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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

Navigating Macro Challenges Successfully with an Optimised Business Portfolio

Profit Attributable to Owners Increased Significantly by 113.5% to HK$141 million

- Amid the macroeconomic and supply chain headwinds stemming from the US-Iran conflict, the Group maintained resilient operations driven by recent portfolio optimisation and a solid core business foundation. Revenue increased by 17.1% year-on-year to HK$1.67 billion, while sales volume slightly decreased by 2.5% to 114,000 metric tonnes.

- The gross profit margin of the Group rose to 26.9%, representing a year-on-year increase of 2.1 percentage points.

- Profitability improved across core businesses. Notably, the inks business recorded a substantial year-on-year increase in segment results of 265% to HK$41.3 million, driven by successful market expansion through highly cost-effective products and services.

- The Group acquired an approximately 60% equity interest in "Sino-Hypro" last year, contributing segment results of HK$28.0 million (before deducting non-controlling interests and taxation) to the Group.

- Solvents associate company achieved record-high sales volume by effectively navigating raw material and product price fluctuations, boosting profitability and delivering a return of HK$112 million to the Group.

- Profit attributable to owners increased by 113.5% year-on-year to HK$141 million.

- Gearing ratio continued to be at healthy level of 19.6%, enhancing the flexibility for future investments in new growth projects.

- The Board has resolved to pay an interim dividend of HK8 cents per share (corresponding period of the preceding year: HK4 cents per share).

	For the six-month period ended 30 June 2026 (unaudited)	For the six-month period ended 30 June 2025 (unaudited)	% change
Revenue	**HK$1,674,613,000**	HK$1,430,396,000	+17.1%
Sales volume	**114,000 metric tonnes**	117,000 metric tonnes	-2.5%
Profit attributable to owners of the Company	**HK$141,122,000**	HK$66,112,000	+113.5%
Earnings per share			
Basic	**HK25.3 cents**	HK11.8 cents	+114.4%
Diluted	**HK25.2 cents**	N/A	N/A
Interim dividend per share	**HK8 cents**	HK4 cents	+100%
	As of 30 June 2026 (unaudited)	As of 30 June 2025 (unaudited)	
Gearing ratio*	**19.6%**	18.0%	+1.6% 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") an overview of the business of the Company and its subsidiaries (collectively "Yip's Chemical" or the "Group") for the six months ended 30 June 2026 (the "period under review").

Looking back at the operating environment in the first half of the year, the most unforgettable and impactful event was undoubtedly the sudden outbreak of the US-Iran war. The incident immediately caused major disruptions to global supply chains. At the same time, it triggered significant volatility in international oil prices, leading to unusual fluctuations in the prices of certain related chemical raw materials. This incident presented both challenges and opportunities for the Group's overall business during the period under review. Several of the Group's core businesses were affected by rising raw material prices. The inability to fully and immediately pass these rising costs on to customers consequently had varying degrees of adverse impact on both business expansion and profit margins. Fortunately, the implementation of more effective cost-mitigation measures helped cushion most of such negative impacts, thereby enabling business performance to broadly meet expectations. Concurrently, the solvents business of the Group's associate company successfully capitalised on market opportunities during this period of intense raw material price volatility, as a result of the management team's astute market acumen, robust financial position, and substantial economies of scale. This significantly enhanced its profit margins, delivering a record-high half-year profit contribution to the Group in recent years. In light of these factors, the Group recorded revenue of HK$1.67 billion for the first half of the year, representing an increase of 17.1% compared to the corresponding period of the preceding year. Profit attributable to owners surged significantly to HK$141 million, marking a 113.5% increase over the corresponding period of the preceding year.

The Group also delivered strong financial results. During the period under review, credit policies across various businesses became more stringent, and financial management policies were effectively executed, thereby maintaining a highly robust overall financial position for the Group. As at 30 June 2026, the Group's gearing ratio was at healthy level of 19.6%. After a comprehensive assessment of the Group's business prospects, future development strategies and the established practice of rewarding Shareholders earnestly, the board (the "Board") of directors (the "Director(s)") of the Company has resolved to pay an interim dividend of HK8 cents per share to all Shareholders, representing a significant increase of 100% compared to the corresponding period of the preceding year.

