



[For Immediate Release]

Yip's Chemical Secures its First Four-year Sustainability-linked Embedded Syndicated Loan of HK\$600 Million Building a Solid Foundation for Sustainable Development

(Hong Kong, 22 April 2021) – Yip's Chemical Holdings Limited (SEHK: 00408) (“Yip's Chemical” or the “Group”) has signed a four-year sustainability-linked embedded syndicated loan agreement valued at HK\$600 million with six banks, which marks Yip's Chemical's first sustainability-linked loan. The Group will be eligible to receive interest rate savings upon achieving pre-determined targets which address environmental, social, and governance (“ESG”) performance mutually agreed with the banks. The deal completion ceremony was held today at the Group's Hong Kong headquarters.

Banks participating in Yip's Chemical's first sustainability-linked embedded syndicated loan include MUFG Bank, Bank of China (Hong Kong), HSBC, DBS Hong Kong, Hang Seng Bank, as well as CTBC Bank. The proceeds of the loan will be used for general corporate financing and refinancing, including the implementation of measures that drive the Group's long-term sustainability performance.

The sustainability targets are based on two aspects. On the environmental front, the Group aims to reduce the use of steam, electricity and water of the solvents business by optimizing production processes and hardware; improve production and operational procedures to reduce electricity consumption of the coatings business; and replace old facilities with high-efficiency installations of the inks business to lessen the use of electricity. On the social front, the Group will continue to help restore the sight of the cataract patients in remote areas in Mainland China through our mobile eye surgery trucks. The total number of surgeries is expected to increase year-on-year. The above targets have been reviewed and endorsed by Hong Kong Quality Assurance Agency (“HKQAA”), our third-party consultant.

Mr. Francis Ip, Deputy Chief Executive Officer of Yip's Chemical, said, “We are delighted to secure our first sustainability-linked embedded syndicated loan. Being a pioneer of the industry, Yip's Chemical has been instilling sustainable development concept into our business strategies and daily operations. This corporate loan is an important milestone in the Group's pursuit of sustainable development. 2021 is the Group's Golden Jubilee year, marking the 50th anniversary of our founding. We will continue to stay resilient and progressive while expanding our businesses, and also explore other sustainable financing

opportunities to improve our sustainable performance, so as to meet the next 50 years when we become a century-old company.”

Mr. Tony Lee, Managing Director, Head of Global Corporate Banking and Co-Head of Investment Banking, East Asia of MUFG Bank, Ltd., said, “MUFG is an active and leading market participant in ESG-linked financing and is committed to supporting our clients in making a difference in our environment. As the **Sole Sustainability-Linked Loan Structuring Advisor** to this transaction, we are proud to be a close partner of Yip’s Chemical in its sustainability journey, contributing to the ongoing development of green capital financing in the region.”

The Group’s longstanding commitment to promote sustainable development has gained recognition. At the end of 2018, the Group was granted the first four-year green loan of HK\$250 million from HSBC to fund the construction of environmental infrastructure of its plants. The loan was structured in accordance with the Group’s 2018 Green Loan Framework, which has earned the Green Finance of Pre-Issuance Stage Certificate issued by HKQAA.

Photo 1:



Yip’s Chemical has signed a four-year sustainability-linked embedded syndicated loan agreement valued at HK\$600 million with six banks, which completion ceremony was held today at the Group’s Hong Kong headquarters. Representatives include, Mr. Francis Ip, Deputy CEO of the Group (4th from left), Mr. Johnson Ho, CFO of the Group (1st from right), Mr. Tony Lee, Managing Director, Head of Global Corporate Banking and Co-Head of Investment Banking, East Asia of MUFG Bank, Ltd. (4th from right), Mr. Andy Kwok, Deputy General Manager of Commercial Banking Department of Bank of China (Hong Kong) (3rd from left), Ms. Fiona Lee, Director, Industrials, Commercial Banking, Hong Kong, HSBC (3rd from right), Mr. Dennis Chow, Executive Director and District Head of Enterprise and Institutional Banking Group of DBS Hong Kong (1st from left), Mr. Michael Ng, Executive Vice President and Department Head of Relationship Management Corporate Banking of Hang Seng Bank (2nd from left), and Mr. Keith Lee, Head of Corporate Banking of CTBC Bank (2nd from right).

Photo 2:



Yip's Chemical will be working closely with the banks to promote the sustainable development of the chemical industry.

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About Yip's Chemical Holdings Limited (Incorporated in the Cayman Islands with limited liability) (SEHK: 00408)

Yip's Chemical Holdings Limited ("Yip's Chemical" or the "Group") 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, with its nationwide sales network covering all major provinces and cities across China. It is the largest producer of acetate solvents in the world, China's largest manufacturer of inks and one of the top 20 ink manufacturers globally*, as well as one of the top 10 coatings manufacturers in China#. On top of products, the Group has strived to provide value-added services to consumers in recent years, such as automobile lubricant changing and maintenance as well as personal and household sanitizing.

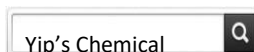
Coating brands operated under the Group are "Bauhinia", "Camel", "Aquapro", "Hang Cheung" for industrial paints and "Da Chang" for resins. The Group also owns brands including "Bauhinia Variegata" for inks, "Hercules" for automotive lubricants and "PACOIL" for industrial and specialty lubricants. The automotive maintenance brand "Damai" and sanitizing brand "EUCA" are also brands under Yip's Chemical.

To achieve long-term sustainable development, the Group will continue to move in the direction supportive of green living, embracing development that is "environmentally friendly", "end-user oriented" and "service oriented".

* According to China Inks Association (中國油墨協會), Bauhinia Ink Group is the largest ink manufacturer in the PRC in terms of annual sales volume in 2019. It ranked 14th in the "2019 Top International Ink Companies" released by the US inks magazine *Ink World* in terms of sales revenue.

Bauhinia Paints ranked 60th in the "2020 Global Ranking of the Top Manufacturers of Paints and Coatings" released by the US coatings magazine *Coatings World* and is among the top 10 in the PRC in terms of sales revenue.

Learn more about Yip's Chemical on:



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