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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 all your shares in Yip's Chemical Holdings Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale 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 AGM**

A notice convening an annual general meeting of Yip's Chemical Holdings Limited to be held on Tuesday, 24 June 2014 at 2:00 p.m. at Monaco Room, B1, Regal Hong Kong Hotel, 88 Yee Woo Street, Causeway Bay, Hong Kong is set out on pages 13 to 16 of this circular. A form of proxy 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 the Company at Yip's Chemical Building, 13 Yip Cheong Street, On Lok Tsuen, Fanling, New Territories, 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.

22 April 2014

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DEFINITIONS

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 on Tuesday, 24 June 2014 at 2:00 p.m. at Monaco Room, B1, Regal Hong Kong Hotel, 88 Yee Woo Street, Causeway Bay, Hong Kong 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 13 to 16 in this circular
“Articles”	the existing articles of association of the Company adopted by special resolution dated 19 August 2004 and as amended from time to time
“Associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors (including non-executive Directors and independent non-executive Directors)
“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
“Director(s)”	the director(s) of the Company
“General Allotment Mandate”	a general allotment mandate to the Directors to allot and issue Shares the aggregate number of which shall not exceed 20 per cent. of the issued share capital of the Company 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
“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 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Record Date”	4 July 2014, being the record date for determining entitlements of the Shareholders to the final dividend for the year ended 31 December 2013
“Repurchase Mandate”	a general mandate to the Directors to exercise all the powers of the Company to repurchase Shares not exceeding 10 per cent. of the issued share capital of the Company 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”	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 Hong Kong Codes on Takeovers and Mergers

LETTER FROM THE CHAIRMAN



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)*

Mr. Wong Kam Yim *(Chief Executive Officer)*

Mr. Ho Sai Hou *(Chief Financial Officer)*

Mr. Kwong Kwok Chiu

Non-executive Director:

Mr. Tong Wui Tung

Independent Non-executive Directors:

Mr. Wong Kong Chi

Mr. Li Chak Man

Mr. Ku Yuen Fun

Mr. Ng Siu Ping

Registered office:

PO Box 309GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Yip's Chemical Building

13 Yip Cheong Street

On Lok Tsuen

Fanling, New Territories

Hong Kong

22 April 2014

To: the Shareholders

Dear Sir or Madam,

(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

(2) ELECTION/RE-ELECTION OF DIRECTORS

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the following proposals to be put forward to the Shareholders for their consideration and, if thought fit, approval of:

- (a) grant of General Allotment Mandate to the Directors;
- (b) grant of Repurchase Mandate to the Directors;

LETTER FROM THE CHAIRMAN

- (c) grant of General Extension Mandate to the Directors;
- (d) election/re-election of Directors; and
- (e) the final dividend of HK15.0 cents per Share for the year ended 31 December 2013.

2. GENERAL ALLOTMENT MANDATE

It is proposed that a new General Allotment Mandate be granted to the Directors to issue further Shares up to 20 per cent. of the share capital of the Company in issue 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 issued share capital of the Company was 562,581,160 fully paid-up Shares. Subject to the passing of the resolution granting the General Allotment Mandate and on the basis that no further Shares are 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 new issue of 112,516,232 Shares.

3. REPURCHASE MANDATE

In the annual general meeting of the Company held on 6 June 2013, a general mandate was given to the Directors to exercise all the powers of the Company to repurchase its own Shares which 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.

An explanatory statement to provide the Shareholders with all the information reasonably necessary for them to make an informed decision in relation to this proposed Repurchase Mandate 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 the 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 Repurchase Mandate referred to above, to add to the General Allotment Mandate the number of Shares repurchased pursuant to the Repurchase Mandate.

The authority conferred on the Directors by the General Allotment Mandate, the Repurchase Mandate and the General Extension Mandate would continue 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 general meeting.

LETTER FROM THE CHAIRMAN

5. ELECTION/RE-ELECTION OF DIRECTORS

On 1 January 2014, Mr. Kwong Kwok Chiu was appointed as an executive Director by the Board. Pursuant to Article 95 of the Articles, he will hold office until the conclusion of the AGM and, being eligible, will offer himself for election at the AGM. Pursuant to Article 112 of the Articles, Mr. Yip Tsz Hin, being an executive Director and Mr. Wong Kong Chi, Mr. Ku Yuen Fun and Mr. Ng Siu Ping, all being independent non-executive Directors, will retire by rotation at the conclusion of the AGM and, all being eligible, will offer themselves for re-election at the AGM. All remaining Directors will continue to be in office.

If elected/re-elected, all the aforesaid Directors, subject to the terms agreed otherwise which expire 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 laws of the Cayman Islands and the Listing Rules. 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 code on corporate governance practices of 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.

The particulars of Mr. Kwong Kwok Chiu and 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 13 to 16 of this circular and a form of proxy for use at the AGM is herein enclosed.

