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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 27/F., Fortis Tower, Nos. 77-79 Gloucester Road, Wanchai, Hong Kong on Thursday, 3 June 2021 at 3:00 p.m. is set out on pages 24 to 28 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 or the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretarial Limited, Level 54, Hopewell Centre, 183 Queen's Road East, 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.

#### **PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

To ensure the safety of the annual general meeting attendees and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the annual general meeting. These measures include, but are not limited to:

1. conducting compulsory body temperature checks;
2. wearing of surgical face mask at all times;
3. requiring health declaration;
4. arranging venue seating to allow for appropriate social distancing; limiting the number of the annual general meeting attendees to avoid over-crowding; and
5. not providing food or beverage.

Any attendee who (a) does not comply with the precautionary measures; (b) is subject to compulsory quarantine or medical surveillance order by the Department of Health of Hong Kong or has close contact with any person under quarantine; or (c) has any flu-like symptoms or is otherwise unwell, will be denied entry into or be requested to leave the meeting venue.

**Shareholders are strongly encouraged to appoint the Chairman of the annual general meeting as their proxies, instead of attending the annual general meeting in person in consideration of health and safety reasons.**

16 April 2021

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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 27/F., Fortis Tower, Nos. 77-79 Gloucester Road, Wanchai, Hong Kong on Thursday, 3 June 2021 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 24 to 28 in this circular
“Articles”	the articles of association of the Company as amended from time to time
“Bauhinia Advanced Materials Group”	Bauhinia Advanced Materials Group Limited and its subsidiaries
“Bauhinia Advanced Materials Group Limited”	Bauhinia Advanced Materials Group Limited (formerly known as “Bauhinia Coatings Group Limited”), a subsidiary of the Company incorporated in Hong Kong
“Bauhinia Paints”	紫荊花製漆(深圳)有限公司 (Bauhinia Paints Manufacturing (Shenzhen) Company Limited <sup>#</sup> ), a subsidiary of the Company established in the PRC
“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

<sup>#</sup> for identification purpose only

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## DEFINITIONS

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“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)
“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)” or “INED(s)”	the independent non-executive director(s) of the Company
“Latest Practicable Date”	8 April 2021, 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
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this circular

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## DEFINITIONS

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“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)
“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
“Venue”	the venue of the AGM
“%”	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)*

*Independent Non-executive Directors:*

Mr. Wong Yuk

Mr. Ho Pak Chuen, Patrick

Mr. Ku Yee Dao, Lawrence

*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

16 April 2021

*To: the Shareholders*

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;  
(2) ELECTION/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;

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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 HK16 cents per Share for the year ended 31 December 2020.

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

At the last annual general meeting of the Company held on 2 June 2020, 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 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 was 556,659,160 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 111,331,832 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**

At the last annual general meeting of the Company held on 2 June 2020, the resolution for a Repurchase Mandate was passed by the Shareholders and such mandate will lapse at the conclusion of the forthcoming AGM.

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## LETTER FROM THE CHAIRMAN

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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 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 556,659,160 fully paid-up Shares as at the Latest Practicable Date and assuming no Share 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 55,665,916 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).

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.



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## LETTER FROM THE CHAIRMAN

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

References are made to the announcements of the Company dated 26 June 2020 and 18 December 2020 respectively in relation to, among others, the appointment of Mr. Ku Yee Dao, Lawrence (“**Mr. Ku**”) as an Independent Non-executive Director with effect from 1 July 2020 and the re-designation of Mr. Wong Yuk as an Independent Non-executive Director with effect from 1 January 2021. In accordance with Article 95 of the Articles, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed 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. Therefore, Mr. Ku is subject to election by Shareholders at the AGM (being the first general meeting of the Company after his appointment). Further, for good corporate governance, Mr. Wong Yuk, who has been re-designated as an Independent Non-executive Director will also offer himself for 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 in this connection, any Director who retires in accordance with Article 95 of the Articles shall not be taken into account in determining the number of Directors who are to retire at such meeting 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 pursuant to Article 112 at the conclusion of the AGM.

