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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)

GRANT OF SHARE OPTIONS PURSUANT TO SHARE OPTION SCHEME

Pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the board of directors (the "Board") of Yip's Chemical Holdings Limited (the "Company" together with its subsidiaries (the "Group")) hereby announces that on 27 March 2026, the Company granted 2,050,000 share options (the "Share Options") carrying rights to subscribe for a total of 2,050,000 ordinary shares in the share capital of the Company (the "Share(s)") under its share option scheme adopted by a resolution passed by the shareholders of the Company on 6 June 2022 (the "2022 Share Option Scheme") to certain Eligible Persons (as defined in the rules of the 2022 Share Option Scheme) all being employees and director of the Group (including director and senior managers of the Company) (the "Grantees"), subject to their acceptance, as a recognition and motivation of their contributions to the Group. Details of such grants are set out below:

Date of grant	27 March 2026
Exercise price of share options granted:	HK$2.24 per Share, representing the highest of : i. the closing price of HK$2.24 per Share as stated in the Stock Exchange's daily quotations sheet on the date of grant; ii. the average closing price of HK$2.148 per Share as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and iii. HK$0.10, being the nominal value of a Share.

Number of Share Options granted	2,050,000 Share Options, each entitles its holder to subscribe for one Share. The number of Share Options granted to the Grantees is determined with reference to their respective roles and positions held within the Group and their responsibilities, past experience and expected continuous long-term contributions to the Group.
Grantees	The Grantees are all employees and director of the Group, including director and senior managers of the Company and hence are all employee participants under Rule 17.03A (1)(a) of the Listing Rules.
Vesting period of Share Options:	Subject to the terms of the 2022 Share Option Scheme (including, among others, the Grantee remaining an employee of the Group and an Eligible Person (as defined in the rules of the 2022 Share Option Scheme) during the vesting period), the Share Options will be vested on the second anniversary of the date of grant (i.e. 27 March 2028). When a Grantee ceases to be an employee of the Group, all Share Options granted to him but remains unvested by then shall automatically lapse and shall not vest in accordance with the terms of the 2022 Share Option Scheme.
Exercise period of Share Options	From the vesting date until the end of the scheme period of the 2022 Share Option Scheme i.e. 27 March 2028 to 5 June 2032, both dates inclusive, subject to the terms of the 2022 Share Option Scheme.
Performance target	There are no performance targets attached to the Share Options. In view that (i) the Grantees are employees and director of the Group who will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group; (ii) the grant is a recognition for the Grantees' roles and responsibilities in the development of the Group; and (iii) the Share Options are subject to certain vesting conditions and terms of the 2022 Share Option Scheme, which already cover situations where the Share Options will lapse in the event that the Grantees cease to be employees of the Group, the Board is of the view that the grant of Share Options to the Grantees without performance targets is market competitive and aligns with the purpose of the 2022 Share Option Scheme.

In respect of grant of Share Options to Grantees being director and senior managers of the Company, taking into account of the foregoing, the remuneration committee of the Company ("Remuneration Committee") considers that the grant of the Share Options without performance targets and additional clawback mechanism can nonetheless align the interests of those Grantees with that of the Company and the Shareholders and incentivise and encourage those Grantees to continue to commit and contribute towards the sustainable growth of the Group and enhance the long term value of the Company and the Shares, which is in line with the purpose of the 2022 Share Option Scheme.

Clawback/lapse mechanism

Pursuant to the terms of the 2022 Share Option Scheme, Share Options granted to the Grantees will lapse on grounds set out therein, which include (without limitation) the following: where a Grantee's service or employment with the Group has been terminated by the Group for the following reasons: misconduct, committing an act of bankruptcy, insolvency, entering into a composition or arrangement with his creditors as a whole, being convicted of a criminal offence involving dishonesty, or (at the sole discretion of the Board) any other reason entitling the employer to terminate the employment under the common law, applicable laws or the service contract with the Grantee, the Grantee shall cease to be an Eligible Person (as defined in the rules of the 2022 Share Option Scheme) and all granted Share Options shall lapse automatically; if a Grantee is involved in serious misconduct or dereliction of duty, or commits any illegal act that harms the interests and reputation of the Group, the granted Share Options shall lapse accordingly.

Accordingly, the Remuneration Committee considers that additional clawback mechanism not necessary as the 2022 Share Option Scheme has provided for the lapse of Options under the aforesaid scenarios which could adequately safeguard the Company's interest.

Reasons for Grant of Share Options	The purposes of the 2022 Share Option Scheme are to recognise and motivate the contribution of the participants and to provide incentives and help the Group and its associated companies in retaining their existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long term business objectives of the Group and its associated companies. The grant of Share Options is to align the interests of the Grantees with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to recognise the contributions made by the Grantees and to attract and retain talent for the continuous operations and development of the Group in line with the purposes of the 2022 Share Option Scheme.
Financial Assistance:	There are no arrangements for the Company or any of its subsidiaries to provide financial assistance to the Grantees to facilitate the purchase of the Shares upon their exercise of the Share Options.

Among the above Share Options granted, 500,000 Share Options were granted to the following director of the Company, subject to his acceptance of the Share Options, with details as follows:

Name of Director	**Number of Share Options granted**
Mr. Ip Kwan (Executive Director & Chief Executive Officer of the Company) *Note*	500,000

Note: Mr. Ip Kwan is the son (and hence an associate) of Mr. Ip Chi Shing, a non-executive director and a substantial shareholder of the Company.

The grant of the Share Options to the above director and chief executive of the Company had been approved by the independent non-executive directors in accordance with Rule 17.04(1) of the Listing Rules. The grant of such Share Options was also approved by the Board, with Mr. Ip Kwan abstaining from voting on the relevant resolution relating to the grant of Share Options to himself.

To the best knowledge information and belief of the directors having made all reasonable enquiries, as of the date of this announcement, save as disclosed in this announcement, none of the Grantees is (i) a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or an associate (as defined in the Listing Rules) of any of them, or (ii) a participant with Share Options, any other share options and share awards granted and to be granted exceeding the 1% individual limit under the Listing Rules, or (iii) a related entity participant or a service provider (as defined in the Listing Rules) of the Company. The grant of Share Options will not result in the total number of Shares issued and to be issued in respect of all Share Options, any other share

options or share awards granted (including both exercised or outstanding Share Options but excluding any Share Options lapsed in accordance with the terms of the 2022 Share Option Scheme) to any Grantee who is an associate of a substantial shareholder in the 12-month period up to and including the date of the grant representing in aggregate over 0.1% of the issued Shares (excluding treasury shares). The grant of Share Options are not subject to approval by shareholders of the Company.

Pursuant to the resolution of shareholders of the Company passed on 6 June 2022, the scheme mandate limit (as defined in the Listing Rules) of the 2022 Share Option Scheme is 56,848,409 Shares (the "Scheme Mandate"), being 10% of the Shares in issue as at the date of adoption of the 2022 Share Option Scheme. After the grant of the Share Options as disclosed in this announcement, assuming that all the Grantees accept such grant, the balance of number of Shares available for future grant under the Scheme Mandate is 54,798,409.

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

Hong Kong, 27 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 Director*