Whether or not you are able to attend the AGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at Yip's Chemical Building, 13 Yip Cheong Street, On Lok Tsuen, Fanling, New Territories, 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 form of proxy shall not preclude you from attending and voting at the AGM or any adjourned meeting should you so desire.

7. CLOSURE OF REGISTER OF MEMBERS

7.1 Book Close 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 Friday, 20 June 2014 to Tuesday, 24 June 2014 (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 4:00 p.m. on Thursday, 19 June 2014.

LETTER FROM THE CHAIRMAN

7.2 Book Close 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, 3 July 2014 to Friday, 4 July 2014 (both dates inclusive) for the purpose of ascertaining Shareholders' entitlement to the proposed final dividend. No transfer of 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 4:00 p.m. on Wednesday, 2 July 2014.

8. 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.

9. 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 make any statement herein this circular misleading.

10. 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 the 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 562,581,160 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 56,258,116 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 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.

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 laws of the Cayman Islands and the Memorandum of Association of the Company and the Articles.

On the basis of the consolidated net tangible assets of the Group as at 31 December 2013, and taking into account the current working capital position of the Group, the Directors consider that no material adverse effect on the working capital and gearing position of the Group may result 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 of the Company or the gearing levels.

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>
2013		
April	8.45	7.67
May	8.78	7.80
June	8.09	6.85
July	7.31	6.69
August	7.16	6.11
September	6.84	6.17
October	6.92	6.47
November	6.95	6.16
December	7.04	6.20
2014		
January	6.70	6.08
February	6.33	5.80
March	6.20	5.16
April (up to the Latest Practicable Date)	5.70	5.43

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.

3. GENERAL

None of the Directors, to the best of their knowledge and having made all reasonable enquiries, nor any of their associates (as defined in the Listing Rules) 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 connected person has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by Shareholders.

The Directors have undertaken to the Stock Exchange to make purchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and any applicable laws 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.

On exercise in full of the Repurchase Mandate, the number of issued Shares will decrease from 562,581,160 to 506,323,044. As at the Latest Practicable Date, Mr. Ip Chi Shing, Ms. Ip Fung Kuen and Mr. Yip Tsz Hin who were deemed to be acting in concert together held 291,174,693 Shares. Should the Repurchase Mandate be exercised in full, their percentage shareholding will increase from 51.76% to 57.51% of the entire issued share capital of the Company. The Directors are not aware of any consequences which may arise under Rule 26 of the Takeovers Code as a result of any repurchase pursuant to the Repurchase Mandate.

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. Kwong Kwok Chiu**, aged 49, joined the Group in 1987 and has been a member of the Group Executive Committee since 1 January 2012. Mr. Kwong was appointed as the managing director of Hang Cheung group on 1 January 2013 and was appointed as an executive Director on 1 January 2014. Mr. Kwong obtained a Master's Degree in Business Administration from The Open University of Hong Kong, and has over 20 years of experience in the field of marketing and management of petrochemical industry.

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

Mr. Kwong holds options to subscribe for 200,000 Shares. Save as disclosed herein, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

If elected at the AGM, Mr. Kwong's term of directorship will last until the expiry of three years or the closing of the next annual general meeting of the Company at which his re-election is considered, whichever occurs earlier.

2. **Mr. Yip Tsz Hin**, aged 55, joined the Group in 1977. Mr. Yip is the deputy chairman of the Group and an executive director of the Company. Mr. Yip was appointed as the chairman of the Group Executive Committee on 1 January 2012. Mr. Yip has over 30 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 does not have any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company, and does not at present, and in the past three years did not, hold any directorship in any listed company.

Mr. Yip holds 55,240,248 Shares of which 35,240,248 Shares is personal interests and his wife holds 20,000,000 Shares. Mr. Yip 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.

If re-elected at the AGM, Mr. Yip will hold office for a term of three years subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles and the Listing Rules.

3. **Mr. Wong Kong Chi**, aged 56, has been an independent non-executive Director since 1993. He is a fellow member of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Wong retired in 1993 after working in the merchant banking industry for over 10 years. Mr. Wong does not hold any directorship in other listed companies.

As Mr. Wong did not actively involve in the daily operation of the Group nor does he hold an interest of more than 1% of the issued share capital in the Company, the Board considers that Mr. Wong is independent notwithstanding that he has served as an independent non-executive Director for more than nine years. Given his experience and expertise in accounting and finance, the Board is of the view that Mr. Wong should be re-elected as an independent non-executive Director.

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, and does not at present, and in the past three years did not, hold any directorship in any listed company.

Mr. Wong's wife holds 100,000 Shares. Save as disclosed herein, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

If re-elected at the AGM, Mr. Wong's term of directorship will last until the conclusion of the 2017 annual general meeting of the Company which will be held no later than 23 June 2017, subject to terms of the Articles, the Listing Rules and the laws of the Cayman Islands.

