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Yip's Chemical Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 408)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

Effective Business and Product Portfolio Improvements Driving Gross Margin and Profit Growth

Profit Attributable to Owners Increased to HK\$137 million

- Confronted with global economic uncertainties, slowing domestic growth and mounting pressures from industry “involution”, the Group recorded a revenue of HK\$2.99 billion and sales volume of 240,000 metric tonnes, representing year-on-year declines of 5.3% and 9.3% respectively.
- Through deepened focus on niche industry segments, product portfolio optimisation and enhancement of technology and services, coupled with the benefit of stable raw material prices, gross profit margins of the coatings and inks businesses improved over the preceding year. Overall gross profit margin of the Group rose to 25.4%, representing a year-on-year increase of 1.9 percentage points.
- Solvents associate company’s export sales grew strongly, driving its sales volume to a historical high of 1,800,000 metric tonnes. Though impacted by industry “involution” with margins and profits contracting, it still contributed a return of HK\$79.4 million to the Group, compared with HK\$96.0 million in the preceding year.
- Benefiting from the sustained refinement of the Group’s business and product portfolio and the effective implementation of stringent cost controls, profit attributable to owners substantially increased by 41.8% year-on-year to HK\$137 million.
- Gearing ratio continued to be at a relatively low level of 13.4%, enhancing the flexibility of future investments in new growth projects.
- In the year under review, the Group completed the acquisition of approximately 60% stake in “Sino-Hypro”, and entered into the chemical vapour recovery and treatment market, providing a new growth engine for the Group.
- The Board recommended payment of a final dividend of HK12 cents per share. Total dividends for the year amounted to HK16 cents per share, representing a 14.3% increase as compared to the preceding year.

	For the year ended 31 December 2025 (audited)	For the year ended 31 December 2024 (audited)	<i>% change</i>
Revenue	HK\$2,993,397,000	HK\$3,162,391,000	-5.3%
Sales volume	240,000 metric tonnes	264,000 metric tonnes	-9.3%
Profit attributable to owners of the Company	HK\$137,409,000	HK\$96,882,000	+41.8%
Earnings per share	HK24.6 cents	HK17.2 cents	+43.0%
Final dividend per share	HK12 cents	HK11 cents	+9.1%
Interim dividend per share	HK4 cents	HK3 cents	+33.3%
Dividend for the year per share	HK16 cents	HK14 cents	+14.3%
	As of 31 December 2025	As of 31 December 2024	
Gearing ratio*	13.4%	16.7%	-3.3% points

* Measured by net bank borrowings as a percentage of equity attributable to owners of the Company

CHAIRMAN’S STATEMENT – REVIEW AND OUTLOOK

Review

It is my pleasure to present to all shareholders (“Shareholder(s)”) of Yip’s Chemical Holdings Limited (the “Company” and together with its subsidiaries collectively referred to as “Yip’s Chemical” or the “Group”) an overview of the Group’s performance for the year ended 31 December 2025 (the “year under review”).

Looking back on the overall business performance throughout 2025, it can be said that the volatility and uncertainty in the macro business environment were unprecedentedly challenging. Externally, following the change of the U.S. government at the beginning of the year, the new government immediately launched a large-scale and far-reaching “tariff war” against global trading partners. Consequently, unilateralism and protectionism spread across the world, causing severe disruptions to supply chains. Compounded by the continuous outbreak of geopolitical tensions and military conflicts in multiple regions, the already sluggish global economy was dealt a further heavy blow. On the domestic front, the Chinese Mainland struggled with persistently subdued asset prices, which severely constrained consumer spending appetite, resulting in a very sluggish domestic demand market. This led to intense competition and severe “involution” across industries. In particular, the Group’s solvents associate company was notably impacted by this “involution”, with product prices remaining at low levels throughout the year under review. Although sales volume still achieved considerable growth over the full year, profit margins declined compared to the corresponding period of the previous year. During the year under review, the Group’s other core businesses also faced considerable sales pressure, while profit margins benefited from stable raw material prices and delivered the expected outcomes from years of cost control efforts (please refer to the Report of the Chief Executive Officer for details). Based on the above, the Group recorded a revenue of HK\$2.99 billion for the year under review, representing a slight decrease of 5.3% compared to the corresponding period of the previous year, while profit attributable to owners was HK\$137 million, reflecting a year-on-year increase of 41.8%.

Regarding financial performance, the Group's long-standing prudent financial management and credit control measures have proven successful, maintaining a healthy financial position of the Group. As at 31 December 2025, the Group's gearing ratio was 13.4%. After a comprehensive assessment of the Group's business prospects and future development strategies and considering the established practice of rewarding shareholders earnestly, the board (the "Board") of directors (the "Director(s)") of the Company has resolved to recommend the payment of a final dividend of HK12 cents per share to all Shareholders, while the final dividend for the preceding year was HK11 cents per share.

Outlook

I am slightly optimistic regarding the business outlook for 2026. Although the external environment remains severe and adverse factors are unlikely to dissipate in the short term, potentially becoming even more volatile and uncertain, their impact on the Group's business prospects is relatively mild. However, it is worth the Group's close attention to how the Chinese government will intensify efforts to curb "involution" and adopt more proactive measures to boost consumer sentiment, thereby enabling further development of the vast domestic market. In fact, since the end of 2025, the relevant authorities have repeatedly signaled to the market both this message and their determination to act. Therefore, I am confident that the Group's business will benefit from these developments in the future. Furthermore, the Group successfully completed two business expansion initiatives during the year under review, which are poised to create substantial growth opportunities for the Group's future development. First, the Group's solvents associate company, "Handsome Chemical", has completed and commissioned a new plant in Jingmen, Hubei, with an annual capacity of 600,000 metric tonnes each of acetic acid and acetates. This marks a new phase in Handsome Chemical's growth trajectory. The vertical integration of its product lines is expected to reduce costs and enhance competitiveness. In particular, the expanded production capacity for acetates will further amplify economies of scale, and the associate company is anticipated to deliver sustainable growth in its contribution to the Group's profitability. Second, in December 2025, the Group entered into a cooperation agreement with Beijing Sino-Hypro Petrochemical Tech. Co., Ltd. ("Sino-Hypro"), a leading enterprise in chemical vapour recovery and treatment in China (please refer to the Group's announcement dated 24 October 2025 for details). Through the joint efforts, sincere collaboration, and complementary strengths of both parties, the enterprise is expected to accelerate its growth and become a new and integral member of the "leading development platform for chemical businesses" that the Group has been dedicated to establishing in recent years. In the prevailing macroeconomic environment, the Group continues to uphold a prudent and steady approach, implementing comprehensive cost-reduction and expense-control measures while continuously enhancing its competitiveness. Alongside the sustained and healthy growth of its core businesses, the Group is also committed to attracting more high-quality enterprises to jointly build the Yip's platform with a diversified industry presence and promising business prospects, thereby laying a solid foundation for the vision of a "Towards a Century of Revered Leadership".