OUTLOOK

The business outlook for the second half of the year is clouded by headwinds that may impact the Group's business prospects. These include the duration and potential escalation of the US-Iran conflict, the persistence of global geopolitical conflicts across multiple regions, whether structural imbalances in the Chinese economy can be effectively rectified, whether domestic consumer sentiment can recover, and whether "involution" situation will improve. While the trajectory and outcome of these uncertainties remain highly unpredictable, I am confident that through the efforts of our young and talented management team, the Group will demonstrate greater agility. In line with our established business development strategies, we will further consolidate our foundation while allocating more resources to building "a leading chemical businesses platform". In advancing eco-friendly and new energy-related products, we will proactively pursue opportunities in strategic cooperation and M&A initiatives, forging a new path for the long-term, healthy, and sustainable development of Yip's Chemical. Concurrently, spearheaded by the newly commissioned Vietnam plant of our coatings business, we will gradually explore avenues to expand the Group's product footprint overseas. As long as we firmly adhere to this prudent yet progressive strategy, be persistent in our approach and deliver concrete action, we are bound to unlock greater business prospects for the Group's future.

This year marks the 55th anniversary of the Group's founding. Looking back over the past half-century, the Group – much like the world around us – has undergone immense changes. Yet, I am deeply gratified that over these 55 years, our operating philosophy – focusing on our core businesses, steadfastly seeking the well-being of our employees, creating value for our Shareholders, and actively giving back to society – has not altered in the slightest. It is precisely because of this that over the years, relying on the immense support and trust of countless colleagues, vast customers, suppliers, bankers, and partners, we have grown from a small family workshop into a public company that has been listed in Hong Kong for 35 years today. I firmly believe that with your continued support and trust in the years ahead, the further growth and development of Yip's Chemical are surely to be expected.

I would like to take this opportunity to express my heartfelt gratitude to all colleagues and business partners! 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 of the Group for their unwavering efforts and valuable contributions!

Ip Chi Shing
Chairman

20 August 2026

REPORT OF THE CHIEF EXECUTIVE OFFICER

REVIEW

Yip's Chemical faced a challenging economic and geopolitical environment during the period under review. The most profound impact stemmed from the outbreak of the US-Iran war, which severely disrupted oil prices and the normal functioning of the global economy. During the war, oil prices fluctuated drastically, increasing the difficulty of pricing chemical products, raw material procurement, storage and transportation. At the same time, the "involution" across various industries in China continued, leading to downward pressure on both prices and profits. Against this backdrop, Yip's Chemical successfully overcame these challenges during the period under review, achieving substantial growth in both revenue and profits. The Group's cash flow and gearing ratio continued to remain at healthy level.

KEY BUSINESS HIGHLIGHTS

- The Group recorded revenue of HK$1.67 billion and a total sales volume of 114,000 metric tonnes, representing an increase of 17.1% and a slight decrease of 2.5% respectively as compared to the corresponding period of the preceding year.

- The gross profit margin of the Group rose to 26.9%, representing a year-on-year increase of 2.1 percentage points. This was attributable to the continuous optimisation of the product portfolio across various business segments.

- Profitability improved across core businesses. Notably, inks business recorded a substantial year-on-year increase in segment results of 265% to HK$41.3 million, driven by successful market expansion through highly cost-effective products and services.

- The Group acquired an approximately 60% equity interest in "Sino-Hypro" last year, contributing segment results of HK$28.0 million (before deducting non-controlling interests and taxation) to the Group.

- Driven by the precise capturing of business opportunities arising from fluctuations in raw material and selling prices, the solvents associate company achieved strong profit growth, with the Group's share of its profits reaching HK$112 million.

- The Group recorded a profit attributable to owners of HK$141 million, representing an increase of 113.5% compared to the corresponding period of the preceding year.

- The Group's gearing ratio as at 30 June 2026 remained at a relatively low level of 19.6%, providing greater flexibility for future investments in new growth projects.

Inks

In the period under review, the Group's inks business recorded a revenue of HK$704 million, representing an increase of 19% compared to the corresponding period of the preceding year. Under a fiercely competitive environment, the inks business successfully seized market share by virtue of highly cost-effective products and services, yielding remarkable results. Sales volume rose by 16.5% to 33,000 metric tonnes compared to the corresponding period of the preceding year, continuing to firmly secure its leading position in the Chinese inks market. Although the business faced rising prices of raw materials such as solvents during the period under review, effective cost control and strategic upward price adjustments for certain products enabled the gross profit margin to improve by 0.5 percentage point to 21.4% compared to the corresponding period of the preceding year. Meanwhile, owing to a relatively large bad debt provision made in the corresponding period of the preceding year, the inks business thus recorded a substantial year-on-year increase in segment results of 265%, reaching HK$41.3 million.