Name	Position
(a) Mr. Ho Pak Chuen, Patrick	Independent Non-executive Director
(b) Mr. Ip Kwan	Executive Director

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

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## LETTER FROM THE CHAIRMAN

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Each of Independent Non-executive Directors had entered into an appointment letter with the Company. If elected/re-elected at the AGM, Mr. Ku, Mr. Wong Yuk and Mr. Ho Pak Chuen, Patrick (collectively the “**Proposed INED**”) will hold office until the conclusion of the annual general meeting of the Company of 2024, subject to rotation, removal, vacation or termination of their offices as Directors in accordance with the Articles or the disqualification to act as a Director under the Articles, the law of the Cayman Islands and the Listing Rules.

Mr. Ip Kwan entered into a service contract with the Company, pursuant to which there is no specific term for his appointment as the Deputy Chief Executive Officer of the Company and an Executive Director. If re-elected at the AGM, Mr. Ip Kwan will be subject to retirement by rotation, removal, vacation, termination and re-election in accordance with 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 Directors required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

### **Recommendation of the Board on election/re-election of Proposed INED**

The Company does not have a nomination committee. Currently, the Board is responsible for the nomination and appointment of new Directors. The Company considers it is more beneficial and efficient for the full Board to perform the functions of a nomination committee.

The Board has taken into account the nomination policy and procedures adopted by the Company in making the recommendation to the Board for the election/re-election of each of the Proposed INED. In particular, the Board has assessed each of the Proposed INED 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 responsibilities of the relevant candidate (such as other directorships held in public companies the securities of which are listed on 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 of the candidate; and

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## LETTER FROM THE CHAIRMAN

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- (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 the Proposed INED based on the independence criteria as set out in Rule 3.13 of the Listing Rules.

While Mr. Ku is the son of Mr. Ku Yuen Fun, a retired Director, the Board considers that Mr. Ku is independent given Mr. Ku satisfies all the independence criteria set out in Rule 3.13 of the Listing Rules except for Rule 3.13(6) solely for him being the son of the retired Director of the Company and the Company believes that Mr. Ku is capable of exercising his professional judgment and draw upon his knowledge and experience in the accounting and financial industry.

Mr. Wong Yuk has been re-designated as an Independent Non-executive Director since 1 January 2021, prior to which he was a Non-executive Director of the Company from 1 January 2019 to 1 January 2021 and an Executive Director of the Company from 2015 to 2019. The Board considers that Mr. Wong Yuk is independent as he was no longer involved in the daily operations, management and business of the Group and had brought objectivity and independent judgment to the Board since his re-designation as a Non-executive Director on 1 January 2019. Also, although Mr. Wong Yuk acted as a director of Bauhinia Paints, a subsidiary of the Company established in the PRC, Bauhinia Paints applied for deregistration on 13 November 2018 and since then Mr. Wong Yuk had ceased to perform any executive role therein and the deregistration process of Bauhinia Paints was completed on 10 April 2020.

Having considered the above, the Board is satisfied that each of Proposed INED are independent in accordance with Rule 3.13 of the Listing Rules.

In addition, the Board has evaluated the performance of the Proposed INED as Independent Non-executive Directors and considers that each of them has 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 the Proposed INED 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, financial, petrochemical and chemical industry, and connections in various

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## LETTER FROM THE CHAIRMAN

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industries, the Board considers that each of the Proposed INED would contribute to the diversity of the Board and their election/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 24 to 28 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 or the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, Level 54, Hopewell Centre, 183 Queen's Road East, 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.

### **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, 11 June 2021. 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 Monday, 31 May 2021 to Thursday, 3 June 2021 (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 share registrar and transfer office 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 Friday, 28 May 2021.

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## LETTER FROM THE CHAIRMAN

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### **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, 10 June 2021 to Friday, 11 June 2021 (both dates inclusive) for the purpose of ascertaining Shareholders' entitlement to the proposed final dividend upon the passing of the 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 share registrar and transfer office 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, 9 June 2021.

