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

A notice convening an annual general meeting of Yip's Chemical Holdings Limited to be held at Falcon Room, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Tuesday, 5 June 2018 at 3:00 p.m. is set out on pages 17 to 21 of this circular. A proxy form for use at the annual general meeting is enclosed.

Whether or not you are able to attend and vote at the annual general meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the head office and principal place of business of Yip's Chemical Holdings Limited at 27/F., Fortis Tower, Nos. 77-79 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof.

Completion and return of the proxy form will not preclude you from subsequently attending and voting at the annual general meeting or any adjourned meeting should you so wish.

24 April 2018

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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 at Falcon Room, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Tuesday, 5 June 2018 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 17 to 21 in this circular
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors (including non-executive Directors and independent non-executive Directors)
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Yip’s Chemical Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Allotment Mandate”	a general allotment mandate to the Directors to allot and issue Shares the number of which shall not exceed 20 per cent. of the aggregate number of issued shares of the Company as at the date of approval of the mandate
“General Extension Mandate”	a general mandate to the Directors to add to the General Allotment Mandate the number of Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries

DEFINITIONS

“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”	19 April 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general mandate to the Directors to exercise all the powers of the Company to repurchase such number of Shares not exceeding 10 per cent. of the aggregate number of issued shares of the Company as at the date of approval of the mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“Share(s)”	ordinary share(s) of HK\$0.10 each (or of such other nominal amount as shall result from a sub-division, consolidation, re-classification or re-construction of such shares from time to time) in the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	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

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 and Co-Chief Executive Officer)

Mr. Wong Yuk *(Co-Chief Executive Officer)*

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

Non-executive Director:

Mr. Tong Wui Tung

Independent Non-executive Directors:

Mr. Wong Kong Chi

Mr. Ku Yuen Fun

Mr. Ng Siu Ping

Registered Office:

PO Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Head Office and Principal Place of

Business in Hong Kong:

27/F., Fortis Tower

Nos. 77-79 Gloucester Road

Wanchai

Hong Kong

24 April 2018

To: the Shareholders

Dear Sir or Madam,

(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
(2) APPOINTMENT AND 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 at the AGM to the Shareholders for their consideration and, if thought fit, approval:

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

LETTER FROM THE CHAIRMAN

- (b) grant of Repurchase Mandate to the Directors;
- (c) grant of General Extension Mandate to the Directors;
- (d) appointment of independent non-executive Director;
- (e) re-election of Directors; and
- (f) the declaration of final dividend of HK10 cents per Share for the year ended 31 December 2017.

2. GENERAL ALLOTMENT MANDATE

In the last annual general meeting of the Company held on 6 June 2017, resolutions for a General Allotment Mandate were passed by the Shareholders and such mandate will lapse at the conclusion of the forthcoming AGM.

An ordinary resolution will be proposed at the AGM to approve the grant of a new General Allotment Mandate to the Directors to issue further Shares up to 20 per cent. of the aggregate number of issued shares of the Company as at the date of passing the relevant resolution. There is however no present intention for any issuance of Shares pursuant to the General Allotment Mandate.

As at the Latest Practicable Date, the aggregate number of issued shares of the Company was 563,889,160 fully paid-up Shares. Subject to the passing of the resolution granting the General Allotment Mandate and on the basis that no further Shares will be allotted and issued or repurchased after the Latest Practicable Date and up to the date of the AGM, exercise in full of the General Allotment Mandate could result in up to new issue of 112,777,832 Shares.

3. REPURCHASE MANDATE

In the last annual general meeting of the Company held on 6 June 2017, resolutions for a Repurchase Mandate were passed by the Shareholders and such mandate will lapse at the conclusion of the forthcoming AGM. An ordinary resolution will be proposed at the AGM to approve the grant of a new Repurchase Mandate.

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.

LETTER FROM THE CHAIRMAN

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 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.

5. APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

As the Company does not have a nomination committee, the Board is responsible for the nomination of new directors. The Board passed a Board resolution on 21 March 2018 to propose to appoint Mr. Ho Pak Chuen, Patrick (“Mr. Ho”) at the AGM as an independent non-executive Director of the Company for a specific term until the closing of the next annual general meeting after the AGM at which he is subject to re-election.

