

**TAI KAM HOLDINGS LTD:  
THIS COMPANY IS, ALMOST, GUARANTEED  
TO ANNOUNCE A 2017-YEAR LOSS**

It is relatively easy to make a determination in respect of Tai Kam Holdings Ltd () (Code: 8321, The Growth Enterprise Market [the GEM] of The Stock Exchange of Hongkong Ltd): The Company is quite likely to be forced to announce a Loss Attributable to Shareholders with regard to the Current Financial Year, ending April 30, 2017.

Tai Kam Holdings is one of a quartet of companies that have, recently, issued prospectuses in order to raise money from investors via the good offices of one of the two equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

In the case of Tai Kam Holdings, it published and disseminated its Placing Prospectus on October 20, 2016.

The Placing Prospectus states that Management intended to Place 200 million, one-cent Shares at 35 cents per Share.

The net proceeds of the Share Placements are expected to net the Company about \$HK49.56 million, one was told.

That amount of money is intended to be utilised as follows:

1. Approximately, \$HK3.30 million, that is about 6.66 percent of the net proceeds, *'will be used for the addition of necessary machinery, equipment and motor vehicles associated with our intended business strategy of undertaking additional Government slope works contracts ...'*;
2. Approximately, \$HK34.66 million, that is about 69.94 percent of the net proceeds, *'will be used for recruiting and retaining additional staff necessary for our intended business strategy of undertaking additional Government slope works contracts ...'*;
3. Approximately, \$HK3.60 million, that is about 7.26 percent of the net proceeds, *'will be used for other related initial costs (including those in relation to setting up site offices and taking out necessary project-related insurance policies) associated with our intended business strategy of undertaking additional Government slope works ...'*; and
4. Approximately, \$HK8.00 million, that is about 16.14 percent of the net proceeds, *'will be earmarked for satisfying the applicable working capital requirement in connection with the additional Government slope works contracts to be undertaken by us (specifically, the requirement of maintaining a minimum working capital of 10% of the combined annual value of uncompleted works on outstanding contracts, applicable to Tai Kam Construction (Tai Kam Construction Engineering Company Ltd [], a wholly owned subsidiary of Tai Kam Holdings Ltd) at present as an approved specialist contractor included in the List of Approved Specialist Contractors for Public Works under the category of "Landslip Preventive/Remedial Works to Slopes/Retaining Walls").'*

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