



For Immediate Release

Yip's Chemical Strives for Expanding Product Portfolios

Plans to Build Butyl Acrylate Production Plant

(Hong Kong, 19 Sept 2011) — **Yip's Chemical Holdings Limited** (HKEx: 00408) ("Yip's Chemical" or the "Group"), the world's largest manufacturer of acetate solvents and one of China's largest manufacturers of petrochemical products, plans to invest RMB300 million to build a butyl acrylate production plant to expand its solvent business product portfolios.

Butyl acrylate is widely used in water-based coatings and serves as a major ingredient of emulsion, adhesives and acrylic resin. The market demand is approximately 1.5 million metric tons per year in China, with an annual growth rate of more than 10% in recent years. To catch up with the robust demand, Yip's Chemical has planned to invest RMB300 million to build production facilities in Jiangmen, Guangdong. The new production facilities are expected to have an annual capacity of 80,000 metric tons.

Mr. Stephen Yip, Deputy Chairman of Yip's Chemical, said, "The butyl acrylate market is enormous in China, with Guangdong province accounting for 30% of the demand despite the lack of any production facilities. Yip's Chemical's new plant will thus probably become Guangdong province's first extensive production base for butyl acrylate. Based on butyl acrylate's current selling price of around RMB20,000 per metric ton, the capacity is able to support an annual turnover of RMB1.6 upon full production."

"During our nearly 20-year history of producing acetate solvents, Yip's Chemical has established solid partnerships in both raw materials procurement and product sales. Such stable relationships will be helpful for both controlling procurement costs and developing sales channels for our butyl acrylate business. Moreover, the cost-effectiveness of the project can be guaranteed as we can fully utilize our existing logistic and facilities at the solvent plant in Jiangmen", Mr. Yip said.



(Left) Yip's Chemical's solvent production plant in Jiangmen, Guangdong

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About Yip's Chemical Holdings Limited (SEHK : 00408)

Yip's Chemical Holdings Limited ("Yip's Chemical"), formerly known as Hang Cheung Hong, was established in 1971 and listed on the Hong Kong Stock Exchange in 1991. The Group focuses on the production and sale of petrochemical products. Its three core businesses are solvents, coatings and lubricants. It is one of China's largest manufacturers of petrochemical products, and the largest producer of acetate solvents in the world.

The Group is headquartered in Hong Kong, with 17 manufacturing plants across China and a nation-wide sales network covering every major Chinese province and city. Brands operated under the Group include the "Bauhinia" for paints, "Bauhinia Variegata" for inks, "Golaxxo" for specialty varnishes, "Da Chang" for resins, "Ad-Coat" for electronic insulating coatings, "Pak Lam Choice" for digital electronic coatings, "Hercules" for lubricants and "Pacoil" for specialty lubricants.

In 2011, it was awarded the "Corporate Governance Asia Recognition Awards" by the magazine Corporate Governance Asia for the second consecutive year. It also achieved third place in Best for Shareholders' Rights and Equitable Treatment in the Eighth annual Asiamoney Corporate Governance Poll for Hong Kong. In China, it garnered two significant CSR awards, namely "2010 GoldenBee Honor Roll Listed Company Award" and "2011 Good Enterprise Fulfilling Corporate Social Responsibility Award". In 2010, it has made prominent rankings in the FinanceAsia's 10th Annual Poll of Asia's Top Companies. It has also received the Titanium Award for Corporate Governance, Social Responsibility and Investor Relations by "The Asset Corporate Awards 2010". Besides, the Group has been recognised by the Hong Kong Productivity Council in its "2010 Hong Kong Outstanding Corporate Citizenship Award", earning a "Certificate of Merit – Enterprise Sector in Manufacturing Industry".

Yip's Chemical is a constituent stock in the MSCI (Morgan Stanley Capital Investment) China Small Cap Index Series. For more information, please visit www.yipschemical.com

Media Enquiries

Yip's Chemical Holdings Limited

Wendy Tse Tel: (852) 2675 2353
Eunice Lai Tel: (852) 2675 2450

Email: wendy.tse@yipschemical.com
Email: eunice.lai@yipschemical.com

Fax: (852) 2675 2354
Fax: (852) 2675 2468

Strategic Financial Relations Limited

Vicky Lee Tel: (852) 2864 4834
Roby Lau Tel: (852) 2114 4950
Candace Ngok Tel: (852) 2864 4858

Email: vicky.lee@sprg.com.hk
Email: robby.lau@sprg.com.hk
Email: candace.ngok@sprg.com.hk

Fax: (852) 2804 2789