If appointed, Mr. Ho, subject to the terms agreed otherwise which expire earlier, will be subject to rotation, removal, vacation or termination of his office as 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.

The particulars of Mr. Ho required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

6. RE-ELECTION OF DIRECTORS

In accordance with Article 112 of the Articles, Mr. Ip Chi Shing being a non-executive Director and Mr. Wong Kong Chi and Mr. Ku Yuen Fun, being independent non-executive Directors, will retire by rotation at the AGM and, all being eligible, will offer themselves for re-election at the AGM. Each of the said non-executive and independent non-executive Directors is to be appointed for a specific term until the closing of the 2021 annual general meeting.

LETTER FROM THE CHAIRMAN

Mr. Tong Wui Tung (“Mr. Tong”), a non-executive Director, is also subject to retirement by rotation at the AGM. However, Mr. Tong has informed the Company that he will not offer himself for re-election at the AGM and will therefore retire at the conclusion of the AGM. All remaining Directors will continue in office.

If 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 corporate governance code as set out in Appendix 14 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 the aforesaid retiring Directors required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

7. ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 17 to 21 of this circular and a proxy form for use at the AGM is herein enclosed.

Whether or not you are able to attend the AGM in person, please complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at 27/F., Fortis Tower, Nos. 77-79 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding such meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting at the AGM or any adjourned meeting should you so desire.

8. 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, 15 June 2018. An ordinary resolution will be proposed at the AGM to declare the final dividend.

LETTER FROM THE CHAIRMAN

9. CLOSURE OF REGISTER OF MEMBERS

9.1. 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 Thursday, 31 May 2018 to Tuesday, 5 June 2018 (both dates inclusive) for the purpose of ascertaining Shareholders' entitlement to attend and vote at the forthcoming AGM. No transfer of the Shares may be registered on those dates. In order to qualify for the Shareholders' entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates should be lodged with the Company's Branch Registrar in Hong Kong, Tricor Secretaries Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 30 May 2018.

9.2. 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, 14 June 2018 to Friday, 15 June 2018 (both dates inclusive) for the purpose of ascertaining Shareholders' entitlement to the proposed final dividend upon the passing of relevant resolution. No transfer of the Shares may be registered on those dates. In order to qualify for the Shareholders' entitlement to the proposed final dividend, all transfer forms accompanied by the relevant share certificates should be lodged with the Company's Branch Registrar in Hong Kong, Tricor Secretaries Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 13 June 2018.

10. 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.

LETTER FROM THE CHAIRMAN

11. 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.

12. RECOMMENDATION

The Board believes that the resolutions proposed in this circular are in the best interests of the Company and the Shareholders as a whole. The Board recommends that the Shareholders vote in favour of all resolutions to be proposed at the AGM.

Your attention is also drawn to Appendices I and II to this circular and the AGM Notice.

Yours faithfully,
Ip Chi Shing
Chairman

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules.

1. THE SHARE REPURCHASE RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their fully-paid up Shares on the Stock Exchange subject to certain restrictions. In this regard, the definition of “shares” in Chapter 10 of the Listing Rules would, and where used below in this explanatory statement (including the use of the word “Share(s)”) shall (unless the context otherwise requires) include shares of all classes and securities which carry a right to subscribe or purchase Shares of the Company. The most important restrictions contained in the Listing Rules are summarised below:-

1.1. Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of 563,889,160 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 56,388,916 Shares being repurchased by the Company during the period from the date on which the resolution granting the Repurchase Mandate is passed until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable law of the Cayman Islands or the Articles; and (iii) its revocation or variation by ordinary resolution of the Shareholders in 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 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 2017, 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 Company.