The year 2026 marks the 55th anniversary of the Group's founding. I am pleased to take this opportunity to extend my heartfelt gratitude to our broad base of customers, suppliers, bankers, as well as our former and current colleagues who have worked alongside us and provided steadfast support over the years. On behalf of the Board, I would also like to express my sincere appreciation to all employees, shareholders, the Board and management teams at all levels for their unwavering efforts and valuable contributions.

Ip Chi Shing

Chairman

26 March 2026

REPORT OF THE CHIEF EXECUTIVE OFFICER

Review

During the year under review, Yip's Chemical faced a complex and ever-changing economic environment. While China's overall economy encountered development bottlenecks, most industries experienced varying degrees of "involution". This led to difficulties for local Chinese enterprises in business expansion and faced pressures from declining prices and profits. Furthermore, the uncertainty of the international operating environment has been heightened significantly due to U.S. trade policies. Against this backdrop, Yip's Chemical maintained stable sales, improved its product portfolio through the launch of technologically advanced products and rigorously controlled operating costs, which ultimately achieved steady profit growth. The Group's cash flow and gearing ratio continued to remain at healthy levels.

Additionally, in October 2025, Yip's Chemical announced the acquisition of an approximately 60% equity interest in Sino-Hypro, marking the Group's entry in the chemical vapour recovery and treatment industry. This represents a significant step towards achieving its vision of becoming "a leading development platform for chemical businesses".

Key Business Highlights

- The Group recorded a revenue of HK\$2.99 billion and a sales volume of 240,000 metric tonnes, representing a slight decrease of 5.3% and 9.3% respectively compared to that of the preceding year.
- The gross profit margin of the Group increased to 25.4%, representing a year-on-year rise of 1.9 percentage points. This was attributable to the Group's effective management of product gross margins and portfolio, as well as relatively stable raw material prices.
- The solvents associate company recorded a strong growth in revenue during the year under review. The Group's share of its profits amounted to HK\$79.4 million, compared with HK\$96.0 million in the preceding year.
- The Group recorded a profit attributable to owners of HK\$137 million, which represents an increase of 41.8% compared to that of the corresponding period of the preceding year.
- Gearing ratio as at 31 December 2025 continued to be at a relatively low level of 13.4%, allowing the Group to have more flexibility in investments in new growth projects going forward.

Coatings

During the year under review, the Group's coatings segment recorded a decline of 14.7% to 157,000 metric tonnes in sales volume and a mild decline of 5.3% to HK\$1.38 billion in sales revenue, respectively.

The architectural coatings business under the coatings segment continued to face challenging operating environment. The demand for coatings decreased due to the stagnation of the Chinese Mainland's real estate market and sluggish transactions in both new and old properties. Although the Group put effort to expand its distributors' network, the sale volume of architectural coatings still recorded a decline. The industrial coatings business of the Group, as a relatively niche segment, achieved substantial increase in sales through effective product portfolio management and the launch of products that receive high market recognition, including coatings for customised wooden furniture and functional coatings for plastic substrates. Meanwhile, resins business continued to conduct research and development of products related to automotive coatings and protective coatings, leading to growth in both sales revenue and profit. The coatings business recorded a gross profit margin of 29.8%, an increase of 3.6 percentage points compared to that of the preceding year. The segment results increased substantially by 623% to HK\$52.2 million.

In the coming year, the Group will leverage the momentum of the development of industrial coatings and resin products, allocating additional resources to focus on driving the growth of these business segments. The Group's production base in Vietnam is expected to commence operations in the second quarter of 2026, enabling better service to customers across Southeast Asia in the future. In addition to its organic growth, the Group is also actively pursuing mergers and acquisitions of entities with technological capacities to accelerate its development. In the architectural coatings sector, we will adopt more pragmatic promotional strategies and in collaboration with nationwide distributors, expand our integrated online and offline store network to capture market opportunities.

Inks

During the year under review, the Group's inks business recorded a revenue of HK\$1.32 billion, representing a slight decrease of 3.3% compared to that of the preceding year. Amid a highly competitive environment, the inks business continued to gain recognition from major printing enterprises in the Chinese Mainland by offering cost-effective products and services, resulting in increased sales volume. With expanded sales volume enabling effective cost allocation and raw material prices remaining relatively low, the gross profit margin rose by 1.1 percentage points to 21.6%. However, under the pressure from overall economic environment, certain customers encountered operational difficulties, resulting in a substantial bad debt provision during the year under review. Therefore, the inks business recorded a segment profit of HK\$46.3 million, representing a decrease of 40.1% compared to that of the preceding year.

Looking ahead to the coming year, we will continue to fortify our strengths in packaging printing inks and further expand our market share. Meanwhile, the management team will remain attentive to potential merger and acquisition opportunities involving technology-driven inks enterprises in the market to accelerate development.

Lubricants

During the year under review, revenue from the lubricants business decreased by 12.4% to HK\$284 million, and the gross profit margin dropped by 1.2 percentage points to 22.1%. This segment recorded a profit of HK\$6.5 million, representing a decrease of 31.6% compared to that of the preceding year. The demand for automotive lubricants was impacted by the overall industry “involution”, thereby exerting pressure on the selling prices, gross profit and profits of “Hercules” lubricants.

Looking ahead, the Group will steadily grow the sales volume of automotive lubricants by continuously optimising its product portfolio and prudently investing in the development of niche segments within the industrial lubricants market, so as to create new growth drivers for the lubricants business.

