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Yip's Chemical Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 408)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (“AGM”) of Yip’s Chemical Holdings Limited (the “Company”) will be held at 3:00 p.m. on Friday, 25 May 2012 at Monaco Room, B1, Regal Hong Kong Hotel, 88 Yee Woo Street, Causeway Bay, Hong Kong for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company (“Directors”) and the independent auditors of the Company (“Auditors”) for the year ended 31 December 2011;
2. To approve the final dividend for the year ended 31 December 2011 of HK12.0 cents per share (each a “Share”) of HK\$0.10 each in the capital of the Company by way of a scrip dividend scheme (“Scrip Dividend Scheme”) with an option to elect to receive wholly or partly an allotment and issue of Shares credited as fully paid in lieu of cash payment;
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as Auditors and to authorise the board of Directors to fix their remuneration;
4. To re-elect the Directors;
5. To re-elect Mr. Wong Kong Chi as an independent non-executive Director; and
6. To authorize the board of Directors to fix the remuneration of the Directors.

SPECIAL BUSINESS

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

As Ordinary Resolutions

7. **“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 or similar arrangements pursuant to the articles of association of the Company, not exceeding twenty per cent. of the share capital of the Company in issue 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 of association of the Company; 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;

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).”

8. **“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 ten per cent. of the Shares in issue 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 of association of the Company; 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.”
9. **“THAT**, subject to the availability of unissued share capital and conditional upon the resolutions nos. 7 and 8 above being passed, the number of Shares which are repurchased by the Company pursuant to and in accordance with resolution no. 8 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. 7 above.”
10. **“THAT** conditional upon The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in the shares falling to be issued pursuant to the exercise of any options granted under the share option scheme referred to in the circular dispatched to the shareholders of the Company on the same day as this notice, the terms of which are set out in the printed document marked “A” now produced to the Meeting and for the purpose of identification signed by the Chairman hereof (“Share Option Scheme”), the Share Option Scheme be approved and adopted to be the Share Option Scheme of the Company and that the Directors be authorised to grant options thereunder and to allot and issue Shares pursuant to the Share Option Scheme and take all such steps as may be necessary or desirable to implement such Share Option Scheme and with effect from the date of the Share Option Scheme becoming unconditional and coming into effect, the existing share option scheme of the Company which was adopted by the Company on 3 September 2002 be terminated with effect from the date on which such resolution shall become unconditional.”

By order of the Board
Ip Chi Shing
Chairman

Hong Kong, 23 April 2012

Notes:

1. The Hong Kong branch register of members of the Company will be closed from 23 May 2012 to 25 May 2012 (both dates inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the forthcoming annual general meeting. No transfer of 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, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 22 May 2012.

The Hong Kong branch register of members of the Company will be closed from 31 May 2012 to 1 June 2012 (both dates inclusive) for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. No transfer of Shares may be transferred 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, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 30 May 2012.

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 form of proxy will not preclude a member of the Company from attending the AGM and vote in person. In such event, the form of proxy will be deemed to have been revoked.
3. A form of proxy for the AGM is enclosed with the Company's circular. In order to be valid, a form of proxy 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 Yip's Chemical Building, 13 Yip Cheong Street, On Lok Tsuen, Fanling, New Territories, Hong Kong, not later than 48 hours before the time appointed for holding the meeting or adjourned meeting.
4. With regard to resolutions nos. 7 and 9 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 under resolution no. 7 and general extension mandate under resolution no. 9 above.
5. As at the date hereof, the Board of Directors of the Company comprises the following Directors:-

Non-executive Directors :

Mr. Ip Chi Shing (*Chairman*)
Mr. Wong Kong Chi*
Mr. Au-Yeung Tsan Pong, Davie*
Mr. Li Chak Man*
Mr. Ku Yuen Fun*
Mr. Tong Wui Tung
Mr. Ng Siu Ping

Executive Directors :

Mr. Yip Tsz Hin (*Deputy Chairman*)
Mr. Wong Kam Yim (*Chief Executive Officer*)
Mr. Li Wai Man, Peter (*Chief Operations Officer*)
Mr. Ho Sai Hou (*Chief Financial Officer*)

* *Independent non-executive Directors*