4. **Mr. Ku Yuen Fun**, aged 62, has been an independent non-executive Director since 2008. Mr. Ku graduated from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) and began his career at Shell Chemicals. Mr. Ku has extensive managerial experience in the oil & petrochemical industries in the Greater China region. He was a Director of Shell Hong Kong Limited, a Board Director of the Business Environment Council and the Chairman of Tianjin International Petroleum Storage and Transportation Company Limited. Mr. Ku does not hold any directorship in other listed companies.

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

Mr. Ku holds 34,680 Shares of which 20,680 Shares is personal interests and his wife holds 14,000 Shares. Save as disclosed herein, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

If re-elected at the AGM, Mr. Ku's term of directorship will last until the conclusion of the 2017 annual general meeting of the Company which will be held no later than 23 June 2017, subject to terms of the Articles, the Listing Rules and the laws of the Cayman Islands.

5. **Mr. Ng Siu Ping**, aged 55, joined the Group in 1991 and was appointed as an executive director of the Company since 1992. Mr. Ng retired on 1 July 2011 and was thereafter re-designated as a non-executive director of the Company. He was re-designated as an independent non-executive director of the Company on 1 January 2014. Mr. Ng obtained a Higher Diploma in Accountancy from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) and a Master Degree of Science in Corporate Governance and Directorship from the Hong Kong Baptist University. He is a fellow member of the Association of Chartered Certified Accountants and a

APPENDIX II**DETAILS OF DIRECTORS PROPOSED
TO BE ELECTED/RE-ELECTED AT THE AGM**

certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Ng has over 30 years of experience in the field of auditing and accounting. Mr. Ng does not hold any directorship in other listed companies.

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

Mr. Ng holds 2,582,000 Shares of which 2,532,000 Shares is personal interests and his wife holds 50,000 Shares. Save as disclosed herein, he does not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

If re-elected at the AGM, Mr. Ng's term of directorship will last until the conclusion of the 2017 annual general meeting of the Company which will be held no later than 23 June 2017, subject to terms of the Articles, the Listing Rules and the laws of the Cayman Islands.

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 2013 are set out in the table below:

Directors	Director fees <i>HK\$'000</i>	Other emoluments			Total <i>HK\$'000</i>
		Salaries and other benefits <i>HK\$'000</i>	Discretionary bonus <i>HK\$'000</i>	Retirement benefit scheme contributions <i>HK\$'000</i>	
Mr. Kwong Kwok Chiu	-	-	-	-	-
Mr. Yip Tsz Hin	400	2,906	918	196	4,420
Mr. Wong Kong Chi	500	-	-	-	500
Mr. Ku Yuen Fun	300	-	-	-	300
Mr. Ng Siu Ping	200	-	-	-	200

The emoluments of the above Directors for the year ending 31 December 2014 will be determined by the Board based on the recommendation to be 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.

OTHER INFORMATION

Save as disclosed herein, 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.

NOTICE OF ANNUAL GENERAL MEETING



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 on Tuesday, 24 June 2014 at 2:00 p.m. 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 2013;
2. To approve the final dividend of HK15.0 cents per share for the year ended 31 December 2013;
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as Auditor and to authorise the board of Directors to fix their remuneration;
4. To elect/re-elect the Directors;
5. To re-elect Mr. Wong Kong Chi as an independent non-executive Directors; and
6. 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):

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

NOTICE OF ANNUAL GENERAL MEETING

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 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

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- 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.”

By order of the Board
Ip Chi Shing
Chairman

Hong Kong, 22 April 2014

Notes:

1. The Hong Kong branch register of members of the Company will be closed from Friday, 20 June 2014 to Tuesday, 24 June 2014 (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, Level 22 Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on Thursday, 19 June 2014.

The Hong Kong branch register of members of the Company will be closed from Thursday, 3 July 2014 to Friday, 4 July 2014 (both dates inclusive) for the purpose of ascertaining shareholders’ entitlement to the proposed final dividend. 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 4:00 p.m. on Wednesday, 2 July 2014.

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.

NOTICE OF ANNUAL GENERAL MEETING

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 mandate granted allotment under resolution no. 7 and general extension mandate under resolution no. 9 above.
5. As at the date hereof, the Board of Directors comprises the following Directors:–

Non-executive Directors:

Mr. Ip Chi Shing (*Chairman*)

Mr. Tong Wui Tung

Mr. Wong Kong Chi*

Mr. Li Chak Man*

Mr. Ku Yuen Fun*

Mr. Ng Siu Ping*

Executive Directors:

Mr. Yip Tsz Hin (*Deputy Chairman*)

Mr. Wong Kam Yim (*Chief Executive Officer*)

Mr. Ho Sai Hou (*Chief Financial Officer*)

Mr. Kwong Kwok Chiu

* *Independent non-executive Directors*