### **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.

### **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.

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## LETTER FROM THE CHAIRMAN

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### **12. PRECAUTIONARY MEASURES FOR THE AGM IN VIEW OF THE RECENT DEVELOPMENT OF CORONAVIRUS DISEASE 2019**

In view of the recent development of coronavirus disease 2019 (COVID-19), and in order to better protect the safety and health of the Shareholders, 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. 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. The Company will implement the following precautionary measures at the AGM:

1. Compulsory body temperature checks will be conducted on all persons attending the AGM at the waiting area outside the Venue before they are admitted to the Venue. Any person with a body temperature of over 37.3 degree Celsius, or who has any flu-like symptoms, or is otherwise apparently unwell, will not be admitted to the Venue;
2. All attendees must wear face masks at all times inside the Venue or at the waiting area outside the Venue;
3. All attendees of the AGM are required to fill in a travel and health declaration form to confirm that (i) he/she has no flu-like symptoms within 7 days immediately before the AGM; and (ii) within 14 days immediately before the AGM: (a) he/she has not travelled outside of Hong Kong; and (b) he/she is/was not under compulsory quarantine or medical surveillance order by the Department of Health of Hong Kong; and (c) he/she has not had close contact with confirmed case(s) and/or probable case(s) of COVID-19 patient(s); and (d) he/she does/did not live with any person under home quarantine. Any person who fails to provide the required confirmation may be requested to leave or denied entry into the Venue;
4. Seating at the Venue will be arranged in a manner to allow for appropriate social distancing. As a result, there may be limited capacity for Shareholders to attend the AGM. The Company may limit the number of attendees at the AGM as may be necessary to avoid over-crowding;
5. Any attendee who does not follow any of the abovementioned measures will be refused admission to the Venue or requested to leave the Venue;

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## LETTER FROM THE CHAIRMAN

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6. No food or beverage will be served at the AGM to avoid close contact of attendees; and
7. All attendees are recommended to clean their hands with alcohol-based hand sanitizer before entering the Venue.

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 556,659,160 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 55,665,916 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 2020, 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>
<b>2020</b>		
April	2.39	2.25
May	2.50	2.29
June	2.45	2.10
July	2.37	2.10
August	2.50	2.17
September	2.71	2.40
October	2.85	2.50
November	3.06	2.65
December	3.04	2.84
<b>2021</b>		
January	3.03	2.88
February	3.38	3.00
March	3.87	3.12
April (up to the Latest Practicable Date)	3.82	3.72

**3. REPURCHASES OF SHARES**

The Company repurchased 5,480,000 shares on the Stock Exchange in the six month preceding and including the Latest Practicable Date, with details as follows:

Repurchase Date	No. of Shares	Purchase Price Per Share	
		Highest HK\$	Lowest HK\$
12 October 2020	220,000	2.58	2.57
20 October 2020	580,000	2.64	2.55
21 October 2020	512,000	2.64	2.60
5 November 2020	54,000	2.70	2.70
11 November 2020	12,000	2.72	2.72
12 November 2020	112,000	2.80	2.74
13 November 2020	328,000	2.85	2.82
19 November 2020	452,000	2.90	2.90
20 November 2020	60,000	2.90	2.88
23 November 2020	104,000	2.90	2.90
7 December 2020	12,000	2.95	2.95
8 December 2020	40,000	2.96	2.96
9 December 2020	116,000	2.97	2.96
10 December 2020	128,000	3.00	3.00
11 December 2020	34,000	3.00	3.00
23 March 2021	838,000	3.70	3.67
24 March 2021	904,000	3.70	3.64
25 March 2021	318,000	3.72	3.70
26 March 2021	118,000	3.72	3.71
7 April 2021	362,000	3.77	3.74
8 April 2021	176,000	3.80	3.76

