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PLACING OF NEW SHARES UNDER GENERAL MANDATE

Financial Adviser



Placing Agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 16 January 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 8,000,000 Placing Shares at the Placing Price of HK\$0.39 per Placing Share. The Placing Shares shall be offered by the Placing Agent as agent for the Company to the Placees during the period from the date of the Placing Agreement up to 23 January 2026 or such other date as the Company and the Placing Agent may agree in writing.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date, the maximum of 8,000,000 Placing Shares represent (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.39 per Placing Share represents: (i) a discount of approximately 17.0% to the closing price of HK\$0.47 per Share as quoted on the Stock Exchange on 16 January 2026, being the date of the Placing Agreement; and (ii) a discount of approximately 19.4% to the average closing price of approximately HK\$0.484 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares. Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$3.1 million. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, expenses and disbursements) incidental to the Placing, are estimated to be approximately HK\$2.8 million. The Company intends to apply the net proceeds from the Placing for (i) settlement of outstanding fees to professional service providers and other outstanding expenses; and (ii) as general working capital of the Group.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 16 January 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 8,000,000 Placing Shares at the Placing Price of HK\$0.39 per Placing Share during the period from the date of the Placing Agreement to 23 January 2026 or such other date as the Company and the Placing Agent may agree in writing. Details of the Placing Agreement are set out below:

The Placing Agreement

Date: 16 January 2026 (after trading hours of the Stock Exchange)

Parties: (i) the Company, as the issuer; and
(ii) Quam Securities Limited, as the Placing Agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 1.6% of the amount which is equal to the Placing Price multiplied by the total number of the Placing Shares which are successfully placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares.

The Directors consider that the placing commission in respect of the Placing's fair and reasonable based on the current market conditions.

Placees

The Placing Shares will be placed to currently expected to be not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. The Placing Shares shall be offered by the Placing Agent as agent for the Company to the Placees during the period from the date of the Placing Agreement up to 23 January 2026 or such other date as the Company and the Placing Agent may agree in writing. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder. If the Placing Shares will be placed to less than six Placees or if any of the Placees will become a substantial Shareholder after Completion, further announcement will be made by the Company.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date, the maximum of 8,000,000 Placing Shares represent (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The aggregate nominal value of the maximum of 8,000,000 Placing Shares is HK\$800,000.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.39 per Placing Share represents: (i) a discount of approximately 17.0% to the closing price of HK\$0.47 per Share as quoted on the Stock Exchange on 16 January 2026, being the date of the Placing Agreement; and (ii) a discount of approximately 19.4% to the average closing price of approximately HK\$0.484 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

The Placing is conditional upon:

- (a) the written confirmation issued by the Stock Exchange granting the listing and permission to deal in the Placing Shares and, where such approval is subject to conditions, such conditions are reasonably acceptable to the Company and the Placing Agent, having been obtained and not subsequently revoked prior to completion of the Placing Agreement; and
- (b) no representation, warranty or undertaking under the Placing Agreement having been materially breached by the Company or failure to perform by the Company of its obligations thereunder or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to completion of the Placing Agreement.

In the event that the above conditions are not fulfilled on or before 13 February 2026 or such later date as may be agreed between the Placing Agent and the Company in writing, all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and none of the parties thereto shall have any claim against the others save for any antecedent breach of any right or obligation under the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing will take place within seven Business Days immediately after the fulfillment of the conditions of the Placing, or such other time and/or date as the Company and the Placing Agent may agree in writing.

Application for listing

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 8,000,000 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders' approval.

Termination of the Placing Agreement

If any of the following events (the “**Specified Events**”) occur at any time on or prior to 9:00 a.m. on the Closing Date, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving a written notice to the Company:

- (a) in the absolute opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in international financial, political or economic conditions, existing laws, currency exchange rates or exchange controls, as would be likely to materially adverse to the Company or its subsidiaries or would prejudice materially the consummation of the Placing or would otherwise make the Placing inadvisable or inexpedient;
- (b) any material breach of any of the representations and warranties by the Company set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement;
- (c) there is any adverse change in the financial condition of the Company and its subsidiaries as a whole whether or not arising in the ordinary course of business which in the reasonable opinion of the Placing Agent would prejudice materially the consummation of the Placing;
or
- (d) there develops, occurs, or comes into effect the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the reasonable opinion of the Placing Agent, would prejudice materially the consummation of the Placing or would otherwise make the Placing inadvisable or inexpedient.

