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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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) ELECTION/RE-ELECTION OF DIRECTORS; AND  
(3) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of Yip's Chemical Holdings Limited to be held at Falcon Room, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Tuesday, 4 June 2019 at 3:00 p.m. is set out on pages 18 to 22 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.

18 April 2019

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## DEFINITIONS

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*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 Falcon Room, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Tuesday, 4 June 2019 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 18 to 22 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
“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

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## DEFINITIONS

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“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
“Latest Practicable Date”	15 April 2019, 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
“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“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.

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## LETTER FROM THE CHAIRMAN

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### 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:*

PO 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

18 April 2019

*To: the Shareholders*

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

**(2) ELECTION/RE-ELECTION OF DIRECTORS**

**(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;

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## LETTER FROM THE CHAIRMAN

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- (b) grant of Repurchase Mandate to the Directors;
- (c) grant of General Extension Mandate to the Directors;
- (d) election/re-election of Directors; and
- (e) the declaration of final dividend of HK10 cents per Share for the year ended 31 December 2018.

### **2. GENERAL ALLOTMENT MANDATE**

In the last annual general meeting of the Company held on 5 June 2018, resolutions for a General Allotment Mandate were 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. There is however no present intention for any issuance of Shares pursuant to the General Allotment Mandate.

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 after 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.

### **3. REPURCHASE MANDATE**

In the last annual general meeting of the Company held on 5 June 2018, resolutions for a Repurchase Mandate were 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 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. There is however no present intention for any repurchase of Shares pursuant to the Repurchase Mandate.

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## LETTER FROM THE CHAIRMAN

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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.

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.

#### **5. ELECTION/RE-ELECTION OF DIRECTORS**

Reference is made to the announcement of the Company dated 8 November 2018 in relation to, among others, appointment of Mr. Ip Kwan as the deputy chief executive officer of the Group and an executive Director of the Company, taking effect on 1 January 2019. Pursuant to Article 95 of the Articles, any Director appointed either to fill a casual vacancy or as an addition to the Board shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting. Accordingly, Mr. Ip Kwan is subject to election by Shareholders at the AGM.

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 and, 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.

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## LETTER FROM THE CHAIRMAN

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

Name	Position
(a) Mr. Yip Tsz Hin	Executive Director
(b) Mr. Ho Sai Hou	Executive Director
(c) Mr. Wong Yuk	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.

Mr. Wong Yuk will only hold office until the conclusion of the AGM even if he is not to retire by rotation. If re-elected at the AGM, Mr. Wong Yuk will hold office until the conclusion of the annual general meeting of the Company of 2022.

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.

### 6. ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 18 to 22 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.



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## LETTER FROM THE CHAIRMAN

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### **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, 14 June 2019. 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, 30 May 2019 to Tuesday, 4 June 2019 (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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 29 May 2019.

#### **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, 13 June 2019 to Friday, 14 June 2019 (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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 12 June 2019.

### **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.

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## LETTER FROM THE CHAIRMAN

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### 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.

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 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 2018, 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:

	<b>Per Share</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2018</b>		
April	2.96	2.70
May	2.98	2.70
June	3.03	2.71
July	2.78	2.66
August	2.90	2.68
September	2.74	2.53
October	2.66	2.30
November	2.63	2.37
December	2.51	2.29
<b>2019</b>		
January	2.50	2.26
February	2.54	2.35
March	2.57	2.43
April (up to the Latest Practicable Date)	2.98	2.55

**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 elected/re-elected at the AGM.

1. **Mr. Ip Kwan**, aged 36, joined the Group in 2007. Mr. Ip Kwan is currently the Deputy Chief Executive Officer of the Group, an executive Director of the Company and a member of the Senior Leadership Team. He was previously the Chief Corporate Development Officer of the Group, a Co-President of the Bauhinia Coatings Group, the General Manager of the Bauhinia Coatings Group Limited and an assistant to Director of the Group. He is the son of Mr. Ip Chi Shing, the Chairman of the Group and a Non-executive Director of the Company. He graduated from the London School of Economics with a Bachelor's degree in Government and Economics. Before joining the Group, he had worked in the investment banking industry for three years.