Investment in Solvents Associate

The Group retains a 24% effective stake in “Handsome Chemical”, the largest acetate solvents company in the world. The solvents associate recorded a strong growth of 17.2% in sales volume in 2025, reaching a historical high of 1,800,000 metric tonnes of acetates. In particular, the sales volume of exports reached approximately 760,000 metric tonnes, which served as the major force of growth. Meanwhile, it maintained effective cost control and delivered a return of HK\$79.4 million to the Group during the year under review, compared with HK\$96.0 million in the preceding year. The solvents associate’s new acetic acid and acetate solvents plant in Hubei commenced full-scale production in the second half of 2025, boosting output of acetic acid and acetate solvents. Vertical integration and economies of scale are progressively taking effect.

Under the effective leadership of the associate’s management team and in collaboration with our business partners “PAG” and “Qisheng”, the business is expected to continue its prosperous trajectory.

Investment in Sino-Hypro

In December 2025, the Group successfully completed the acquisition of approximately 60% equity interest in Sino-Hypro, signifying Yip’s Chemical’s entry into the chemical vapour recovery and treatment industry. The subsidiary not only creates new growth driver for the Group, but also contributes meaningfully to China’s environmental governance through its chemical vapour treatment technologies. With the management team and the original shareholders working in close partnership, and by combining Sino-Hypro’s strong technological foundation and Yip’s Chemical’s operational expertise, we are confident that the subsidiary is well-positioned for sustainable and promising development.

Outlook

To flexibly capture future market opportunities and continuously create long-term value for stakeholders, the Group's leadership team will strive to establish "a leading development platform for chemical businesses" by leveraging our stable shareholder base with long term view, our position as a listed company in Hong Kong, our strong reputation, and our social resources and extensive experience of operations in China. The Company will continuously build and invest in strong chemical businesses with excellent business models driven by innovation in green technologies, services and branding in niche markets and grow its platform in the future. We strive towards a century of leadership in our respective chemical fields, generating stable returns and creating long-term value appreciation for Shareholders and stakeholders.

Over the past several years, the Group's management has been progressively strengthening the market position of its core businesses, achieving a relatively stable profit base. In addition to organic growth, we will strive in the coming year to enhance the operational performance of Sino-Hypro. Simultaneously, we are actively seeking strategic investment and acquisition opportunities that align with the future development of Yip's Chemical, including those related to our core coatings and inks businesses, in order to accelerate the growth of the "leading development platform for chemical businesses".

I believe that these initiatives will further consolidate the Group's profit growth and add new dimensions to our businesses, driving the Group towards a successful future.

Ip Kwan (Francis)

Chief Executive Officer

26 March 2026

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group's gearing ratio (calculated by net bank borrowings as a percentage of equity attributable to owners of the Company) was 13.4% (31 December 2024: 16.7%), representing a decrease of 3.3 percentage points as compared to that as at year end of 2024. The Group continued to maintain positive operating cash flow in 2025, taking into account the disposals of certain idle assets and bonds investment as well as the initial payment of acquisition of approximately 60% equity interest in a leading chemical vapour recovery and treatment enterprise in China during the year under review, the gearing ratio of the Group has decreased as compared to the preceding year. Currently, the gearing ratio is still at a relatively low level and the Group has also maintained its surplus funds in a liquid investment portfolio of investment-grade listed bonds across diversified industries. The Group will leverage such advantage and liquidity to continue seeking business development opportunities.

The RMB exchange rate recorded an appreciation of 5.1% in 2025. The Group remained prudent in managing its foreign exchange exposure and interest rate risks. Measures included increasing bank borrowings denominated in RMB at relatively lower interest costs to mitigate the impact of Renminbi exchange rate fluctuations on the Group's performance, and investing in investment-grade listed bonds to capture interest spreads and reduce the Group's overall net interest expense. As for operating cash flow, the Group recorded a net cash inflow of HK\$105,798,000 during the year under review (2024: net cash inflow of HK\$86,546,000). As compared with the preceding year, although the profit before tax after adjusting items was similar, the net cash inflow from operating activities increased due to improvements in working capital.

As at 31 December 2025, gross bank borrowings of the Group amounted to HK\$1,256,819,000 (31 December 2024: HK\$1,226,713,000). Included in the above bank borrowings were secured borrowings of HK\$13,013,000 (31 December 2024: nil), which were secured by charges over property, plant and equipment with a carrying amount of HK\$30,798,000 (31 December 2024: nil). After the deduction of short-term bank deposits, bank balances and cash amounting to HK\$716,879,000 (31 December 2024: HK\$594,377,000), net bank borrowings amounted to HK\$539,940,000 (31 December 2024: HK\$632,336,000). Of the gross bank borrowings, HK\$1,224,891,000 (31 December 2024: HK\$872,313,000) were short-term loans repayable within one year. Such loans were denominated in two currencies, HK\$865,883,000 in Hong Kong Dollars and HK\$359,008,000 in RMB (31 December 2024: HK\$474,265,000 in Hong Kong Dollars and HK\$398,048,000 in RMB). Long-term loans repayable after one year amounted to HK\$31,928,000 (31 December 2024: HK\$354,400,000), and they were denominated in two currencies, HK\$20,000,000 in Hong Kong Dollars and HK\$11,928,000 in RMB (31 December 2024: all denominated in Hong Kong Dollars). The short-term bank deposits, bank balances and cash were denominated in the following currencies: HK\$18,760,000 in Hong Kong Dollars, HK\$587,650,000 in RMB, HK\$106,455,000 in US Dollars and HK\$4,014,000 in other currencies (31 December 2024: HK\$68,329,000 in Hong Kong Dollars, HK\$503,804,000 in RMB, HK\$15,094,000 in US Dollars and HK\$7,150,000 in other currencies).

Although the Group currently maintains relatively ample liquidity, in order to support long term investment and take advantage of lower interest costs and longer repayment periods aligned with investment returns, it entered into an acquisition loan facility of RMB268,800,000 with a bank in the Chinese Mainland during the year under review, scheduled for drawdown in early 2026 and thereafter. As at 31 December 2025, medium to long term loans (including portions repayable within one year amounted to HK\$335,485,000) accounted for 29% of the total bank loans. In order to hedge against the risk of interest rate and exchange rate fluctuations, and to reduce financing costs, the Group entered into interest rate swap and cross currency swap arrangements agreements with banks during the year under review. As at 31 December 2025, the Group's loans under fixed rate arrangement (including the above swap arrangements) constituted 61% of its medium to long term loans.

