commonly used in construction and refurbishment projects, food and gift packaging, toys, electronics, furniture, and printing industries. With the Chinese economy booming, the Group expects to see continuous strong domestic demand for its products. The new plant of Yip’s Ink will not only improve the Group’s overall production scale, but will also better serve customers in the fast growing Eastern China market, and further enhance its economy of scale.
Photo Caption:
Mr. Yip Tsz Hin, Stephen, Vice Chairman of Yip’s Chemical, officiated the ground breaking ceremony of Yip’s Ink’s new plant in Tungxiang, Zhejiang.

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About Yip’s Chemical Holdings Limited (SEHK : 0408)
Yip’s Chemical Holdings Limited, formerly known as Hang Cheung Hong, was established in 1971 and listed on the Hong Kong Stock Exchange in 1991. The Group focuses on the production and sale of petrochemical products. Its three core businesses are solvents, coatings and lubricants. It is one of China’s largest manufacturers of petrochemical products, and the fourth and largest manufacturer of solvents in the world and in China respectively. The Group is headquartered in Hong Kong, with 15 manufacturing plants across China, a huge sales network covering every major Chinese province and city, and a total staff of 3,500. Yip’s Chemical is best-known for its excellent services and quality products, including such brand names as “Bauhinia” for paints, “Bauhinia Variegata” for inks, “Galaxxo” for post-printing chemicals, “Da Chang” for resins, “Hercules” for lubricants and “Pacoil” for specialty chemicals. In 2005, the Group attained international recognition by being named by Forbes Asia as a “Best under a Billion” company. Forbes Asia, one of the world’s foremost financial magazines, annually bestows this honor to 200 of the top companies with annual sales under US$1 billion in the Asia Pacific region.

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