In the event that the Placing Agreement is terminated in accordance with the terms and conditions thereunder, all obligations of the Company and the Placing Agent shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the sales of diesel oil and related products and ancillary transportation service in Hong Kong.

The Directors are of the view that the Placing can strengthen the financial position of the Group and provide additional working capital to the Group. The Placing also represents good opportunities to broaden the Shareholders' base and the capital base of the Company. As such, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$3.1 million. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, expenses and disbursements) incidental to the Placing, are estimated to be approximately HK\$2.8 million, representing a net issue price of approximately HK\$0.35 per Placing Share.

As the Company failed to settle outstanding fees due to its professional service providers, several professional service providers have issued demand letters or legal notices for outstanding fees. In addition, as disclosed in the announcement of the Company dated 25 September 2025, the Company received a statutory demand dated 2 September 2025 demanding the Company to pay the settle certain alleged debts. Accordingly, it is intended that the net proceeds arising from the Placing will be used for (i) settlement of outstanding fees to professional service providers and other outstanding expenses; and (ii) as general working capital of the Group.

In view of the above, the Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date, the changes in the shareholding structure of the Company as a result of the Placing are as follows:

	As at the date of this announcement		Immediately after completion of the Placing (assuming all the Placing Shares are fully placed)	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Mr. Law (<i>Note 1</i>)	28,016,000	70.04%	28,016,000	58.37%
Public Shareholders				
The Placees	–	–%	8,000,000	16.67%
Other public Shareholders	11,984,000	29.96%	11,984,000	24.97%
Total	40,000,000	100.00%	48,000,000	100.00%

Notes:

1. Mr. Law is directly interested in 25,563,000 Shares and indirectly interested in 2,453,000 Shares held by Fully Fort Group Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by himself, in which Mr. Law is deemed to be interested in under the SFO.
2. Percentages shown are rounded to the nearest 2 decimal places and may not add up to 100% due to rounding.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used in this announcement:

“associate(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Company”	Yufengchang Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“Closing Date”	the date which is within seven Business Days immediately after the date on which all conditions as set out in the Placing Agreement are fulfilled, or such other time and/or date as the Company and the Placing Agent may agree in writing
“connected person(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to this term under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“General Mandate”	the general mandate refreshed and granted by the Shareholders to the Directors at the annual general meeting of the Company held on 21 August 2025 to authorise the allotment and issuance of up to 8,000,000 new Shares (representing 20% of the total number of issued Shares on that date)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons
“Mr. Law”	Mr. Law Ming Yik, the Chairman and an executive Director
“Placees”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best efforts basis, of up to 8,000,000 new Shares to be allotted and issued pursuant to the terms of the Placing Agreement
“Placing Agent”	Quam Securities Limited, a corporation licensed to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO in Hong Kong

“Placing Agreement”	the conditional placing agreement dated 16 January 2026 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.39 per Placing Share
“Placing Share(s)”	up to 8,000,000 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China which, for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

Yours faithfully,
By order of the Board
Yufengchang Holdings Limited
Law Ming Yik
Chairman and Executive Director

Hong Kong, 16 January 2026

As at the date of this notice, the executive Directors of the Company are Mr. LAW Ming Yik (Chairman) and Mr. LEUNG Cheuk Wai (Chief Executive Officer); and the independent non-executive Directors of the Company are Mr. WONG Ka Chun Matthew, Mr. CHAN Ting Fung and Ms. MAK Suet Man.

This notice, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this notice is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this notice misleading.

This notice will remain on the HKExnews website at www.hkexnews.hk for at least 7 days from the date of its posting. This notice will also be published on the Company's website at www.skhl.com.hk.

This notice is prepared in both English and Chinese. In the event of inconsistency, the English text of the notice shall prevail over the Chinese text.