Anticipating that the market environment will remain challenging in the second half of the year, we will sustain our focus on leveraging our competitive edge in the packaging printing inks sector to drive market share expansion and consolidate the market leadership of "Bauhinia Variegata" inks. Meanwhile, the management team has commenced identifying ink company acquisition targets that possess high technical barriers to diversify our product portfolio and create new growth pillars for the inks business.

Coatings

In the period under review, although the sales volume of the Group's coatings business decreased by 8.0% to 72,000 metric tonnes, revenue grew by 2% to HK$688 million.

The architectural coatings sector under the coatings business continued to navigate a challenging operating landscape. The Chinese Mainland's real estate market remained sluggish, leading to a contraction in demand for architectural coatings. While steadily expanding the distributor networks for the "Bauhinia" and "Camel" brands, the Group also stepped up its promotional efforts across multiple social media platforms to pave the way for the future recovery of the architectural coatings market.

In terms of industrial coatings, the Group increased its investment in the plastic coatings and resins businesses to drive future development. The new industrial coatings plant in Vietnam has commenced operations, providing timely and efficient services to local customers. Concurrently, the resins business continued to focus on the research and development of products related to automotive coatings and protective coatings to boost sales and profits. The coatings segment recorded a gross profit margin of 29.9%, representing an increase of 1.1 percentage points compared to the corresponding period of the preceding year. The segment results rose by 2% to HK$22.0 million.

In the second half of the year, building on the steady organic growth of its businesses, the Group will actively seek high-quality, technologically advanced M&A targets. Concurrently, it will accelerate the incubation of coatings technologies related to the new energy industry to expedite the development pace of the coatings business.

Lubricants

In the period under review, revenue from the lubricants business declined by 11% to HK$143 million, while the gross profit margin increased by 0.5 percentage point to 22.4% compared to the corresponding period of the preceding year. This business recorded segment results of HK$6.1 million, remaining flat compared to the corresponding period of the preceding year. The automotive lubricants business was impacted by the overall market "involution", which in turn put pressure on both revenue and profits.

Looking ahead, the Group will continue to steadily grow the sales volume of automotive lubricants by optimising its product portfolio. Additionally, we will prudently invest in the development of niche segments within the industrial lubricants market to unlock new growth engines.

Chemical Gas Separation and Recovery

The Group successfully completed the acquisition of an approximately 60% equity interest in Sino-Hypro at the end of December 2025, marking Yip's Chemical's official entry into the chemical gas separation and recovery industry. During the period under review, the Group commenced providing Sino-Hypro with support in terms of customer resources, supply chain capabilities, human capital and management systems. Sino-Hypro recorded revenue of HK$136 million and a gross profit margin of 45.6% in the period under review, contributing segment results of HK$28.0 million to the Group.

The Group's management will continue to work closely with the original shareholders to fully leverage the strong technological foundation of Sino-Hypro and the extensive operating experience and resource network of Yip's Chemical. We firmly believe that Sino-Hypro will continue to unleash strong commercial potential and stride towards a promising future.

Investment in Solvents Associate

The Group retains a 24% effective stake in "Handsome Chemical", the largest acetate solvents company in the world. In the period under review, the solvents associate recorded a robust growth of 36.9% in sales volume, reaching a record high of 1,130,000 metric tonnes. In particular, export sales volume reached approximately 500,000 metric tonnes, becoming the primary growth engine. Meanwhile, affected by the US-Iran war, both the raw material prices and selling prices of solvent products experienced significant fluctuations. However, the management team accurately seized market opportunities to drive up profits, and the solvents associate ultimately delivered a return of HK$112 million to the Group.

Amid macroeconomic and geopolitical uncertainties in the second half of the year, I firmly believe that under the effective leadership of the associate's management team and in close collaboration with our business partners "PAG" and "Qisheng", the solvents business will continue to demonstrate resilience and adaptability to maintain a prosperous trajectory.

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, 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.

During the period under review, in the face of a challenging market environment, the Group continued to effectively consolidate the market position of its core businesses, achieving high-quality revenue and profit growth. Meanwhile, the new chemical gas separation and recovery business has begun to contribute to the Group's performance. Looking ahead, the management will continue to actively seek strategic investment and M&A opportunities in the market that align with Yip's Chemical's future development, including opportunities to consolidate the core businesses of coatings and inks, in order to accelerate the development of "a leading development platform for chemical businesses".