As stated above, the Group will continue to increase its RMB bank borrowings in the Chinese Mainland to finance its local operations and potential acquisitions to take advantage of the lower interest costs there as well as to mitigate the risk of RMB rate fluctuation. The Group will continue to strike an optimal balance between lowering borrowing costs and minimising currency exposure by structuring a favourable combination of Hong Kong Dollars, US Dollars, RMB or other foreign currency bank loans in Hong Kong and Mainland China. As at 31 December 2025, a total of 23 banks in Hong Kong and the Chinese Mainland granted banking facilities of an aggregate amount of HK\$3,234,929,000 to the Group. Of these banking facilities, 42% and 58% were denominated in Hong Kong Dollars and RMB respectively.

As at 31 December 2025, the Group did not have any significant contingent liabilities. Save as disclosed in this announcement, the Group did not have any immediate concrete plans for material investments or capital assets but the Group may continue to explore potential opportunities to make investment and/or acquire capital assets to achieve sustainable growth.

HUMAN RESOURCES

As of 31 December 2025, the Group has a total number of 2,217 employees, including executive directors of the Company (2024: 2,189 employees), among which 60 and 17 of them are from Hong Kong and other country respectively while the remaining 2,140 are from different provinces in the Chinese Mainland.

The Group places great emphasis on the management and development of human capital. The employees are encouraged to strive for improvement through internal and external training programs, job rotations and participation in the Group's educational subsidy programs, facilitating self-development in knowledge and skills and to maximise their potential in their work. We offer suitable platform for development of highly committed and capable employees, regardless of their background, geographical location or educational level. The Group regularly identifies talented employees and tailors career plans to support their continuous development. With versatile experience in challenging roles in different areas, the current management team of the Group has risen through the ranks to positions of

management. In addition to the focus of developing employees internally, the Group also seeks to attract external talents by organising management trainee and executive development programs from time to time.

The Group offers a challenging work environment, and sets up different programs for motivating employees to strive for improvement and to advance their skills in order to drive the development of business. From time to time, the Group makes reference to market trends for reviewing its remuneration and reward policy so as to ensure reasonable and competitive compensation and benefits for its employees. These include basic salary as well as results and individual performance-based bonus to attract and retain talents.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standard of corporate governance so as to achieve the Group's objectives of maximising values for its employees, customers, suppliers, business partners and Shareholders, and safeguarding their interests. The Company has complied with the code provisions of Part 2 of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year under review.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2025, the Company did not repurchase any of its shares.

As stated in the Company's announcement dated 17 June 2024, the Company implemented a share buyback program (the "Share Buyback Program"), which was effective from 18 June 2024 to 5 June 2025. Under the Share Buyback Program, the Company repurchased a total of 10,024,000 shares on the Stock Exchange at an aggregate consideration (before expenses) of HK\$14,833,500 during the year ended 31 December 2024. All repurchased Shares were subsequently held as treasury shares. As of 31 December 2025, the number of treasury shares held by the Company was 10,024,000 Shares.

The Company intended to hold such repurchased Shares in treasury, subject to market conditions and the capital management needs of the Group. The Company will determine whether and when to cancel or sell such treasury shares at market price, or otherwise deal with them in other manners compliant with the Listing Rules, the memorandum and articles of association of the Company, and applicable laws of Cayman Islands.

Saved as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2025.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) was established in November 1998. Major duties of the Audit Committee include reviewing financial information of the Group, overseeing the Group’s financial reporting system, risk management and internal control procedures and monitoring the relationship between the Group and its external auditors. The audited consolidated financial statements of the Group for the year ended 31 December 2025 have been reviewed by the Audit Committee. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Ku Yee Dao, Lawrence who is also the chairman of the Audit Committee, Mr. Ho Pak Chuen, Patrick and Ms. Yau Ching Man.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the “Remuneration Committee”) was established in June 2005. Major duties of the Remuneration Committee include establishing a formal and transparent procedure for formulating remuneration policy, making recommendation to the Board on the Group’s policy and structure for the remuneration of Directors and senior management and determining the remuneration packages of all executive Directors and senior management. As at the date of this announcement, the Remuneration Committee comprises two independent non-executive Directors, namely Mr. Ho Pak Chuen, Patrick who is also the chairman of the Remuneration Committee, and Ms. Yau Ching Man.

NOMINATION COMMITTEE

The nomination Committee of the Company (the “Nomination Committee”) was established in December 2021. Major duties of the Nomination Committee include the nomination and appointment of new directors, review of composition and membership of the Board and other functions performed by a nomination committee under the CG Code. As at the date of this announcement, the Nomination Committee comprises one non-executive Director, Mr. Ip Chi Shing (the Chairman of the Board) who is also the chairman of the Nomination Committee and two independent non-executive Directors, namely Mr. Ho Pak Chuen, Patrick and Ms. Yau Ching Man.

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

The health, safety and environment (“HSE”) committee of the Company (the “HSE Committee”) was formed in January 2012 in order to enhance the awareness of the importance of the health, safety and environment protection works to the Group. Major duties of the HSE Committee include the adoption and review of the Group’s HSE policies, and review of the Group’s appetite for HSE risk and monitoring the Group’s environment for HSE matters, including organisation structure, reward and punishment systems, resource inputs, operation culture and substantiable development. As at the date of this announcement, the HSE Committee comprises two Directors, namely Mr. Ip Kwan who is also the chairman of the HSE Committee and Mr. Ho Pak Chuen, Patrick.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its own code of conduct governing dealing by all Directors in the securities of the Company. After making specific enquiries, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the year under review.

