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葉氏化工
YIP'S CHEMICAL

Yip's Chemical Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 408)

POSITIVE PROFIT ALERT

This announcement is made by Yip's Chemical Holdings Limited (the "Company" and, together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO").

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that based on preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (the "2021 Interim Period") and the information currently available to the Board, the Group is expected to record an increase in net profit of 390% - 440% in the 2021 Interim Period as compared with the corresponding period last year. Results of the corresponding period last year were adversely affected by the COVID-19 pandemic and expenses related to the proposed spin-off and separate listing of Bauhinia Ink Company Limited on the Shenzhen Stock Exchange.

Besides the adverse results recorded in the corresponding period last year as mentioned above, the substantial increase of net profit of the Group in the 2021 Interim Period was also mainly attributable to the following:

1) The sales revenue of the Group's solvents business doubled and the segment recorded significant increase of profit due to the surge of selling prices of its solvents products to near historical high level in the 2021 Interim Period and the successful execution by the Group's solvents team to capture such market opportunity with remarkable improvement in profitability; and

2) Increase in fair value of the Group's investment property in Fanling was recorded in the 2021 Interim Period, and the said investment property was subsequently disposed of after the 2021 Interim Period.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the management accounts and information currently available, which have not been audited or reviewed by the Company's auditors or audit committee and hence may be subject to adjustments upon further review. The Group is still finalising its results for the 2021 Interim Period. Details of the financial information of the Group for the 2021 Interim Period will be published pursuant to the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company and read carefully the results announcement of the Group for the 2021 Interim Period, which will be published before the end of August 2021 in accordance with the requirements of the Listing Rules.

By Order of the Board
Yip's Chemical Holdings Limited
Ip Chi Shing
Chairman

Hong Kong, 21 July 2021

As at the date of this announcement, the Board comprises the following:-

Non-executive Directors:

Mr. Ip Chi Shing *(Chairman)*
Mr. Wong Yuk*
Mr. Ho Pak Chuen, Patrick*
Mr. Ku Yee Dao, Lawrence*

Executive Directors:

Mr. Yip Tsz Hin *(Deputy Chairman and Chief Executive Officer)*
Mr. Ip Kwan *(Deputy Chief Executive Officer)*
Mr. Ho Sai Hou *(Chief Financial Officer)*

** Independent Non-executive Directors*