I am confident that adhering to these development strategies will strengthen our business foundation and drive the Group towards a successful future.

Ip Kwan (Francis)
Chief Executive Officer

20 August 2026

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group's gearing ratio (measured by net bank borrowings as a percentage of equity attributable to owners of the Company) was 19.6% (30 June 2025: 18.0%), representing an increase of 1.6 percentage points year-on-year. The increase was mainly due to the acquisition of an approximately 60% equity interest in Sino-Hypro, a leading chemical gas separation and recovery enterprise in the Chinese Mainland. Currently, the gearing ratio remains 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 to accelerate the growth of the "leading development platform for chemical businesses".

The RMB exchange rate recorded an appreciation of 3.7% during the period under review. 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 (such as the acquisition financing for Sino-Hypro obtained from a bank in the Chinese Mainland) 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$6,890,000 in the period under review (six months ended 30 June 2025: net cash outflow of HK$48,116,000). Compared to the corresponding period of the preceding year, the net cash inflow for the period under review increased, which is primarily driven by an increase in profit before taxation after adjustment items as well as a reduced cash outflow impact from changes in overall working capital.

As at 30 June 2026, gross bank borrowings of the Group amounted to HK$1,320,503,000 (31 December 2025: HK$1,256,819,000). Included in the above bank borrowings were secured borrowings of HK$12,927,000 (31 December 2025: HK$13,013,000), which were secured by charges over property, plant and equipment with a carrying amount of HK$31,366,000 (31 December 2025: HK$30,798,000). After the deduction of short-term bank deposits, bank balances and cash amounting to HK$490,246,000 (31 December 2025: HK$716,879,000), net bank borrowings amounted to HK$830,257,000 (31 December 2025: HK$539,940,000). Of the gross bank borrowings, HK$1,115,106,000 (31 December 2025: HK$1,224,891,000) were short-term loans repayable within one year. Such loans were denominated in two currencies, HK$906,947,000 in Hong Kong Dollars and HK$208,159,000 in RMB (31 December 2025: HK$865,883,000 in Hong Kong Dollars and HK$359,008,000 in RMB). Long-term loans repayable after one year amounted to HK$205,397,000 (31 December 2025: HK$31,928,000), and were all denominated in RMB (31 December 2025: HK$20,000,000 in Hong Kong Dollars and HK$11,928,000 in RMB). The short-term bank deposits, bank balances and cash were denominated in the following currencies: HK$17,692,000 in Hong Kong Dollars, HK$436,193,000 in RMB, HK$19,162,000 in US Dollars, HK$17,197,000 in Vietnamese Dong and HK$2,000 in other currencies (31 December 2025: HK$18,760,000 in Hong Kong Dollars, HK$587,650,000 in RMB, HK$106,455,000 in US Dollars, HK$4,012,000 in Vietnamese Dong and HK$2,000 in other currencies).

As at 30 June 2026, medium to long term loans (including portions repayable within one year amounting to HK$252,725,000) accounted for 35% 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 will, subject to prevailing interest rate conditions, consider entering into interest rate swap and/or cross currency swap with banks going forward. As at 30 June 2026, the Group's loans under fixed rate arrangement (including interest rate swap and cross currency swap) constituted 35% 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 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 the Chinese Mainland. As at 30 June 2026, a total of 21 banks in Hong Kong and the Chinese Mainland granted banking facilities of an aggregate amount of HK$3,196,713,000 to the Group. Of these banking facilities, 41% and 59% were denominated in Hong Kong Dollars and RMB respectively.

As at 30 June 2026, the Group did not have any significant contingent liabilities. Save as disclosed in this interim 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 30 June 2026, the Group has a total number of 2,215 employees, including executive directors of the Company, among which 88 and 24 of them are from Hong Kong and other country respectively while the remaining 2,103 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 and share options to attract and retain talents.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2026.

The number of treasury shares held by the Company as of 30 June 2026 was 10,024,000 shares.

CORPORATE GOVERNANCE

During the six months ended 30 June 2026, the Company has complied with the code provisions of Part 2 of the Corporate Governance 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").

