

[For immediate release]

Yip's Chemical Subsidiaries "Bauhينيا Paints" and "Bauhينيا Variegata Ink" Garner High International Rankings for Four Consecutive Years

(Hong Kong, 13 October 2014) – **Yip's Chemical Holdings Limited** ("Yip's Chemical" or the "Group") (SEHK: 00408), the world's largest manufacturer of acetate solvents and one of China's largest manufacturers of petrochemical products, has announced that "Bauhينيا Paints" and "Bauhينيا Variegata Ink", subsidiaries of the Group, have been highly ranked in prestigious and widely observed international rankings respectively by *Coatings World*, an authoritative U.S. magazine for coatings industry, and *Ink World*, an influential U.S. magazine for printing inks industry, according to the announced annual sales revenue of 2013. "Bauhينيا Variegata Ink" maintains its position among the top 20 ink companies and is ranked 13th internationally, topping the printing ink industry in China, while "Bauhينيا Paints" is ranked 76th in the international coatings industry. This marks the fourth consecutive year for Yip's Chemical to be recognized by international authoritative industry rankings since 2011.

Mr. Stephen Yip, Chairman of the Group Executive Committee of Yip's Chemical, said, "We are very delighted that our satisfactory business performance has once again brought the Group to the ranks of international leading companies in the industry. Last year, we consolidated the Group's businesses in varying degrees and observed a favourable development trend after optimizing operational efficiency. This year, the Group is merging the household and industrial paints businesses and resin business to set up a new coatings group, which will begin operation in 2015. The inks business would operate as a separate business. In the future, Yip's Chemical will operate four major businesses, namely the solvents, coatings, inks and lubricants businesses. We will continue to reward our clients' loyalty by providing quality products and attentive services to their satisfaction, and persistently strive to thrive as a national brand in the international market."

Bauhينيا Paints has three core businesses: household paints including inner and outer wall emulsion paints, water-based wood paints and solvent-based wood paints; industrial paints including paints for furniture, plastic products and heavy industries and anticorrosive paints; and architectural paints. Bauhinia Paints has always been upholding the brand positioning of "World-class Quality, China Focus" and has been one of the top four brands in China's household paints market. In future, more efforts in brand building will be made continuously so that, through advertising in different media and the launching of various creative marketing campaigns, a more distinctive brand image and a higher brand visibility can be realized.

Bauhينيا Variegata Ink has achieved rapid growth in just over a decade aided by its dedicated professional operating philosophy. The Company has become a global leader in the ink manufacturing industry. Bauhinia Variegata Ink currently has three production plants in Zhongshan, Guangdong Province, Tongxiang, Zhejiang Province, and Huanghua, Hebei Province with its products strategically covering the Pearl River Delta region, the Yangtze River Delta region and the Bohai Bay area. The Company specialises in the manufacturing of printing inks including gravure inks, offset printing inks and silk screen printing inks, as well as specialty inks such as ultraviolet (UV) inks and environmentally-friendly inks, which are widely used in food and medicine packaging, tobacco packaging, offset printing, packaging and decoration products, the printing and manufacturing process of electrical appliances and digital products, etc. Bauhinia Variegata Ink is the largest supplier of inks for food packaging in China. It has been honoured as an "Outstanding Eco-friendly Ink Manufacturer" and among the "Top 10 National Brands of China".

Bauhinia Variegata Ink, the No. 1 ink manufacturer in China, is committed to sustainable development and steady growth. It took the lead to introduce an aromatic-free production plant and fully piped manufacturing mode in the industry. The production system is equipped with the nationally most advanced automatic controls and is linked to an Enterprise Resources Planning (ERP) system. Bauhinia Variegata Ink was among the first in the industry to be accredited for QC080000 certification for hazardous substance process management system, which can detect the content of different solvents, heavy metals and benzene. In 2010, it invested tens of millions of dollars to build a laboratory recognized by China National Accreditation Service for Conformity Assessment (CNAS) capable of conducting tests to meet international and domestic standards. Utilising its advanced hardware and human resources, the Company is set to develop new products incorporating green technology. Bauhinia Variegata Ink has recently launched a new gravure alcohol-based ink product series, which has been popularly received by the market. It plans to launch gravure water-based ink products, water-based offset ink products and environmentally-friendly silk screen inks for glass in the coming two years. The Company's offset printing ink products have obtained the "China Environmental Labelling Certification" and garnered the "Green Technology Award" from the Green Promotion Campaign for the printing industry in China.