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2025, together with comparative figures of the preceding year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Revenue	3	2,993,397	3,162,391
Cost of sales		<u>(2,234,243)</u>	<u>(2,418,745)</u>
Gross profit		759,154	743,646
Other income	4a	90,432	90,935
Other gains and losses	4b	26,850	(40,641)
Selling and distribution expenses		(187,762)	(184,889)
General and administrative expenses		(535,120)	(529,340)
Finance costs		(41,354)	(60,048)
Share of result of associates		<u>79,360</u>	<u>96,024</u>
Profit before taxation	5	191,560	115,687
Taxation	6	<u>(56,457)</u>	<u>(19,993)</u>
Profit for the year		<u>135,103</u>	<u>95,694</u>
Other comprehensive income (expense):			
Items that will not be reclassified to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		218,553	(162,612)
Fair value loss on equity instruments at fair value through other comprehensive income ("FVTOCI")		<u>(11,427)</u>	<u>(3,664)</u>
		<u>207,126</u>	<u>(166,276)</u>

	<i>NOTE</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Items that may be reclassified subsequently to profit or loss:			
Net adjustment arising from hedging instruments		(905)	(1,525)
Exchange differences arising on translation of foreign operations		(27,509)	21,463
Fair value gain (loss) on debt instruments at FVTOCI		2,801	(31)
Provision for impairment loss recognised for debt instruments at FVTOCI		375	100
Release upon disposal of debt instruments at FVTOCI		(613)	(621)
		<u>(25,851)</u>	<u>19,386</u>
Other comprehensive income (expense) for the year		<u>181,275</u>	<u>(146,890)</u>
Total comprehensive income (expense) for the year		<u>316,378</u>	<u>(51,196)</u>
Profit (loss) for the year attributable to:			
– Owners of the Company		137,409	96,882
– Non-controlling interests		(2,306)	(1,188)
		<u>135,103</u>	<u>95,694</u>
Total comprehensive income (expense) for the year attributable to:			
– Owners of the Company		315,476	(48,630)
– Non-controlling interests		902	(2,566)
		<u>316,378</u>	<u>(51,196)</u>
Earnings per share	8		
– Basic		<u>HK24.6 cents</u>	<u>HK17.2 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	<i>NOTES</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		947,695	962,000
Investment properties		213,585	222,451
Interests in associates		1,334,288	1,237,645
Equity instruments at FVTOCI		5,341	16,101
Financial assets at fair value through profit or loss (“FVTPL”)		923,315	856,057
Debt instruments at FVTOCI		73,507	70,357
Debt instruments at amortised cost		–	140,982
Goodwill		249,760	59,089
Intangible assets		155,968	58,745
Amount due from an associate		–	73,998
Deposits paid for acquisition of property, plant and equipment and investment properties		21,805	16,724
Derivative financial instruments		–	68
Deferred tax assets		8,256	2,496
		3,933,520	3,716,713
Current assets			
Inventories		407,932	360,100
Trade receivables	9	1,457,274	1,308,119
Other debtors and prepayments		95,941	96,307
Amount due from an associate		77,774	–
Contract assets		62,580	–
Contract costs		6,614	–
Derivative financial instruments		–	162
Debt instruments at amortised cost		65,926	–
Short-term bank deposits with original maturity more than three months		3,657	–
Bank balances and cash		713,222	594,377
		2,890,920	2,359,065
Assets classified as held for sale	12	11,283	–
		2,902,203	2,359,065

	<i>NOTES</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current liabilities			
Creditors and accrued charges	10	1,146,111	925,172
Deposits received for disposal of a subsidiary		10,341	–
Derivative financial instruments		3,677	89
Contract liabilities		53,009	7,781
Refund liabilities		25,230	26,393
Taxation payables		30,881	30,888
Dividend payable to non-controlling interests		50,604	–
Lease liabilities		5,398	4,454
Borrowings – amount due within one year		1,244,891	932,313
		2,570,142	1,927,090
Liabilities directly associated with assets classified as held for sale	12	942	–
		2,571,084	1,927,090
Net current assets		331,119	431,975
Total assets less current liabilities		4,264,639	4,148,688
Non-current liabilities			
Derivative financial instruments		–	38
Financial liability at FVTPL		32,354	–
Lease liabilities		17,293	9,464
Borrowings – amount due after one year		11,928	294,400
Deferred tax liabilities		51,240	33,304
		112,815	337,206
		4,151,824	3,811,482
Capital and reserves			
Share capital		56,848	56,848
Reserves		3,963,986	3,732,279
Equity attributable to owners of the Company			
		4,020,834	3,789,127
Non-controlling interests		130,990	22,355
		4,151,824	3,811,482

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>NOTE</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Net cash from operating activities		105,798	86,546
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(43,009)	(38,760)
Acquisition of financial assets at FVTPL		(4,308)	(5,392)
Acquisition of debt instruments at amortised cost		(30,726)	(18,448)
Acquisition of debt instruments at FVTOCI		(39,995)	(65,553)
Proceeds from disposal of financial assets at FVTPL		14,273	698
Proceeds from disposal of debt instruments at amortised cost and FVTOCI		149,475	32,468
Proceeds from disposal of property, plant and equipment		1,543	1,707
Proceeds from disposal of investment properties		1,655	158
Dividend received from an associate		46,326	53,449
Dividend received from financial assets at FVTPL		43	2,599
Net cash (outflow) inflow from acquisition of a subsidiary	11	(82,856)	327
Proceeds from disposal of a land use right		75,282	–
Net cash outflow on disposal of subsidiaries		–	(3,426)
Deposits paid for acquisition of property, plant and equipment and investment properties		(5,350)	(1,443)
Deposits received for disposal of a subsidiary		10,214	–
Interest received		11,536	29,526
Cash received from settlement of cross currency swap contracts		53	–
Withdrawal of bank deposits with original maturity more than three months		–	238,154
Placement of bank deposits with original maturity more than three months		(3,657)	–
Repayment of loan receivables		7,069	–
Net cash from investing activities		107,568	226,064

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
FINANCING ACTIVITIES		
Borrowings raised	1,355,084	1,284,394
Repayment of borrowings	(1,337,991)	(1,446,535)
Dividends paid	(83,769)	(73,730)
Interest paid	(40,230)	(62,387)
Payments on repurchase of shares	–	(14,834)
Transaction costs related to repurchase of shares	–	(74)
Contribution from non-controlling shareholders of subsidiaries	655	–
Payment of lease liabilities	(5,928)	(8,551)
Cash (paid to) received from settlement of the derivative financial instruments used to hedge interest rate risk	(1,306)	2,463
Net cash used in financing activities	(113,485)	(319,254)
Net increase (decrease) in cash and cash equivalents	99,881	(6,644)
Cash and cash equivalents at beginning of the year	594,377	616,093
Effect of foreign exchange rate changes	18,964	(15,072)
Cash and cash equivalents at end of the year	713,222	594,377
Analysis of balances of cash and cash equivalents		
Short-term bank deposits with original maturity within three months	33,076	90,280
Cash and cash equivalents	680,146	504,097
	713,222	594,377