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was formed in November 1998. As of 30 June 2026, the Audit Committee comprised the three independent non-executive Directors, namely Mr. Ku Yee Dao, Lawrence, Mr. Ho Pak Chuen, Patrick and Ms. Yau Ching Man, and was chaired by Mr. Ku Yee Dao, Lawrence. 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 of the relationship between the Group and its external auditor.

An Audit Committee meeting was held on 17 August 2026 to review the Group's unaudited interim financial statements for the six months ended 30 June 2026. Deloitte Touche Tohmatsu, the Group's external auditor, has reviewed the Group's unaudited interim financial statements for the six months ended 30 June 2026, which is prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF A LISTED COMPANY

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 with each of the Directors, all Directors have confirmed that they have fully complied with the required standard as set out in the Model Code during the six months ended 30 June 2026.

UNAUDITED INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2026, together with comparative figures for the corresponding period of the preceding year. The condensed consolidated financial statements have not been audited, but have been reviewed by the Company's auditor and the Audit Committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	NOTES	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	3	**1,674,613**	1,430,396
Cost of sales		**(1,224,600)**	(1,076,102)
Gross profit		**450,013**	354,294
Other income	4	**43,964**	41,833
Other gains and losses	4	**(4,941)**	35,001
Selling and distribution expenses		**(121,878)**	(90,920)
General and administrative expenses		**(288,195)**	(256,693)
Equity-settled share-based payments expense		**(103)**	–
Finance costs		**(22,549)**	(21,161)
Share of result of associates		**111,800**	38,599
Profit before taxation	5	**168,111**	100,953
Taxation	6	**(19,114)**	(36,043)
Profit for the period		**148,997**	64,910
Other comprehensive income (expense):			
Items that will not be reclassified to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		**170,222**	145,255
Fair value gain (loss) on equity instruments at fair value through other comprehensive income ("FVTOCI")		**406**	(524)
		170,628	144,731

	NOTE	Six months ended 30 June 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Items that may be reclassified subsequently to profit or loss:			
Net adjustment arising from hedging instruments		**674**	(2,211)
Exchange differences arising on translation of foreign operations		**(19,564)**	(18,493)
Fair value (loss) gain on debt instruments at FVTOCI		**(4,418)**	1,646
Provision for impairment loss recognised for debt instruments at FVTOCI		**1,595**	–
Release upon disposal of debt instruments at FVTOCI		**280**	(330)
		(21,433)	(19,388)
Other comprehensive income for the period		**149,195**	125,343
Total comprehensive income for the period		**298,192**	190,253
Profit (loss) for the period attributable to:			
– Owners of the Company		**141,122**	66,112
– Non-controlling interests		**7,875**	(1,202)
		148,997	64,910
Total comprehensive income for the period attributable to:			
– Owners of the Company		**281,721**	190,091
– Non-controlling interests		**16,471**	162
		298,192	190,253
Earnings per share	8		
– Basic		**HK25.3 cents**	HK11.8 cents
– Diluted		**HK25.2 cents**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	NOTES	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	9	**955,061**	947,695
Investment properties	9	**213,777**	213,585
Interests in associates		**1,455,316**	1,334,288
Equity instruments at FVTOCI		**5,941**	5,341
Financial assets at fair value through profit or loss ("FVTPL")		**995,953**	923,315
Debt instruments at FVTOCI		**251,072**	73,507
Goodwill		**256,741**	249,760
Intangible assets		**155,163**	155,968
Deposits paid for acquisition of property, plant and equipment and investment properties		**24,345**	21,805
Deferred tax assets		**9,528**	8,256
		4,322,897	3,933,520
Current assets			
Inventories		**432,919**	407,932
Trade receivables	10	**1,458,252**	1,457,274
Other debtors and prepayments		**92,926**	95,941
Amounts due from an associate		**28,642**	77,774
Contract assets		**159,215**	62,580
Contract costs		**141**	6,614
Derivative financial instruments		**4**	–
Debt instruments at amortised cost		**25,578**	65,926
Short-term bank deposits with original maturity more than three months		**–**	3,657
Bank balances and cash		**490,246**	713,222
		2,687,923	2,890,920
Assets classified as held for sale		**–**	11,283
		2,687,923	2,902,203