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>
2017		
April	3.55	3.31
May	3.55	3.30
June	3.40	3.15
July	3.29	3.14
August	3.35	2.85
September	3.25	2.87
October	3.14	2.90
November	3.00	2.41
December	2.78	2.42
2018		
January	3.05	2.72
February	2.95	2.60
March	3.10	2.74
April (up to the Latest Practicable Date)	2.96	2.75

3. GENERAL

No purchase of Shares was made by the Company in the previous six months ended on the Latest Practicable Date, whether on the Stock Exchange or otherwise.

None of the Directors nor (to the best of the knowledge of the Directors having made all reasonable enquiries) any of their close associates have any present intention to sell any of the Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No core connected person of the Company has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

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

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 563,889,160 to 507,500,244. As at the Latest Practicable Date, Mr. Ip Chi Shing held 186,218,532 Shares (including the Shares held jointly with his wife Madam Liang Bih Yu and the Shares held through corporations controlled by him). Should the Repurchase Mandate be exercised in full, the percentage shareholding of Mr. Ip Chi Shing will increase from approximately 33.02% to approximately 36.69% 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 appointed and re-elected at the AGM.

1. **Mr. Ho Pak Chuen, Patrick** (“**Mr. Ho**”), aged 63, is nominated by the Board to be an independent non-executive Director, a member of the audit committee of the Company, the remuneration committee of the Company and the health, safety and environment committee of the Company respectively.

Mr. Ho obtained a bachelor’s degree in chemical engineering from Queen’s University, Canada and he was vice president of Operations of The Dow Chemical Company (“Dow”). Mr. Ho had worked with Dow for 40 years and he was appointed as global business director for Ethylene Oxide, Propylene Oxide and Derivatives in Chemicals and Metals, president of Dow Pacific, business vice president for the Epoxy business, business group president for Dow Epoxy & Specialty Chemicals, vice president of Manufacturing & Engineering for Asia Pacific and vice president for Public Affairs & Government Affairs for Asia Pacific. He has almost 40 years of extensive experience in the chemical industry.

Mr. Ho was the chairman of Association of International Chemical Manufacturers, Hong Kong and China and is currently a board member on Hong Kong Institute of Service Leadership and Management Limited.

Save as disclosed herein, Mr. Ho does not have any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company, does not have other major appointments and professional qualification, and does not at present, and in the past three years hold any directorship in other listed companies. He does not have any position with the Company and other members of the Group. Mr. Ho has no discloseable interest in the shares or underlying shares of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Ho will enter into an appointment letter with the Company and under the appointment letter, he will entitle to receive a director’s fee of HKD200,000 per annum subject to the passing of the ordinary resolution electing Mr. Ho as independent non-executive Director at the AGM.

If appointed at the AGM, Mr. Ho’s term of directorship will last until the conclusion of the next annual general meeting of the Company at which he is subject to re-election, subject to the terms of the Articles, the Listing Rules and the laws of the Cayman Islands.

2. **Mr. Ip Chi Shing** (“**Mr. Ip**”), aged 70, is the Chairman and the Co-founder of the Group and Mr. Ip was re-designated as the chairman of the Group and a non-executive Director of the Company in 2012. Mr. Ip focuses on the leading of the Board, the Group’s long-term development strategy and the planning and inheritability of human resources of the Group. He is the brother of Mr. Yip Tsz Hin, the deputy chairman of the Group, a co-chief executive officer of the Group, an executive Director of the Company as well as a member of the senior leadership team and the father of Mr. Ip Kwan, the chief corporate development officer of the Group and a member of the senior leadership team. In 2006, Mr. Ip established “Ip Chi Shing Charitable Foundation Limited” with the current objectives of carrying out charity activities in China and Hong Kong include fostering education in China and providing care for the underprivileged groups in Hong Kong and making contributions to society.

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

As at the Latest Practicable Date, Mr. Ip holds 188,224,532 Shares (*note*). Each of Mr. Ip and his wife holds one non-voting deferred share of Yip’s H.C. (Holding) Limited, a subsidiary of the Company. Save as disclosed herein, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Ip entered into a service contract with the Company and under the service contract, he is entitled to receive the director’s emoluments of approximately HKD1,432,000 per annum.

If re-elected at the AGM, Mr. Ip’s term of directorship will last until the conclusion of the 2021 annual general meeting of the Company, subject to terms of the Articles, the Listing Rules and the laws of the Cayman Islands.