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

Yip's Chemical Holdings Limited ("Yip's Chemical" or the "Group"), 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 sales of petrochemical products, including solvents, coatings, inks and lubricants. It is the largest producer of acetate solvents in the world, the largest manufacturer of inks in China and one of the four largest brands in household paints in China.

The Group, headquartered in Hong Kong, operates 15 manufacturing plants of different products across China and has a nation-wide sales network covering all major provinces and cities. Brands operated under the Group include "Bauhinia" for paints, "Bauhinia Variegata" for inks, "Hang Cheung Coating" for industrial paints, "Hercules" for automotive lubricants and "Pacoil" for specialty lubricants.

Since 2010, the Group has been honoured with the "Corporate Governance Asia Recognition Awards" by Corporate Governance Asia, and recognised as an "Icon on Corporate Governance 2013" at "The Best of Asia – Corporate Governance Asia Recognition Awards," as well as "Best CSR," "Best Environmental Responsibility," "Best Investor Relations Company" along with "Asia's Best CEO" at the "2014 4th Asian Excellence Recognition Awards." Mr Ip Chi Shing, Chairman of the Group, and Mr Yip Tsz Hin, Chairman of the Group Executive Committee, were honoured with the 3rd and 4th "Asian Corporate Director Recognition Awards" respectively by Corporate Governance Asia. Besides, the Group's wholly-owned subsidiary Bauhinia Variegata Inks was ranked among top 20 of "The Top International Ink Companies 2014" compiled by Ink World, an authoritative ink industry magazine, for four consecutive years. In 2013, the Group has also achieved "Gold Award – Enterprise Category" in "The 3rd Hong Kong Outstanding Corporate Citizenship Award" from Hong Kong Productivity Council, "Gold Award for Financial Performance, Corporate Governance, Social Responsibility, Environmental Responsibility and Investor Relations" in "The Asset Triple A Corporate Award 2013", "Best Responsibility & Caring Model Awards – Enterprise Citizen Model Ranking" from China National Petroleum & Chemical Network, "China Outstanding CSR Case Awards 2013" from China Philanthropy Times, "Silver Award for The Best Public Relations Cases 2013" from Shanghai Public Relations Association, as well as "Best CSR 2013" from China Finance Summit.

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

About Bauhinia Paints

Bauhinia Paints was established in 1982. This coatings brand is among the four core businesses of Yip's Chemical. Currently, it has four production bases in Jinshan and Qingpu in Shanghai, as well as Chengdu and Huiyang. Bauhinia Paints has multiple product series including household paint products such as emulsion paints for inner and outer walls and water-based and oil-based paints for wood; industrial paints including paints for furniture, plastic products and heavy industries; and architectural paints.

Over the years, upholding the corporate motto of "Paint is our Business, People are our Assets," the Company has constantly engaged in the research, development and production of environmentally friendly and technologically advanced coating products for the China market. The Company has gained the ISO9001, ISO14000, CNAS and UL certifications with its products securing CCC and FDA certification, whereby it can provide customers with internationally recognised authoritative certification reports. At the same time, through its advanced production technologies and scientific management, the popularity of the brand has rapidly increased in China. For more information, please visit: www.bauhiniahk.com.hk

About Bauhinia Variegata Ink

Bauhinia Variegata Ink was established in 1998. It is a large-scale integrated ink manufacturer which specializes in the manufacture of gravure inks, offset printing inks, silk-screen printing inks and other special inks (e.g. ultraviolet inks and environmentally-friendly inks). With production plants located in Zhongshan, Guangdong, Tungxiang, Zhejiang, and Huanghua, Hebei, the ink products strategically cover regions in Pearl River Delta, Yangtze River Delta and Bohai Bay area. Having total annual production capacity of 96,000 metric tons, Bauhinia Variegata Ink ranks first in the China's inks market in terms of sales volume and sales amount.

In response to market demand for environmental printing inks, plants of Bauhinia Variegata Ink are aromatic-free and are equipped with fully piped production system. Bauhinia Variegata Ink is the first company in China's ink industry to introduce management system for harmful substances. The FD products of offset printing inks passed the authentication of the American Soybean Association. For more information, please visit www.yipsink.com.

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