	NOTE	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Current liabilities			
Creditors and accrued charges	11	**997,298**	1,146,111
Deposits received for disposal of a subsidiary		**–**	10,341
Derivative financial instruments		**4,018**	3,677
Contract liabilities		**22,818**	53,009
Refund liabilities		**23,684**	25,230
Taxation payables		**29,994**	30,881
Dividend payables		**67,015**	–
Dividend payable to non-controlling interests		**52,457**	50,604
Lease liabilities		**6,920**	5,398
Borrowings – amount due within one year		**1,115,106**	1,244,891
		2,319,310	2,570,142
Liabilities directly associated with assets classified as held for sale		**–**	942
		2,319,310	2,571,084
Net current assets		**368,613**	331,119
Total assets less current liabilities		**4,691,510**	4,264,639
Non-current liabilities			
Financial liabilities at FVTPL		**33,538**	32,354
Lease liabilities		**16,814**	17,293
Borrowings – amount due after one year		**205,397**	11,928
Deferred tax liabilities		**52,657**	51,240
		308,406	112,815
Net assets		**4,383,104**	4,151,824
Capital and reserves			
Share capital		**56,848**	56,848
Reserves		**4,178,795**	3,963,986
Equity attributable to owners of the Company		**4,235,643**	4,020,834
Non-controlling interests		**147,461**	130,990
		4,383,104	4,151,824

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**6,890**	(48,116)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(21,665)**	(28,701)
Deposits paid for acquisition of property, plant and equipment	**(1,736)**	(1,861)
Dividends received from financial assets at FVTPL	**–**	65
Proceeds from disposal of financial assets at FVTPL	**614**	46
Proceeds from disposal of debt instruments at amortised cost and FVTOCI	**106,130**	41,059
Acquisition of debt instruments at amortised cost	**–**	(13,619)
Acquisition of debt instruments at FVTOCI	**(245,681)**	(29,402)
Acquisition of financial assets at FVTPL	**(34,728)**	(4,270)
Net cash outflow from disposal of a subsidiary	**(10)**	–
Settlement of consideration payable for acquisition of subsidiaries	**(186,757)**	–
Dividends received from an associate	**40,295**	33,180
Repayment from an associate	**50,144**	–
Interest received	**4,944**	6,257
Proceeds from disposal of property, plant and equipment	**55**	1,309
Proceeds from disposal of a land use right	**–**	20,817
Proceeds from disposal of an investment property	**180**	1,655
Cash paid for the settlement of the cross currency swap	**(1,004)**	–
Placement of bank deposits with original maturity more than three months	**–**	(3,689)
Withdrawal of bank deposits with original maturity more than three months	**3,657**	–
Deposit paid to an entity	**–**	(32,886)
Repayment of loan receivables	**–**	7,069
Net cash used in investing activities	**(285,562)**	(2,971)

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Borrowings raised	**833,343**	550,957
Repayment of borrowings	**(769,659)**	(685,057)
Interest paid	**(21,645)**	(22,135)
Payment of lease liabilities	**(3,462)**	(2,818)
Cash paid for the settlement of the derivative financial instruments used for hedging interest rate risk	**(766)**	(332)
Net cash from (used in) financing activities	**37,811**	(159,385)
Net decrease in cash and cash equivalents	**(240,861)**	(210,472)
Cash and cash equivalents at beginning of the period	**713,222**	594,377
Effect of foreign exchange rate changes	**17,885**	10,552
Cash and cash equivalents at the end of the period	**490,246**	394,457
Analysis of balances of cash and cash equivalents		
Short-term bank deposits with original maturity within three months	**38,609**	90,280
Cash and cash equivalents	**451,637**	304,177
	490,246	394,457

NOTES

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair value at the end of the reporting period.

Other than the application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

2.1 Accounting policies which became relevant to the Group

Share-based payments

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on the assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to retained profits.

3. REVENUE AND SEGMENT INFORMATION

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 period.

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Geographical market based on location of customers:		
Chinese Mainland	**1,598,633**	1,378,350
Hong Kong	**29,874**	29,256
Overseas (mainly including countries in South East Asia)	**46,106**	22,790
	1,674,613	1,430,396

Segment information

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 gas separation and recovery 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 gas separation and recovery	–	research, design, manufacture and provision of specialised systems for separating and recovering chemical gas 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