Note: Out of those Shares, 2,006,000 Shares are held by his wife, 6,796,000 Shares are held by Mr. Ip and his wife jointly, 20,300,000 Shares are held by Ip Chi Shing Charitable Foundation Limited, a charitable organization, and 4,080,000 Shares are held by Yip’s Care Extension Foundation Limited. Mr. Ip Chi Shing controls 50% (together with his wife control 100%) and 60% (together with his younger sister and brother control 100%) of the voting power at the general meetings of Ip Chi Shing Charitable Foundation Limited and Yip’s Care Extension Foundation Limited, respectively. He is therefore deemed to be interested in these Shares held by these two corporations.

3. **Mr. Wong Kong Chi** (“**Mr. Wong**”), aged 60, has been an independent non-executive Director of the Company since 1993. Mr. Wong 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. He retired in 1993 after working in the merchant banking industry for over 10 years. Mr. Wong is the chairman of the audit committee of the Company, a member of the remuneration committee of the Company and a member of the health, safety and environment committee of the Company.

Save as disclosed herein, Mr. Wong does not have any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company, does not have other major appointments, and does not at present, and in the past three years hold any directorship in other listed companies. Also, save as disclosed herein, Mr. Wong does not have any other position with the Company and other members of the Group.

As Mr. Wong is not actively involved 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.

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

Mr. Wong entered into an appointment letter with the Company and under the appointment letter, he is entitled to receive a director’s fee of HKD500,000 per annum.

If re-elected at the AGM, Mr. Wong’s term of directorship will last until the conclusion of the 2021 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. Ku Yuen Fun (“Mr. Ku”)**, aged 66, has been an independent non-executive Director of the Company 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 is the chairman of the health, safety and environment committee of the Company, a member of the audit committee of the Company and a member of the remuneration committee of the Company.

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, does not have other major appointments and professional qualification, and does not at present, and in the past three years hold any directorship in other listed companies. Also, save as disclosed herein, Mr. Ku does not have any other position with the Company and other members of the Group.

As Mr. Ku is not actively involved 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. Ku is independent notwithstanding that he has served as an independent non-executive Director for more than nine years. Given his experience and expertise in business development and management, the Board is of the view that Mr. Ku should be re-elected as an independent non-executive Director.

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

Mr. Ku entered into an appointment letter with the Company and under the appointment letter, he is entitled to receive a director’s fee of HKD300,000 per annum.

If re-elected at the AGM, Mr. Ku’s term of directorship will last until the conclusion of the 2021 annual general meeting of the Company, subject to the terms of the Articles, the Listing Rules and the laws of the Cayman Islands.

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

DIRECTORS' EMOLUMENTS

The amounts of emoluments received by the above Directors, to be re-elected at the upcoming AGM, for the year ended 31 December 2017 are set out in the table below:

Directors	Directors' emoluments		Total
	Directors Fees	Salaries and other benefits	
	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>
Mr. Ip Chi Shing	–	1,432	1,432
Mr. Wong Kong Chi	500	–	500
Mr. Ku Yuen Fun	300	–	300

The emoluments of the above Directors for the year ended 31 December 2017 and that for the year ending 31 December 2018 are/will be determined by the Board based on the recommendation to be given by the Group's human resources department with reference to the Group'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 appointed/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 at Falcon Room, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Tuesday, 5 June 2018 at 3:00 p.m. for the following purposes:

ORDINARY BUSINESS

1. To adopt 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 2017;
2. To approve the final dividend of HK10 cents per Share for the year ended 31 December 2017;
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as Auditor and to authorise the board of Directors to fix their remuneration;
4. To appoint Mr. Ho Pak Chuen, Patrick as an Independent Non-executive Director;
5. To re-elect Mr. Ip Chi Shing as a Non-executive Director;
6. To re-elect Mr. Wong Kong Chi as an Independent Non-executive Director;
7. To re-elect Mr. Ku Yuen Fun as an Independent Non-executive Director; and
8. To authorise the board of Directors to fix the remuneration of the Directors.

