

【 For Immediate Release 】

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**Yip's Chemical Announces 2025 Annual Results
Effective Business and Product Portfolio Improvements
Driving Gross Margin and Profit Growth
Profit Attributable to Owners Increased to HK\$137 million
Proposed Final Dividend of HK12 Cents per Share**

Highlights:

- 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.
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(Hong Kong, 26 March 2026) **Yip's Chemical Holdings Limited (SEHK: 00408)** (“**Yip's Chemical**” or the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) today announced its annual results for the year ended 31 December 2025 (the “year under review”).

During the year under review, the operating environment remained volatile and fraught with unprecedented uncertainty. Together with weak domestic demand in the Chinese Mainland and the severe industry “involution”, the Group's core businesses faced considerable sales pressure. Nevertheless, margins benefited from stable raw material prices and the effectiveness of the Group's sustained cost-control measures. The Group recorded revenue of HK\$2.99 billion, representing a mild decrease of 5.3% year-on-year. Overall gross profit margin improved to 25.4%, up 1.9 percentage points from last year, while profit attributable to shareholders rose to HK\$137 million, representing a year-on-year increase of 41.8%. The Board recommended the payment of a final dividend of HK12 cents per share (2024 final dividend: HK11 cents per share).

The Group's cash flow and gearing ratio continued to improve and remained at healthy levels, providing greater flexibility to support future investments in new growth projects. In December 2025, the Group completed the acquisition of approximately 60% equity interest in Beijing Sino-Hydro Petrochemical Tech. Co., Ltd. (“Sino-Hydro”), a leading enterprise in chemical vapour recovery and treatment in the Chinese Mainland, marking Yip's Chemical's formal entry into a high-technology and sustainability-driven chemical vapour treatment field.

Mr. Ip Chi Shing, Chairman of Yip's Chemical, expressed, “Despite the challenging macro environment, I remain cautiously optimistic about the business outlook for 2026. In 2025, the Group successfully advanced two significant business expansion initiatives, further strengthening our long-term competitiveness and unlock growth potential. First, the Group's solvents associate, Handsome Chemical, has completed and commissioned its new plant in Hubei with an annual capacity of 600,000 metric tonnes of acetic acid and 600,000 metric tonnes of acetates. The new facility will continue to generate economies of scale, enhance competitiveness, and is expected to deliver steady growth in its contribution to the Group's profitability. In addition, through close collaboration and complementary strengths with Sino-Hydro, this new business is expected to accelerate its development and become an important new member of the “leading development platform for chemical businesses” that Yip's Chemical has been dedicated to establishing in recent years.”

Chairman Ip added, “In the current macroeconomic environment, the Group will continue to uphold a prudent and steady approach, implement comprehensive cost-reduction and efficiency-enhancement measures, and consistently strengthen our operational efficiency and competitiveness. While driving the sustainable and healthy growth of our core businesses, we will also actively introduce high-quality enterprises with technological capabilities and growth potential to join the Yip's platform, thereby building a diversified and synergistic business portfolio. This will lay a solid foundation for the vision of a “Towards a Century of Revered Leadership” and create long-term and stable return for shareholders and stakeholders.”

Business Review and Outlook

Coatings

During the year under review, the Chinese Mainland property market showed little signs of recovery and affected by sluggish transactions in both new and existing projects, the architectural coatings business continued to face pressure in a challenging operating environment. Although the Group made efforts to expand its distributors' network, declining demand for architectural coatings led to a drop in sales volume. As a result, the Group's coatings business 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 industrial coatings business, as a 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, the Group is also actively pursuing mergers and acquisitions of entities with technological capacities to accelerate its development. In the architectural coatings sector, the Group will focus on domestic market and adopt more pragmatic promotional strategies and in collaboration with distributors across the country to develop a more extensive online-and-offline store network to further expand market coverage.

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 its strengths in packaging printing inks, further expand market share and 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 2024. 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. Its new acetic acid and acetates solvents plant in Hubei commenced full-scale production in the second half of 2025, boosting output of acetic acid and acetate solvents, progressively realising the benefits of vertical integration and economies of scale. 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, the Group is confident that the subsidiary is well-positioned for sustainable and promising development.

Mr. Ip Kwan, Francis, Chief Executive Officer of Yip’s Chemical, concluded, “Over the past few years, the management team has continued to strengthen the market positions of our core businesses, gradually establishing a solid profit base for the Group. Looking ahead, in addition to driving organic growth of our core businesses, we will strive to enhance the operational efficiency of Sino-Hypro, with the aim of cultivating it into a key growth engine for the Group.

Simultaneously, we are actively seeking strategic investment and acquisition opportunities that align with Yip's Chemical's long-term development direction, including those create synergies with our core coatings and inks businesses, thereby accelerating the development of “a leading development platform for chemical businesses”. We believe these initiatives will further consolidate profit growth, add new dimensions to the businesses and drive the Group towards a successful future.”

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About Yip's Chemical Holdings Limited (Incorporated in the Cayman Islands with limited liability)


Founded in 1971 and listed on the Main Board of Hong Kong Stock Exchange (SEHK: 00408) since 1991, Yip's Chemical has been dedicated to the chemical industry for more than half a century. The Group's long-term vision is to become "a leading development platform for chemical businesses" driven by green, innovative technology, professional services and highly respected brands that enrich people's lives.

The Group's core businesses include inks, industrial and architectural coatings, specialty resins, lubricants and chemical vapour recovery and treatment. The core businesses have established leading positions in China in their respective sectors. "Bauhinia Variegata" is the largest inks manufacturer in China; "Hang Cheung" coatings holds a leading position in China's high-end plastic coatings segment; Bauhinia Advanced Materials Group also operates well-known brands including "Bauhinia" and "Camel" paints as well as "Da Chang" polymers; "Hercules" and "Pacoil" lubricants rank among the market leaders; "Sino-Hypro" is recognised as a leading enterprise in chemical vapour recovery and treatment in China. The Group is also a core investor in "Handsome Chemical", the world's largest acetate solvents producer.

Leveraging its stable shareholder structure, extensive nationwide manufacturing and sales network, and a dynamic portfolio of strong businesses, the Group has built a robust foundation in the domestic chemical industry. Going forward, the Group will drive sustainable innovation in chemical operations and accelerate the development of a more scalable and resilient platform.

Learn more about Yip's Chemical on: www.yipschemical.com



Yip's Chemical 

Media and Investor Enquiries

Yip's Chemical Holdings Limited

Ms. Wing So Tel : (852) 2675 2385

Email : wing.so@yipschemical.com

Fax : (852) 2675 2345

DLK Advisory Limited

Ms. Michelle Shi Tel: (852) 2854 8711

Email: michelleshi@dlkadvisory.com

Ms. Kathleen Mui Tel: (852) 2854 8727

Email: kathleenmui@dlkadvisory.com