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Yip's Chemical Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 408)**

## **PROFIT WARNING**

This announcement is made by Yip's Chemical Holdings Limited (the "Company" and, together with its subsidiaries, the "Group") pursuant to Rule 13.09(2)(a) 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, Laws of Hong Kong).

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 five months ended 31 May 2022 and the information currently available to the Board, the net profit of the Group for the five months ended 31 May 2022 is expected to be lower than that for the six months ended 30 June 2021 (the "2021 Interim Period") by over 60% which is mainly attributable to the following:

- 1) Profit of the Group's solvents business for the corresponding period last year was unusually high due to a temporary imbalance of supply and demand of solvent products. Yet the net profit for the five months ended 31 May 2022 is still in line with the historical average profit level excluding the exceptional circumstances last year.
- 2) A non-recurring increase in fair value of the Group's investment property in Fanling in the sum of HK\$66 million was recorded in the 2021 Interim Period and the said property was subsequently disposed of during the year ended 31 December 2021.

In response to the current challenging operation environment under the ongoing COVID-19 pandemic and volatile international economic conditions stemmed from geopolitical conflicts, the Group will continue to closely monitor the market situations and make necessary adjustments to its strategies and operations to improve efficiency and profitability.

As the Company has not started preparing the interim results of the Group for the six months ending 30 June 2022, the information contained in this announcement is only based on the preliminary assessment by the management with reference to the information currently available. Such information has not been audited or reviewed by the Company's auditor or audit committee. The abovementioned information relates to the performance of the Group in the five months ended 31 May 2022 only and is not directly comparable with the Group's historical performances. The actual results of the Group for the six months ending 30 June 2022 will be subject to, among other things, the business performances of the Group by then and may be different from what is disclosed herein. Further details of the financial information of the Group for the six months ending 30 June 2022 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.**

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

Hong Kong, 14 June 2022

*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*