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SPECIAL BUSINESS

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

9. **“THAT**

- a. a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and deal with unissued shares in the Company (“Share”) or securities convertible into Shares or options, warrants or similar rights to subscribe for any Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers either during or after the Relevant Period, in addition to any Shares which may be issued from time to time (a) on a Rights Issue (as hereinafter defined) or (b) upon exercise of any options under any option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or (c) upon the exercise of rights of subscription or conversion attaching to any warrants or convertible bonds issued by the Company or any securities which are convertible into Shares the issue of which warrants and other securities has previously been approved by shareholders of the Company or (d) as any scrip dividend pursuant to the Articles, not exceeding twenty per cent. of the aggregate number of issued shares of the Company as at the date of this resolution; and
- b. for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of;
 - i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable law of the Cayman Islands or the Articles; and
 - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

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and “Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractions entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or of the requirements of any recognised regulatory body or any stock exchange applicable to the Company).”

10. “**THAT** an unconditional general mandate be and is hereby granted to the Directors to repurchase Shares, and that the exercise by the Directors of all powers of the Company to purchase Shares subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved, subject to the following conditions:
- a. such mandate shall not extend beyond the Relevant Period;
 - b. such mandate shall authorise the Directors to procure the Company to repurchase Shares at such price as the Directors may at their discretion determine;
 - c. the Shares to be repurchased by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall be no more than ten per cent. of the aggregate number of issued Shares as at the date of passing this resolution; and
 - d. for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable law of the Cayman Islands or the Articles; and
 - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL 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, 24 April 2018

Notes:

1. The Hong Kong branch register of members of the Company will be closed from Thursday, 31 May 2018 to Tuesday, 5 June 2018 (both dates inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. No transfer of the Shares may be registered on those dates. In order to qualify for the shareholders' entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates should be lodged with the Company's Branch Registrar in Hong Kong, Tricor Secretaries Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 30 May 2018.

The Hong Kong branch register of members of the Company will be closed from Thursday, 14 June 2018 to Friday, 15 June 2018 (both dates inclusive) for the purpose of ascertaining shareholders' entitlement to the proposed final dividend upon the passing of relevant resolution. No transfer of the Shares may be registered on those dates. In order to qualify for the shareholders' entitlement to the proposed final dividend, all transfer forms accompanied by the relevant share certificates should be lodged with the Company's Branch Registrar in Hong Kong, Tricor Secretaries Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 13 June 2018.

2. A member of the Company who is a holder of two or more Shares, and who is entitled to attend and vote at the AGM is entitled to appoint more than one proxy or a duly authorised corporate representative to attend and vote in his stead. A proxy need not be a member of the Company. Completion and return of the proxy form will not preclude a member of the Company from attending the AGM and vote in person if the member so wishes, but the proxy's authority to vote on a resolution is to be regarded as revoked if the member attends in person at the AGM and votes on that particular resolution.
3. A proxy form for the AGM is enclosed with the Company's circular. In order to be valid, a proxy form together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the head office of the Company at 27/F., Fortis Tower, Nos. 77-79 Gloucester Road, Wanchai, Hong Kong, not later than 48 hours before the time appointed for holding the meeting or adjourned meeting.

NOTICE OF ANNUAL GENERAL MEETING

4. With regard to resolutions nos. 9 and 11 above, the Directors wish to state that they have no immediate plans to issue any new Shares of the Company pursuant to the general allotment mandate to be granted under resolution no. 9 above and the general extension mandate to be granted under resolution no. 11 above.

5. As at the date hereof, the Board comprises the following Directors:

Non-executive Directors:

Mr. Ip Chi Shing (*Chairman*)

Mr. Tong Wui Tung

Mr. Wong Kong Chi*

Mr. Ku Yuen Fun*

Mr. Ng Siu Ping*

Executive Directors:

Mr. Yip Tsz Hin

(*Deputy Chairman and Co-Chief Executive Officer*)

Mr. Wong Yuk (*Co-Chief Executive Officer*)

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

* *Independent non-executive Directors*