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

Yip's Chemical Holdings Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. Its principal subsidiaries and associates are engaged in (i) manufacture of and trading in solvents, coatings, inks and lubricants; (ii) manufacture and sales of chemical vapour recovery and treatment systems (the "CVRT Systems"); (iii) property investment; and (iv) other businesses.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements* (“HKFRS 18”), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements* (“HKAS 1”). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (“MPMs”) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments and Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Also, additional disclosures required for the Group’s MPMs will be disclosed in a separate note to the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

A. Revenue

Revenue represents the amount received and receivable for goods sold and services provided to customers, net of discounts and value-added tax, and rental income received and receivable from tenants during the year.

Disaggregation of revenue

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Recognised at a point in time:		
Revenue from sales of products		
– coatings	1,383,452	1,461,221
– inks	1,320,028	1,364,529
– lubricants	283,658	323,580
– CVRT Systems (<i>note</i>)	–	–
– car maintenance and other chemical products	–	1,632
Recognised over time:		
Car maintenance service	–	2,800
Revenue from contracts with customers	2,987,138	3,153,762
Rental income from properties	6,259	8,629
	<u>2,993,397</u>	<u>3,162,391</u>
Geographical market based on location of customers:		
Chinese Mainland	2,853,677	3,062,260
Hong Kong	63,057	64,394
Overseas (mainly including countries in South East Asia)	76,663	35,737
	<u>2,993,397</u>	<u>3,162,391</u>

Note: As the acquisition of subsidiaries disclosed in Note 11 was completed in late December 2025, there was no sales transaction from the date of acquisition to the end of the reporting period.

B. Segment information

Segment revenue and results

Information reported to and reviewed by the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purpose of allocating resources to segments and assessing their performance focuses on nature of the Group’s businesses and operations.

For management purposes, the Group’s reportable segments under HKFRS 8 *Operating Segments* included five business divisions, namely (i) coatings, (ii) inks, (iii) lubricants, (iv) chemical vapour recovery and treatment and (v) properties. These divisions are the basis on which the Group reports its operating segments information.

Principal activities of the Group's reportable segments are as follows:

Coatings	–	manufacture of and trading in coatings and related products
Inks	–	manufacture of and trading in inks and related products
Lubricants	–	manufacture of and trading in lubricants products
Chemical vapour recovery and treatment	–	research, design, manufacture and provision of specialised systems for recovering and treating chemical vapour generated during the production, storage, and transportation of chemicals, oil and gas
Properties	–	property investment and holding of the Group's properties not used for production plants, central administration office, and not used for other operating segments, including but not limited to properties for rental

The Group's operation relating to the manufacturing of and trading in other chemical products together with the business engaging in trading in car maintenance products and provision of car maintenance services did not meet the quantitative threshold for reportable segment. Accordingly, these businesses were aggregated and presented in "others" in the segment table in this note. The Group disposed of the entities operating the business engaging in trading in car maintenance products and provision of car maintenance services during the year ended 31 December 2024 and the Group ceased the business relating to the manufacturing of and trading in other chemical products during the year ended 31 December 2025.

During the year ended 31 December 2025, the Group acquired 北京信諾海博石化科技發展有限公司 Beijing Sino-Hypro Petrochemical Tech. Co., Ltd. ("信諾海博") which is engaged in research, design, manufacture and provision of specialised systems for recovering and treating chemical vapour generated during the production, storage, and transportation of chemicals, oil and gas. Since then, the CODM reviews the financial performance of chemical vapour recovery and treatment operation as a separate business. Accordingly, results from chemical vapour recovery and treatment are presented as an operating and reportable segment.

Segment results represent the profit for the year by each segment without allocation of share of result of associates, unallocated income, unallocated expenses which mainly include central administration expenses and directors' salaries, and finance costs. This is the information reported to the CODM for the purposes of resource allocation and performance assessment.

An analysis of the Group's segment revenue and results by reportable and operating segments for the year under review is as follows:

	Coatings HK\$'000	Inks HK\$'000	Lubricants HK\$'000	Chemical vapour recovery and treatment HK\$'000	Properties HK\$'000 (note)	Reportable segment total HK\$'000	Others HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
Year ended									
31 December 2025									
Segment revenue									
Revenue from contracts with customers									
External sales	1,383,452	1,320,028	283,658	-	-	2,987,138	-	-	2,987,138
Inter-segment sales	143	170	49	-	-	362	-	(362)	-
External rental income	-	-	-	-	6,259	6,259	-	-	6,259
Inter-segment rental income	-	-	-	-	348	348	-	(348)	-
Total	1,383,595	1,320,198	283,707	-	6,607	2,994,107	-	(710)	2,993,397
Results									
Segment results	52,226	46,261	6,527	-	34,691	139,705	-	(6)	139,699
Share of result of associates									
Unallocated income									79,360
Unallocated expenses									63,744
Finance costs									(49,889)
									(41,354)
Profit before taxation									191,560
Year ended									
31 December 2024									
Segment revenue									
Revenue from contracts with customers									
External sales	1,461,221	1,364,529	323,580	-	-	3,149,330	4,432	-	3,153,762
Inter-segment sales	36	228	435	-	-	699	-	(699)	-
External rental income	-	-	-	-	8,629	8,629	-	-	8,629
Inter-segment rental income	-	-	-	-	348	348	-	(348)	-
Total	1,461,257	1,364,757	324,015	-	8,977	3,159,006	4,432	(1,047)	3,162,391
Results									
Segment results	7,219	77,199	9,536	-	(5,738)	88,216	(716)	195	87,695
Share of result of associates									
Unallocated income									96,024
Unallocated expenses									47,860
Finance costs									(55,844)
									(60,048)
Profit before taxation									115,687

Note: The results of properties segment for the year ended 31 December 2025 include the pre-tax gain on disposal of a land use right of HK\$60,023,000.

