

TARGET

Intelligence Report

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**TAI KAM HOLDINGS LTD:
QUESTIONS ! QUESTIONS ! AND MORE QUESTIONS !
ARE SHAREHOLDERS ENTITLED TO ANSWERS ?**

**Is Senior Management The Recluse
Of The Two Executive Directors ?**

The Interim Report of Tai Kam Holdings Ltd (泰錦控股有限公司) (Code: 8321, The Growth Enterprise Market [the **GEM**], The Stock Exchange of Hongkong Ltd) is suggestive that the Company's financials are going downhill at an ever-increasing pace.

At Page 12 of the Interim Report, the Report, published and disseminated in the Hongkong Special Administrative Region (**HKSAR**) of the People's Republic of China (**PRC**) on Wednesday, December 15, 2021, with regard to the six months, ended October 31, 2021, the Company logged in a Net Loss Attributable to Shareholders of \$HK4,582,000.00 (for the respective period in the 2020-Year, the Company reported a Net Loss Attributable to Shareholders of \$HK4,177,000.00).

The following financial highlights of the Report have been extracted from the data, published from the '**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**', found at Page 12 of the Interim Report:

	For The Six Months, Ended October 31		Percentage Increase/(Decrease)*
	2021	2020	
	All Figures Are Denominated In \$HK’000 (except where otherwise stipulated)		
Revenue	31,680	57,801	(45.19)
Gross Profit	1,120	864	29.63
Gross Profit Margin*	3.54 percent	1.49 percent	137.58
Loss Before Income Tax	(4,582)	(4,177)	9.70
Total Loss And Comprehensive Expenses For The Period Attributable To Equity Holders Of The Company	(4,582)	(4,177)	9.70
Net Loss Per Share Attributable To Equity	(1.99 cents)	(2.52 cents)	21.03

Holders Of The Company			
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*These are **TARGET**'s calculations.

At the following Page 13 of the Interim Report, under the heading, '**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**,' it was noted, under 'Current Assets', that 'Cash and Bank Balances', as at October 31, 2021, stood at \$HK6,567,000.00 (as at April 30, 2021, 'Cash and Bank Balances' stood at \$HK16,556,000.00).

Perhaps more thought-provoking was that, in respect of the six months, ended October 31, 2021, it appears that Senior Management of Tai Kam Holdings Ltd had lost its most-important, single customer: To wit, The Government of **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

This most-important, single customer, identified only in the pages of the Interim and Annual Reports of the Company, as '**CUSTOMER A**', was, without question, the largest single customer of Tai Kam Holdings Ltd.

In terms of the turnover of Company, during the six months, ended October 31, 2020, Customer A's payments, imputed into the revenue of Tai Kam Holdings Ltd, was \$HK39,452,000.00.

The loss of Customer A's patronage – **TARGET** (泰達財經) is uncertain whether or not the loss of Customer A was temporary or permanent – was shown at Page 17 of the 2021 Interim Report, under the heading, '*Major Customers.*'

That which is absolutely fact, however, is that CUSTOMER A did not contribute a penny to the revenue of Tai Kam Holdings Ltd with regard to six months, ended October 31, 2021.

Management of Tai Kam Holdings Ltd has gone on record, stating that '*the major customers of the (Tai Kam Holdings Ltd) Group are the (HKSAR) Government and its related organisations ...*'.

The Business Of Tai Kam Holdings Ltd

At Page Four of the 2021 Interim Report, under the subhead, '**BUSINESS REVIEW AND OUTLOOK**', one was informed:

'The Company, together with its subsidiaries (the "Group") is principally engaged in construction business mainly site formation works and renovation works in Hong Kong. Site formation works generally include piling works, landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls. Renovation works refer to the fitting out work for premises in Hong Kong.

'The Group has been facing increasing costs of operation, including cost of direct labour and subcontracting charges as well as keen competition in the market, also the outbreak of the coronavirus may affect the progress of

on-going construction projects and it will likely affect the Group's profit. Therefore, our business in Hong Kong is expected to continue to be very challenging in the coming years.

'In order to further expand the business and generate promising returns to the shareholder of the Company, the Directors are taking active approach to develop business in other Asia-Pacific regions' markets, including but not limited to Japan, Thailand and Singapore. The Directors are also endeavouring to diversify the Company business scope that can leverage with our existing experiences and business, like design and build for property development, invest in potential property to benefit from capital appreciation and generate stable rental income, or any other business or investment.

'Meanwhile, the Group will still focus on site formation works in the Hong Kong construction industry and renovation works in Hong Kong. The Group will continue to strengthen the competitive edge of the Group over competitors in the construction industry and expanding the business in order to increase shareholders' return.'

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