**4. GENERAL**

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 556,659,160 to 500,993,244. As at the Latest Practicable Date, for the purpose of Part XV of the SFO, Mr. Ip Chi Shing is and is deemed to be interested in 188,624,532 Shares (including the Shares held by his wife Madam Liang Bih Yu and the Shares he 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 and assuming no other change to the issued share capital of the Company, the percentage of issued share capital in the Company that Mr. Ip Chi Shing is interested in will increase from approximately 33.89% to approximately 37.65% 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. Ku Yee Dao, Lawrence (“Mr. Ku”)**, aged 42, joined the Group as an Independent Non-executive Director in 2020. Mr. Ku obtained a Bachelor of Arts in Economics and a Master of Accounting from the University of Michigan. Mr. Ku joined Knorr-Bremse Asia Pacific (Holding) Limited, the Asia Pacific regional headquarters of Knorr-Bremse Group (a company listed on the Frankfurt Stock Exchange) since 2008 and is currently the Finance Director of Global Business Unit Steering and the Regional Financial Controller of Commercial Vehicle Systems Asia Pacific. Previously, he joined Hong Kong Oxygen & Acetylene Company Limited, a subsidiary of the Linde Group, as an accounting manager in 2007. Mr. Ku also developed his career in Deloitte Touche Tohmatsu, CPA for more than four years. Mr. Ku is a member of American Institute of Certified Public Accountants (AICPA). Mr. Ku is the son of Mr. Ku Yuen Fun, a retired Independent Non-executive Director.

Mr. Ku’s initial term of directorship will last until the conclusion of AGM at which he is eligible for re-election and he is also subject to retirement by rotation and re-election in accordance with the Articles, the Listing Rules and the laws of the Cayman Islands. If elected at the AGM, Mr. Ku’s term of directorship will last until the conclusion of the 2024 annual general meeting of the Company, subject to the terms of the Articles, the Listing Rules and the laws of the Cayman Islands.

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

2. **Mr. Wong Yuk (“Mr. Wong”)**, aged 57, joined the Group in 2015. Mr. Wong is re-designated as an Independent Non-executive Director in 2021. During 2019 to 2020, he was a Non-executive Director of the Company and prior to 1 January 2019, Mr. Wong was a Co-Chief Executive Officer of the Group, an Executive Director and a member of the Senior Leadership Team. Mr. Wong obtained a Bachelor of Science degree in Mechanical Engineering from The University of Hong Kong and completed a Master’s degree 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.

Notwithstanding that Mr. Wong was a director of Bauhinia Paints, a currently deregistered company established in the PRC and was a subsidiary of the Company, within two years prior to the date of his re-designation as Independent Non-executive Director, Mr. Wong has confirmed, and the Board agrees, that Mr. Wong is independent and satisfies all the indicative independence criteria set out in Rule 3.13 of the Listing Rules, save for Rule 3.13(7) of the Listing Rules, for the following reasons:-

- (i) Mr. Wong has been re-designated from an Executive Director to a Non-Executive Director since 1 January 2019 and has no longer been involved in any daily operations, management and business of the Group since then and has played a valuable role to bring objectivity and independent judgment to the Board's deliberations; and
- (ii) Mr. Wong acted as a director of Bauhinia Paints which applied for deregistration on 13 November 2018 (by then Bauhinia Paints had already ceased its business), since then Mr. Wong ceased to perform any executive role in Bauhinia Paints and the deregistration process of Bauhinia Paints was completed on 10 April 2020.

Mr. Wong, subject to the terms agreed otherwise which expire earlier, will also be subject to rotation, removal, vacation or termination of his office as a Director 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 elected at the AGM, Mr. Wong's term of directorship will last until the conclusion of the 2024 annual general meeting of the Company, subject to the terms of the Articles, the Listing Rules and the laws of the Cayman Islands.