Inter-segment sales/rental income are charged at the similar terms as external sales/rental income.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

(a) The Group's other income comprises:

	2025 HK\$'000	2024 HK\$'000
Interest income	14,582	23,082
Government grants	16,072	19,139
Dividend income from financial assets at FVTPL	21,977	25,547
Consignment products processing income	25,744	10,830
Others	12,057	12,337
	<u>90,432</u>	<u>90,935</u>

(b) The Group's other gains (losses) comprises:

	2025 HK\$'000	2024 HK\$'000
Net exchange gain (loss) arising from foreign currency balances and transactions	14,919	(13,246)
Impairment loss recognised on property, plant and equipment	(6,131)	–
Impairment loss (recognised) reversed on debt instruments at FVTOCI and amortised cost under expected credit losses (“ECL”) model, net of reversal	(81)	65
Impairment loss recognised on trade receivables, other debtors and contract assets under ECL model, net of reversal	(38,720)	(12,248)
Fair value gain (loss) on financial assets at FVTPL	18,192	(1,618)
Net loss on cross currency swap contracts	(2,805)	–
Fair value loss on investment properties	(18,187)	(11,739)
Net loss on disposal/written off of property, plant and equipment	(1,636)	(1,704)
Gain on disposal of investments in debt instruments	1,278	848
Gain relating to termination of lease contracts	–	37
Loss on disposal of subsidiaries	–	(1,036)
Loss on deregistration of a subsidiary	(2)	–
Gain on disposal of a land use right (<i>note</i>)	60,023	–
	<u>26,850</u>	<u>(40,641)</u>

Note: On 17 January 2025, the Group, Shanghai Jinshan District Land Reserve Centre (上海市金山區土地儲備中心) (the “Land Reserve Centre”) and the Shanghai Carbon Valley Green Bay Industrial Park Management Committee (上海碳谷綠灣產業園管理委員會) entered into the state-owned land reserve agreement pursuant to which the Land Reserve Centre agreed to acquire, and the Group agreed to surrender and dispose of the land use right of a parcel of land situated at No. 1288, Hua Tong Road, Jinshanwei Town, Jinshan District, Shanghai, the People's Republic of China (the “PRC”) (中國上海市金山區金山衛鎮華通路1288號), with a site area of approximately 46,666.93 square meters, for a cash consideration of RMB69,110,000. Details of this transaction are set out in the Company's announcement on 17 January 2025. The transaction was completed in June 2025 and the entire consideration was received by the Group during the year ended 31 December 2025.

5. PROFIT BEFORE TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment (including right-of-use assets)	98,964	103,905
Less: capitalised in inventories	<u>(59,160)</u>	<u>(60,474)</u>
	<u>39,804</u>	<u>43,431</u>
Staff costs, including directors' remuneration	500,003	505,230
Less: capitalised in inventories	<u>(179,103)</u>	<u>(177,283)</u>
	<u>320,900</u>	<u>327,947</u>
Short-term leases expense	5,465	4,945
Amortisation of intangible assets	2,032	2,032
Auditor's remuneration	1,700	1,445
Cost of inventories recognised as cost of sales (<i>note</i>)	<u>2,234,243</u>	<u>2,418,745</u>

Note: During the year ended 31 December 2025, provision of allowance on slow-moving inventories amounting to HK\$1,461,000 (2024: HK\$2,322,000) and written off of inventories amounting to HK\$7,373,000 (2024: HK\$4,025,000) were recognised as cost of sales.

6. TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax – Chinese Mainland		
Enterprise income tax (“EIT”)	29,631	14,690
Land appreciation tax (“LAT”)	25,302	–
Withholding tax	105	114
Current tax – overseas	<u>1,009</u>	<u>556</u>
	56,047	15,360
Overprovision in respect of prior years – Chinese Mainland	<u>(956)</u>	<u>(1,115)</u>
	55,091	14,245
Deferred tax charge (credit)		
Hong Kong	14	(19)
Chinese Mainland	<u>1,352</u>	<u>5,767</u>
	<u>1,366</u>	<u>5,748</u>
	<u>56,457</u>	<u>19,993</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate on 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in the Chinese Mainland is 25% from 1 January 2008 onwards.

Under the Provisional Regulations of LAT (《中華人民共和國土地增值稅暫行條例》) effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值稅暫行條例實施細則》) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, being the proceeds of sales of properties less deductible expenditures.

Certain of the Group’s subsidiaries operating in the Chinese Mainland are either eligible as High and New Technology Enterprise or operating in encouraged industries in Western Region of China, and are entitled to an income tax rate of 15% from 2021 to 2030. The PRC’s EIT has been provided for these subsidiaries after taking these tax incentives into account.

7. DIVIDENDS

Dividends recognised as distribution during the year:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interim dividend for 2025 of HK4 cents (2024: interim dividend for 2024 of HK3 cents) per share	22,338	16,882
Final dividend for 2024 of HK11 cents (2024: final dividend for 2023 of HK10 cents) per share	<u>61,431</u>	<u>56,848</u>
	<u>83,769</u>	<u>73,730</u>

The dividends declared and set out above were fully settled.

Subsequent to the end of the reporting period, a final dividend for the year ended 31 December 2025 of HK12 cents (2024: HK11 cents) per share with total amount of approximately HK\$67,015,000 (2024: HK\$61,431,000) (excluding 10,024,000 ordinary shares which are held as treasury shares) has been recommended by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting of the Company.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Earnings for the purposes of calculating basic earnings per share: Profit for the year attributable to owners of the Company	<u>137,409</u>	<u>96,882</u>
	Number of shares <i>'000</i>	<i>'000</i>
Weighted average number of shares for the purpose of calculating basic earnings per share (<i>note</i>)	<u>558,460</u>	<u>564,885</u>

Note: The weighted average number of shares for the purpose of calculating basic earnings per share has been adjusted for 10,024,000 ordinary shares, which are held as treasury shares during the years ended 31 December 2025 and 2024.

No diluted earnings per share for the years ended 31 December 2025 and 2024 were presented as there were no potential ordinary shares in issue for both years.

9. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables from contracts with customers	1,567,699	1,372,606
Less: allowance for credit losses	<u>(110,425)</u>	<u>(64,487)</u>
	<u>1,457,274</u>	<u>1,308,119</u>

An ageing analysis of trade receivables, which is net of allowance for credit losses (excluding bills held by the Group for future settlement) and presented based on the invoice date at the end of the reporting period, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–3 months	622,408	609,804
4–6 months	254,411	252,477
Over 6 months	<u>219,819</u>	<u>130,857</u>
	<u>1,096,638</u>	<u>993,138</u>

For trade customers in coatings, inks and lubricants segments, the Group allows a credit period ranging from 30 to 90 days. A longer credit period may be granted to large or long established customers with good payment history. For trade customers in chemical vapour recovery and treatment segment, customers settle payments in accordance with the payment schedules stated in the contracts and no credit terms are granted to customers.

10. CREDITORS AND ACCRUED CHARGES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade creditors	475,724	418,549
Bills payables	258,507	284,187
Other creditors and accrued charges	<u>411,880</u>	<u>222,436</u>
	<u>1,146,111</u>	<u>925,172</u>

An ageing analysis of trade creditors presented based on the invoice date at end of the reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–3 months	402,853	358,797
4–6 months	60,317	55,646
Over 6 months	12,554	4,106
	<u>475,724</u>	<u>418,549</u>

11. ACQUISITIONS OF SUBSIDIARIES

On 24 October 2025, the Group, shareholders of 信諾海博, a wholly foreign-owned enterprise indirectly owned by such shareholders, and 信諾海博 entered into an acquisition agreement (the “Acquisition Agreement”). Pursuant to the Acquisition Agreement, the Group has conditionally agreed to acquire, and the vendors (the “Vendors”), being Mr. Zhang Guorui and Ms. Liu Qing, have conditionally agreed to sell an aggregate of approximately 60% equity interest in 信諾海博 held by them directly at a cash consideration (the “Acquisition”). The Acquisition is a business combination and accounted for using the acquisition method.

Assets acquired and liabilities recognised at the date of acquisition were as follows:

	At the date of acquisition <i>HK\$'000</i>
Property, plant and equipment	35,505
Intangible assets	98,027
Deferred tax assets	1,256
Inventories	64,238
Trade receivables	124,296
Other debtors and prepayments	16,204
Contract assets	61,817
Contract costs	6,534
Bank balances and cash	49,668
Borrowings – non current	(11,782)
Lease liabilities – non current	(1,877)
Deferred tax liabilities	(14,704)
Creditors and accrued charges	(65,148)
Contract liabilities	(44,592)
Borrowings – current	(1,072)
Lease liabilities – current	(688)
Dividend payable	(49,986)
Taxation payable	(2)
	<u>267,694</u>

Consideration transferred:

	<i>HK\$'000</i>
Cash paid in 2025	132,524
Consideration to be paid	184,477
Contingent consideration arrangement	<u>31,959</u>
	<u><u>348,960</u></u>

Goodwill arising on the acquisition:

	<i>HK\$'000</i>
Consideration transferred	348,960
Add: non-controlling interests	107,078
Less: fair value of net assets acquired	<u>(267,694)</u>
	<u><u>188,344</u></u>

The non-controlling interests (i.e. approximately 40%) in 信諾海博 recognised at the date of acquisition were measured at the non-controlling interests' proportionate share of the recognised amounts of the identifiable net assets of 信諾海博.

Net cash outflow arising on the acquisition:

	<i>HK\$'000</i>
Consideration paid in cash during the year ended 31 December 2025	132,524
Add: bank balances and cash acquired	<u>(49,668)</u>
	<u><u>82,856</u></u>

12. ASSETS CLASSIFIED AS HELD FOR SALES/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

In November 2025, the Group entered into an equity transfer agreement with an independent third party to dispose of 100% equity interest in Bauhinia Variegata Ink & Chemicals (Hebei) Limited (“Bauhinia Hebei”) for a cash consideration of RMB9,280,000. The assets and liabilities attributable to Bauhinia Hebei, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position (see below). The net carrying amount of the relevant assets and liabilities are expected to exceed the net proceeds of disposal and, accordingly, an impairment loss of property, plant and equipment HK\$6,131,000 (2024: nil) has been recognised in profit or loss during the year ended 31 December 2025.

The assets and liabilities of Bauhinia Hebei classified as held for sale are as follows:

	<i>HK\$'000</i>
Property, plant and equipment	11,251
Other debtors and prepayments	22
Bank balances and cash	<u>10</u>
Total assets classified as held for sale	<u><u>11,283</u></u>
Taxation payables	<u>(942)</u>
Total liabilities directly associated with assets classified as held for sale	<u><u>(942)</u></u>

The disposal has been completed in January 2026.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK12 cents per Share in cash, payable to Shareholders whose names appear on the register of members of the Company on Monday, 15 June 2026. The final dividend is subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company (the “AGM”) to be held on Thursday, 4 June 2026. Subject to the aforesaid approval, the recommended final dividend for the year ended 31 December 2025 will be payable on or around Wednesday, 22 July 2026.

CLOSURE OF REGISTER OF MEMBERS

For entitlement to the final dividend

The Hong Kong branch register of members of the Company will be closed from Friday, 12 June 2026 to Monday, 15 June 2026 (both dates inclusive) for the purpose of ascertaining Shareholders’ entitlement to the proposed final dividend. No transfer of Shares may be registered on those dates. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant Share certificates should be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 11 June 2026.

For attendance of 2026 AGM

The Hong Kong branch register of members of the Company will be closed from Thursday, 28 May 2026 to Thursday, 4 June 2026 (both dates inclusive) for the purpose of ascertaining Shareholders’ entitlement to attend and vote at the forthcoming AGM. No transfer of shares may be registered on those dates. In order to qualify for attending and voting at the AGM, all transfer forms accompanied by the relevant share certificates should be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 27 May 2026.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.yipschemical.com>). The Company’s 2025 annual report containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 26 March 2026

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

Non-executive Directors:

Mr. Ip Chi Shing (*Chairman*)
Mr. Ho Pak Chuen, Patrick*
Mr. Ku Yee Dao, Lawrence*
Ms. Yau Ching Man*

Executive Directors:

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

* *Independent Non-executive Directors*