Save as disclosed herein, Mr. Ip Kwan does not have any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company, does not have other major appointments and professional qualification, and does not at present, and in the past three years did not, hold any directorship in any listed company.

Mr. Ip Kwan is interested in 11,084,000 Shares. Save as disclosed herein, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Ip Kwan entered into a service contract with the Company, pursuant to which there will be no specific term for his appointment as the Deputy Chief Executive Officer and an executive Director. If elected at the AGM, Mr. Ip Kwan will be subject to retirement by rotation and re-election in accordance with the Articles, the law of the Cayman Islands and the Listing Rules.

2. **Mr. Yip Tsz Hin**, aged 60, joined the Group in 1977. Mr. Yip Tsz Hin is the Deputy Chairman of the Group, Chief Executive Officer of the Group, an executive Director of the Company and a member of the Senior Leadership Team. Mr. Yip Tsz Hin has 40 years of experience in the manufacture of and trading in petrochemical products. He is the brother of Mr. Ip Chi Shing, the Chairman of the Group and a Non-executive Director of the Company.

Save as disclosed herein, Mr. Yip Tsz Hin does not have any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company, does not have other major appointments and professional qualification, and does not at present, and in the past three years did not, hold any directorship in any listed company.

Mr. Yip Tsz Hin is interested in 44,002,248 Shares of which 30,002,248 Shares is personal interests and his wife holds 14,000,000 Shares. Mr. Yip Tsz Hin also holds one non-voting deferred share of Yip's H.C. (Holding) Limited, a subsidiary of the Company. Save as disclosed herein, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Yip Tsz Hin entered into a service contract with the Company, pursuant to which there will be no specific term for his appointment as the Chief Executive Officer and an executive Director. If re-elected at the AGM, Mr. Yip Tsz Hin will be subject to retirement by rotation and re-election in accordance with the Articles, the law of the Cayman Islands and the Listing Rules.

3. **Mr. Ho Sai Hou (“Mr. Ho”)**, aged 52, joined the Group in 2010. Mr. Ho is the Chief Financial Officer of the Group, an executive Director of the Company, a member of the Senior Leadership Team and the Company Secretary of the Company. Mr. Ho obtained a Bachelor of Social Sciences Degree in Accounting from The University of Hong Kong and completed his EMBA with The China Europe International Business School in 2007. Previously, Mr. Ho had worked for several listed companies in Hong Kong as their chief financial officer, executive director and company secretary. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He has over 20 years of experience in accounting, finance, taxation and company secretarial work.

Save as disclosed herein, Mr. Ho does not have any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company, and does not have other major appointments and professional qualifications. He does not at present, and in the past three years did not, hold any directorship in any listed company.

Mr. Ho holds options to subscribe for 200,000 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. Ho entered into a service contract with the Company, pursuant to which there will be no specific term for his appointment as the Chief Financial Officer and an executive Director. If re-elected at the AGM, Mr. Ho will be subject to retirement by rotation and re-election in accordance with the Articles, the law of the Cayman Islands and the Listing Rules.



4. **Mr. Wong Yuk (“Mr. Wong”)**, aged 55, joined the Group in 2015. Mr. Wong is currently a Non-executive Director of the Company. He was previously a Co-Chief Executive Officer of the Group, an executive Director of the Company and a member of the Senior Leadership Team. Mr. Wong obtained a Bachelor of Science in Mechanical Engineering from The University of Hong Kong and completed a Master in Business Administration with The Chinese University of Hong Kong in 1992. Before joining the Group, he was the Managing Director - China Strategy and Investment of Methanex, a global market leader in methanol. He had also worked with Shell for over 26 years and was its General Manager - Shell Specialities China/Hong Kong and China Local Senior Downstream Representative. Mr. Wong has more than 30 years of extensive experience in the petrochemical industry.

Mr. Wong does not have any interests in the Shares within the meaning of Part XV of the SFO. Save as disclosed herein, Mr. Wong does not have any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company, does not have other major appointments and professional qualifications and does not at present, and in the past three years did not, hold any directorship in any listed company.