- 3. **Mr. Ho Pak Chuen, Patrick ("Mr. Ho")**, aged 66, joined the Group as an Independent Non-executive Director in 2018. Mr. Ho is currently the Group Managing Director, Group Chairman Office of Fung (1937) Management Ltd as well as the Chief Operating Officer of Global Brands Group Holding Limited (00787.HK). He previously worked for The Dow Chemical Company, and retired in 2018 after 40 years of service. Mr. Ho has extensive experience in the chemical industry while working for The Dow Chemical Company. He was global business director for Ethylene Oxide, Propylene Oxide and

Derivatives in Chemicals and Metals in Dow headquarter in Midland, Michigan. He returned to Hong Kong in 1998 as President for Dow Chemical, Asia Pacific region, Global Vice President for Epoxy & Specialty Chemicals then Asia Pacific vice president for manufacturing, public & government affairs. Mr. Ho was the chairman of Association of International Chemical Manufacturers (AICM) in Hong Kong/China in 2001-2003. He holds directorship in a number of private companies within the Fung Group of companies and is an independent non-executive director of Computime Group Limited. Mr. Ho obtained a bachelor's degree in Chemical Engineering from Queen's University at Kingston, Canada.

Mr. Ho, subject to the terms agreed otherwise which expire earlier, will also be subject to rotation, removal, vacation or termination of his office as a Director 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. Ho's term of directorship will last until the conclusion of the 2024 annual general meeting of the Company, subject to the terms of the Articles, the Listing Rules and the laws of the Cayman Islands.

4. **Mr. Ip Kwan (“Mr. Ip”)**, aged 38, joined the Group in 2007. Mr. Ip 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 Advanced Materials Group, the General Manager of the Bauhinia Advanced Materials Group Limited and an assistant to Director of the Group. He is (i) the son of Mr. Ip Chi Shing, the Chairman of the Group and a Non-executive Director of the Company, and (ii) a nephew of Mr. Yip Tsz Hin, the Deputy Chairman of the Group, the Chief Executive Officer of the Group, an Executive Director of the Company and a member of the Senior Leadership Team. 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.

As at the Latest Practicable Date, Mr. Ip was interested in 11,084,000 Shares and share options carrying rights to subscribe for 200,000 Shares in the Company. He is subject to the terms agreed otherwise which expire earlier, will also be subject to rotation, removal, vacation or termination of his office as a Director 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.

## APPENDIX II

## DETAILS OF DIRECTORS PROPOSED TO BE ELECTED/RE-ELECTED AT THE AGM

Save as disclosed above, each of the Directors proposed to be elected/re-elected (i) does not have any relationship with any other directors, senior management or any substantial or controlling Shareholders of the Company; (ii) does not have other major appointments and professional qualifications; (iii) does not at present and did not in the past three years hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iv) does not hold any position with the Company and other members of the Group; (v) has no interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

There is no other information which is discloseable nor were the Directors proposed 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)(w) of the Listing Rules. The Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

### DIRECTORS' EMOLUMENTS

The amounts of emoluments received by the above Directors, to be elected/re-elected at the upcoming AGM, for the year ended 31 December 2020 are set out in the table below:

Directors	Directors' emoluments				Total
	Directors Fees	Salaries and other benefits	Discretionary bonus	Retirement beneficial	
				scheme contributions	
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
Mr. Ku Yee Dao, Lawrence <sup>a</sup>	100	—	—	—	100
Mr. Wong Yuk <sup>a</sup>	200	120	—	—	320
Mr. Ho Pak Chuen, Patrick <sup>a</sup>	200	—	—	—	200
Mr. Ip Kwan <sup>b</sup>	—	2,028	1,188	187	3,403

The amount of emoluments to be received in 2021 by the Directors to be elected or re-elected at the AGM are set out below:

- (i) Mr. Ku Yee Dao, Lawrence and Mr. Ho Pak Chuen, Patrick will be entitled to receive a director's fee of HKD200,000<sup>a</sup> annually;



- (ii) Mr. Wong Yuk will be entitled to receive a director's fee of HKD200,000<sup>a</sup> annually as well as salaries and other benefits of HKD240,000 for the year of 2021; and
- (iii) Mr. Ip Kwan will be entitled to receive an annual salary of HKD2,352,480<sup>b</sup>, and discretionary bonus.