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

Segment revenue and results

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

	Coatings *HK$'000*	Inks *HK$'000*	Lubricants *HK$'000*	Chemical gas separation and recovery *HK$'000*	Properties *HK$'000*	Reportable segment total *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Consolidated *HK$'000*
Six months ended 30 June 2026 (unaudited)									
Segment revenue									
Revenue from contracts with customers									
– recognised at a point in time	688,249	704,217	143,180	136,018	–	1,671,664	173	–	1,671,837
External sales	688,249	704,217	143,180	136,018	–	1,671,664	173	–	1,671,837
Inter-segment sales	4	61	34	–	–	99	–	(99)	–
Rental income									
External rental income	–	–	–	–	2,776	2,776	–	–	2,776
Inter-segment rental income	–	–	–	–	174	174	–	(174)	–
Total	688,253	704,278	143,214	136,018	2,950	1,674,713	173	(273)	1,674,613
Results									
Segment results	21,979	41,274	6,119	28,040	(2,574)	94,838	(4,043)	–	90,795
Share of result of associates									111,800
Unallocated income									30,712
Unallocated expenses									(42,647)
Finance costs									(22,549)
Profit before taxation									168,111

	Coatings *HK$'000*	Inks *HK$'000*	Lubricants *HK$'000*	Properties *HK$'000* *(note)*	Reportable segment total *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Consolidated *HK$'000*
Six months ended 30 June 2025 (unaudited)								
Segment revenue								
Revenue from contracts with customers								
– recognised at a point in time	676,413	590,661	160,274	–	1,427,348	–	–	1,427,348
External sales	676,413	590,661	160,274	–	1,427,348	–	–	1,427,348
Inter-segment sales	47	81	40	–	168	–	(168)	–
Rental income								
External rental income	–	–	–	3,048	3,048	–	–	3,048
Inter-segment rental income	–	–	–	174	174	–	(174)	–
Total	676,460	590,742	160,314	3,222	1,430,738	–	(342)	1,430,396
Results								
Segment results	21,492	11,315	6,093	47,226	86,126	(2,372)	81	83,835
Share of result of associates								38,599
Unallocated income								29,458
Unallocated expenses								(29,778)
Finance costs								(21,161)
Profit before taxation								100,953

Note: The results of properties segment for the six months ended 30 June 2025 included 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:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest income	**7,736**	7,324
Government grants	**8,208**	6,926
Dividend income from financial assets at FVTPL	**11,290**	11,075
Consignment products processing income	**12,612**	10,751
Others	**4,118**	5,757
	43,964	41,833

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Impairment loss recognised on trade and other debtors under expected credit loss ("ECL") model, net of reversal	**(12,155)**	(25,487)
Impairment loss recognised on debt instruments at amortised cost and FVTOCI under ECL model, net of reversal	**(1,522)**	–
(Loss) gain on disposal of investment in debt instruments	**(254)**	473
Fair value loss on investment properties	**(897)**	(9,773)
Fair value (loss) gain on financial assets at FVTPL	**(1,806)**	306
Net loss on cross currency swap contracts	**(2,026)**	(2,493)
Net exchange gain arising from foreign currency balances and transactions	**13,871**	12,344
Net loss on disposal/written off of property, plant and equipment	**(396)**	(392)
Gain on disposal of a land use right	**–**	60,023
Gain relating to termination of lease contracts	**244**	–
	(4,941)	35,001

5. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging (crediting):		
Cost of inventories recognised as cost of sales *(note)*	**1,224,600**	1,076,102
Amortisation of intangible assets	**4,456**	1,015
Depreciation of property, plant and equipment	**52,325**	48,990
Less: capitalised in inventories	**(31,642)**	(29,480)
	20,683	19,510

Note: During the six months ended 30 June 2026, provision of allowance on slow-moving inventories amounting to HK$2,772,000 (six months ended 30 June 2025: net reversal of allowance on slow-moving inventories amounting to HK$415,000) and written off of inventories amounting to HK$580,000 (six months ended 30 June 2025: HK$2,826,000) were recognised as cost of sales.

6. TAXATION

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax – Chinese Mainland		
Enterprise income tax ("EIT")	**15,976**	10,235
Land appreciation tax ("LAT")	**–**	26,674
Withholding tax	**54**	52
Current tax – Overseas	**938**	270
	16,968	37,231
Over-provision in respect of prior years – Chinese Mainland	**(928)**	(940)
	16,040	36,291
Deferred tax charge (credit)		
Hong Kong	**131**	38
Chinese Mainland	**2,943**	(286)
	3,074	(248)
	19,114	36,043

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 is insignificant to the condensed consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both periods.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of 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

During the six months ended 30 June 2026, final dividend of HK12 cents per share totalling approximately HK$67,015,000 in respect of the year ended 31 December 2025 was declared and subsequently paid in July 2026.