Mr. Wong entered into a letter of appointment with the Company. If re-elected at the AGM, Mr. Wong’s term of directorship will last until the conclusion of the 2022 annual general meeting of the Company, subject to the terms of the Articles, the law of the Cayman Islands and the Listing Rules.

## 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 2018 are set out in the table below:

Directors	Remarks	Directors' emoluments				Total
		Directors Fees	Salaries and other benefits	Discretionary bonus	Retirement benefit scheme	
					contributions	
		HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
Mr. Yip Tsz Hin	a	400	3,344	47	235	4,026
Mr. Ho Sai Hou	a	400	1,908	47	176	2,531
Mr. Wong Yuk <sup>#</sup>	a	400	2,656	47	100	3,203

The amounts of emoluments to be received in 2019 by the directors to be elected or re-elected at the AGM are set out below:

- i. Mr. Yip Tsz Hin will be entitled to receive an annual salary of HK\$2,999,100<sup>a</sup>, housing reimbursement of HK\$795,420<sup>a</sup> per annum and a discretionary bonus;
- ii. Mr. Ip Kwan will be entitled to receive an annual salary of HK\$1,690,000<sup>a</sup> and a discretionary bonus;
- iii. Mr. Ho Sai Hou will be entitled to receive an annual salary of HK\$2,332,200<sup>a</sup> and a discretionary bonus; and
- iv. Mr. Wong Yuk<sup>#</sup> will be entitled to receive a director's fee of HK\$200,000<sup>b</sup> annually.

Remarks:

- a. The emoluments of executive Directors are covered by the respective service contracts. The emoluments of the above executive Directors for the year ended 31 December 2018 and that for the year ending 31 December 2019 are/will be determined by the remuneration committee of the Company (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.

- b. The director's fee of non-executive Director is covered by an appointment letter 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.
- # Mr. Wong Yuk was re-designated from an executive Director to a non-executive Director with effect from 1 January 2019.

**OTHER INFORMATION**

If re-elected at the AGM, all the aforesaid Directors, subject to the terms agreed otherwise which expire earlier, will be subject to the rotation, removal, vacation or termination of such offices 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. Save as disclosed herein, the above Directors did not have any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company, and there is no information which is discloseable nor are/were the above Directors to be elected/re-elected 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, and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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### 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 Falcon Room, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Tuesday, 4 June 2019 at 3:00 p.m. for the following purposes:

#### **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 (“Auditor”) for the year ended 31 December 2018;
2. To declare a final dividend of HK10 cents per Share for the year ended 31 December 2018 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, 14 June 2019;
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as Auditor and to authorise the board of Directors to fix their remuneration;
4. To elect Mr. Ip Kwan as an Executive Director;
5. To re-elect Mr. Yip Tsz Hin as an Executive Director;
6. To re-elect Mr. Ho Sai Hou as an Executive Director;
7. To re-elect Mr. Wong Yuk as a Non-executive Director until the conclusion of the annual general meeting of the Company of 2022; and
8. To authorise the board of Directors to fix the remuneration of the Directors.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL BUSINESS

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

9. “**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 in the Company (“Share”) 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; 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;

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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).”

10. **“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; 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.”

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11. “**THAT**, subject to the availability of unissued share capital and conditional upon the resolutions nos. 9 and 10 above being passed, the number of Shares which are repurchased by the Company pursuant to and in accordance with resolution no. 10 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. 9 above.”

By order of the Board  
**Ip Chi Shing**  
*Chairman*

Hong Kong, 18 April 2019

*Notes:*

1. The Hong Kong branch register of members of the Company will be closed from Thursday, 30 May 2019 to Tuesday, 4 June 2019 (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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 29 May 2019.

The Hong Kong branch register of members of the Company will be closed from Thursday, 13 June 2019 to Friday, 14 June 2019 (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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 12 June 2019.

2. 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.
3. 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.

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4. With regard to resolutions nos. 9 and 11 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. 9 above and the general extension mandate to be granted under resolution no. 11 above.
5. 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*