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Yip's Chemical Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 408)

VOLUNTARY ANNOUNCEMENT

UPDATE ON THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF BAUHINIA INK ON CHINEXT BOARD OF THE SHENZHEN STOCK EXCHANGE

Reference is made to the announcement of the Company dated 4 February 2021 (the “**Announcement**”) in relation to the update on the proposed spin-off and the separate listing of Bauhinia Ink Company Limited on the ChiNext Board of the Shenzhen Stock Exchange. Unless otherwise indicated, capitalised terms used in this announcement shall have the same meaning as defined in the Announcement. This announcement is made by the Company at the request of the Stock Exchange.

The Board would like to further update Shareholders and potential investors of the Company that as part of the listing application of Bauhinia Ink, Bauhinia Ink has submitted, among other things, an updated application version of the prospectus of Bauhinia Ink and the audited consolidated financial statements of Bauhinia Ink Group for the years ended 31 December 2017, 2018 and 2019 and the nine months ended 30 September 2020 (the “**PRC Audited Financial Statements**”) to the Shenzhen Stock Exchange, which have been published on the website of the Shenzhen Stock Exchange.

KEY FINANCIAL DATA OF THE BAUHINIA INK GROUP

The following figures are extracted from the PRC Audited Financial Statements which were prepared in accordance with China Accounting Standards for Business Enterprises:

	Nine months ended	Year ended 31 December		
	30 September 2020	2019	2018	2017
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	789,702	1,135,760	1,131,393	1,069,201
Profit before tax	66,409	120,527	49,055	67,477
Profit after tax	55,976	105,616	44,304	58,753

As at 30 September 2020, the audited consolidated net asset value of the Bauhinia Ink Group was approximately RMB777 million.

For other financial information of Bauhinia Ink Group, please refer to the PRC Audited Financial Statements posted on the Shenzhen Stock Exchange's website (<http://listing.szse.cn/projectdynamic/ipo/index.html>).

Further announcement will be made by the Company as and when appropriate in respect of any material development in relation to the Proposed Spin-off.

Shareholders and potential investors of the Company should note that the Proposed Spin-off is subject to, among other things, obtaining approval(s) from the relevant PRC regulatory authorities in accordance with applicable regulations and suitable market conditions, and thus may or may not materialise. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 5 February 2021

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

Non-executive Directors:

Mr. Ip Chi Shing (*Chairman*)
Mr. Wong Yuk *
Mr. Ho Pak Chuen, Patrick *
Mr. Ku Yee Dao, Lawrence *

Executive Directors:

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

* *Independent Non-executive Directors*