During the six months ended 30 June 2025, final dividend of HK11 cents per share totalling approximately HK$61,431,000 in respect of the year ended 31 December 2024 was declared and subsequently paid in July 2025.

Subsequent to 30 June 2026, the directors of the Company resolved to declare an interim dividend of HK8 cents per share totalling approximately HK$44,677,000 (excluding 10,024,000 ordinary shares which are held as treasury shares) for the six months ended 30 June 2026. The interim dividend will be payable on or about 23 October 2026 to the shareholders of the Company whose names appear on the Company's register of members on 30 September 2026.

8. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
For the purpose of calculating basic and diluted earnings per share:		
Profit for the period attributable to owners of the Company	**141,122**	66,112

	Number of shares Six months ended 30 June	
	2026	2025
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of shares for the purpose of calculating basic earnings per share *(note)*	**558,460**	558,460
Effect of diluted potential ordinary shares:		
Share options	**1,087**	N/A
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share *(note)*	**559,547**	N/A

Note: The weighted average number of shares for the purposes of calculating basic and diluted earnings per share for the six months ended 30 June 2026 and 2025 was adjusted for 10,024,000 ordinary shares which are held as treasury shares.

No diluted earnings per share for the six months ended 30 June 2025 was presented as there were no potential ordinary shares in issue for that period.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the six months ended 30 June 2026, the Group incurred HK$27,356,000 (six months ended 30 June 2025: HK$25,157,000) to acquire property, plant and equipment for its operations.

During the six months ended 30 June 2026, the Group entered into new lease agreements with lease terms ranging from 1 to 5 years (six months ended 30 June 2025: from 1 to 5 years). On lease commencement, the Group recognised HK$6,674,000 (six months ended 30 June 2025: HK$1,428,000) of right-of-use assets, included in property, plant and equipment, and HK$6,674,000 (six months ended 30 June 2025: HK$1,428,000) of lease liabilities.

During the six months ended 30 June 2026, investment property with fair value at the date of transfer of HK$6,747,000 (six months ended 30 June 2025: nil) was transferred to owned property in property, plant and equipment due to change of leasing out that portion of property for rentals to own use for the administrative purpose.

During the six months ended 30 June 2026, the Group acquired an investment property of approximately HK$442,000 (six months ended 30 June 2025: nil) and disposed of an investment property with carrying amount of HK$180,000 (six months ended 30 June 2025: HK$1,278,000) for a cash consideration of HK$180,000 (six months ended 30 June 2025: HK$1,278,000). During the six months ended 30 June 2026, a net decrease in fair value of investment properties of HK$897,000 (six months ended 30 June 2025: HK$9,773,000) was recognised in profit or loss. The Group's investment properties at the end of the current interim period were valued by the management of the Group with the assistance from independent qualified professional valuers, which are not connected with the Group.

10. TRADE RECEIVABLES

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Trade receivables from contracts with customers	**1,583,764**	1,567,699
Less: allowance for credit loss	**(125,512)**	(110,425)
	1,458,252	1,457,274

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:

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
0–3 months	**687,720**	622,408
4–6 months	**257,904**	254,411
Over 6 months	**188,150**	219,819
	1,133,774	1,096,638

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 gas separation and recovery segment, customers settle payments in accordance with the payment schedules stated in the contracts and no credit terms are granted to customers.

11. CREDITORS AND ACCRUED CHARGES

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Trade creditors	**419,341**	475,724
Bills payables	**366,984**	258,507
Other creditors and accrued charges	**210,973**	411,880
	997,298	1,146,111

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

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
0–3 months	**355,431**	402,853
4–6 months	**54,484**	60,317
Over 6 months	**9,426**	12,554
	419,341	475,724

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK8 cents per share for the six months ended 30 June 2026 (six months ended 30 June 2025: HK4 cents per share). The interim dividend will be payable on or about 23 October 2026 to shareholders whose names appear on the register of members of the Company on 30 September 2026.

CLOSURE OF REGISTER OF MEMBERS

The Hong Kong branch register of members of the Company will be closed from 25 September 2026 to 30 September 2026 (both dates inclusive) for the purpose of determining the entitlements of the members of the Company to the interim dividend. No transfer of shares may be registered during the said period. In order to qualify for the interim 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, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 24 September 2026.

PUBLICATION OF INTERIM RESULTS AND INTERIM 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 2026 interim 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, 20 August 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*