*Remarks:*

- a. The director's fee of Non-executive Director/Independent Non-executive Director is covered by an appointment letter and determined by the Board based on the recommendation given by the remuneration committee of the Company 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 emoluments of Executive Director is covered by the respective service contract. The emolument of the above Executive Director is/will be determined by the remuneration committee of the Company with reference to the Company's remuneration policy and taking into account, among other factors, the Director's qualification and experience, responsibilities undertaken, contribution to the Company, and the prevailing market level of remuneration for similar position.

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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 (“**Company**”) will be held at 27/F., Fortis Tower, Nos. 77-79 Gloucester Road, Wanchai, Hong Kong (“**Venue**”) on Thursday, 3 June 2021 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 (“**Director(s)**”) and the independent auditors of the Company (“**Auditors**”) for the year ended 31 December 2020;
2. To declare a final dividend of HK16 cents per ordinary share of the Company (“**Share**”) for the year ended 31 December 2020 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, 11 June 2021;
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as the Auditors and to authorise the board of Directors to fix their remuneration;
4. To elect Mr. Ku Yee Dao, Lawrence as an Independent Non-executive Director until the conclusion of the annual general meeting of the Company to be held in 2024;
5. To elect Mr. Wong Yuk as an Independent Non-executive Director until the conclusion of the annual general meeting of the Company to be held in 2024;
6. To re-elect Mr. Ho Pak Chuen, Patrick as an Independent Non-executive Director until the conclusion of the annual general meeting of the Company to be held in 2024;
7. To re-elect Mr. Ip Kwan as an Executive Director; and

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## NOTICE OF ANNUAL GENERAL MEETING

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8. To authorise the board of Directors to fix the remuneration of the Directors.

### 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 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

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## NOTICE OF ANNUAL GENERAL MEETING

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- 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;

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 (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

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## NOTICE OF ANNUAL GENERAL MEETING

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- 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.”

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, 16 April 2021

*Notes:*

1. The Hong Kong branch register of members of the Company will be closed from Monday, 31 May 2021 to Thursday, 3 June 2021 (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 share registrar and transfer office 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 Friday, 28 May 2021.

The Hong Kong branch register of members of the Company will be closed from Thursday, 10 June 2021 to Friday, 11 June 2021 (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 share registrar and transfer office 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, 9 June 2021.

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, or the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 48 hours before the time appointed for holding the meeting or adjourned meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. 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.
5. 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.
6. In view of the recent development of the coronavirus disease 2019 (COVID-19), and in order to better protect the safety and health of the Shareholders, 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. 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. The Company will implement the following precautionary measures at the AGM:
  - a. Compulsory body temperature checks will be conducted on all persons attending the AGM at the waiting area outside the Venue before they are admitted to the Venue. Any person with a body temperature of over 37.3 degree Celsius, or who has any flu-like symptoms, or is otherwise apparently unwell, will not be admitted to the Venue;
  - b. All attendees must wear face masks at all times inside the Venue or at the waiting area outside the Venue;
  - c. All attendees of the AGM are required to fill in a travel and health declaration form to confirm that (i) he/she has no flu-like symptoms within 7 days immediately before the AGM; and (ii) within 14 days immediately before the AGM: (a) he/she has not travelled outside of Hong Kong; and (b) he/she is/was not under compulsory quarantine or medical surveillance order by the Department of Health of Hong Kong; and (c) he/she has not had close contact with confirmed case(s) and/or probable case(s) of COVID-19 patient(s); and (d) he/she does/did not live with any person under home quarantine. Any person who fails to provide the required confirmation may be requested to leave or denied entry into the Venue;
  - d. Seating at the Venue will be arranged in a manner to allow for appropriate social distancing. As a result, there may be limited capacity for Shareholders to attend the AGM. The Company may limit the number of attendees at the AGM as may be necessary to avoid over-crowding;
  - e. Any attendee who does not follow any of the abovementioned measures will be refused admission to the Venue or requested to leave the Venue;
  - f. No food or beverage will be served at the AGM to avoid close contact of attendees; and
  - g. All attendees are recommended to clean their hands with alcohol-based hand sanitizer before entering the Venue.
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. Ho Pak Chuen, Patrick\*  
Mr. Ku Yee Dao, Lawrence \*

*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*