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*Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus (the “**Prospectus**”) issued by Tai Kam Holdings Limited (the “**Company**”) dated 20 October 2016.*

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company. Prospective investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.



**LISTING ON THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF PLACING**

Number of Placing Shares : 200,000,000 Shares

**Placing Price : HK\$0.35 per Placing Share (plus brokerage
of 1%, SFC transaction levy of 0.0027%
and Stock Exchange trading fee of 0.005%
payable in full on application)**

Nominal value : HK\$0.01 per Share

Stock code : 8321

Sponsor



Joint Bookrunners and Joint Lead Managers



Co-lead Managers



SUMMARY

- The Placing Price has been determined at HK\$0.35 per Placing Share (excluding the brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).
- Based on the Placing Price of HK\$0.35 per Placing Share, the net proceeds from the Placing to be received by the Company, after deducting the underwriting commission and other related expenses to be borne by the Company, are approximately HK\$49.56 million. The Directors intend to apply the net proceeds from the Placing in accordance with the purposes set forth in the section headed “Future plans and use of proceeds” in the Prospectus.
- The 200,000,000 Placing Shares offered under the Placing have been moderately oversubscribed and have been conditionally allocated to a total of 110 professional, institutional and private investors in Hong Kong.
- A total of 53 placees, representing approximately 48.2% of the total number of placees under the Placing, have been allotted one board lot of Shares.
- The Directors confirm that, to the best of their knowledge and belief, all the placees and their respective ultimate beneficial owners are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant Shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined under the GEM Listing Rules), and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominee of the foregoing, and none of the Shares subscribed by the placees has been financed directly or indirectly by the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant Shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant Shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in his/her/its name or otherwise held by him/her/it. No placees will individually be placed over 10% of the enlarged issued share capital of the Company immediately after completion of the

Capitalisation Issue and the Placing. The Directors further confirm that there will not be any new Substantial Shareholders immediately after completion of the Capitalisation Issue and the Placing.

- Pursuant to Rule 11.23(7) of the GEM Listing Rules, at least 25% of the total number of issued Shares must at all times be held by the public. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing can be beneficially owned by the three largest public Shareholders. The Directors confirm that, immediately after completion of the Capitalisation Issue and the Placing, the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 28 October 2016. The Shares will be traded in board lots of 10,000 Shares. The stock code of the Company is 8321.
- **Prospective investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

The Placing Price has been determined at HK\$0.35 per Placing Share (excluding brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%). The net proceeds from the Placing to be received by the Company, after deducting the underwriting commission and other related expenses to be borne by the Company, are approximately HK\$49.56 million. The Directors intend to use such net proceeds in accordance with the purposes set forth in the section headed “Future plans and use of proceeds” in the Prospectus in the following manner:

- (a) approximately HK\$3.30 million, representing approximately 6.66% of the net proceeds, will be used for the addition of necessary machinery, equipment and motor vehicles associated with the Company’s intended business strategy of undertaking additional Government slope works contracts;

- (b) approximately HK\$34.66 million, representing approximately 69.94% of the net proceeds, will be used for recruiting and retaining additional staff necessary for the Company's intended business strategy of undertaking additional Government slope works contracts;
- (c) approximately HK\$3.60 million, representing approximately 7.26% 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 the Company's intended business strategy of undertaking additional Government slope works contracts; and
- (d) the remaining balance of approximately HK\$8.00 million, representing approximately 16.14% 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 the Company (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 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").

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 200,000,000 Placing Shares initially offered under the Placing have been moderately oversubscribed.

RESULTS OF ALLOCATIONS

Pursuant to the Placing, 200,000,000 Shares (representing 25% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing) have been conditionally allocated to a total of 110 professional, institutional and private investors in Hong Kong. A total of 53 placees, representing approximately 48.2% of the total number of Placees, have been allotted one board lot of Shares. The distribution of the Placing Shares is set forth below:

| | Aggregate number of Placing Shares allocated | Approximate percentage of the total number of Placing Shares allocated | Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing |
|---|---|---|--|
| Top placee | 29,730,000 | 14.9% | 3.72% |
| Top 5 placees | 95,630,000 | 47.8% | 11.95% |
| Top 10 placees | 142,040,000 | 71.0% | 17.76% |
| Top 25 placees | 196,070,000 | 98.0% | 24.51% |
| Number of Placing Shares allocated | | | Number of placees |
| 10,000 | | | 53 |
| 10,001 to 100,000 | | | 15 |
| 100,001 to 1,000,000 | | | 21 |
| 1,000,001 to 5,000,000 | | | 6 |
| 5,000,001 to 10,000,000 | | | 9 |
| 10,000,001 and above | | | <u>6</u> |
| Total: | | | <u><u>110</u></u> |

The Directors confirm that, to the best of their knowledge and belief, all the placees and their respective ultimate beneficial owners are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant Shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined under the GEM Listing Rules), and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominee of the foregoing, and none of the Shares subscribed by the placees has been financed directly or indirectly by the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant Shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant Shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in his/her/its name or otherwise held by him/her/it. No placees will individually be placed over 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors further confirm that there will not be any new Substantial Shareholders immediately after completion of the Capitalisation Issue and the Placing.

Prospective investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at least 25% of the total number of issued Shares must at all times be held by the public. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing can be beneficially owned by the three largest public Shareholders. The Directors confirm that, immediately after completion of the Capitalisation Issue and the Placing, the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date, i.e. Friday, 28 October 2016, or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

No receipt will be issued for application monies paid. The Company will not issue temporary documents of title.

The share certificates for the Placing Shares are expected to be issued in the name of HKSCC Nominees Limited or in the name of the placee(s) or their agent(s) as designated by the Underwriters. Share certificates for the Placing Shares to be distributed via CCASS will be deposited into CCASS on or about Thursday, 27 October 2016 for credit to the respective CCASS Participant's stock accounts designated by the Underwriters, the placees or their respective agents, as the case may be. No temporary documents or evidence of title will be issued.

Prospective investors of the Placing Shares should note that the Joint Lead Managers (for themselves and on behalf of the other Underwriters) have the right in certain circumstances, at their sole and absolute discretion, to terminate the obligations of the Underwriters under the Underwriting Agreement upon the occurrence of any of the events set out in the paragraph headed "Underwriting — Underwriting agreement and expenses — Grounds for termination" in the Prospectus, at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Should the Joint Lead Managers (for themselves and on behalf of the other Underwriters) terminate the obligations of the Underwriters under the Underwriting Agreement in accordance with its terms, the Placing will not become unconditional and will lapse immediately and thereafter, all money received will be refunded to subscribers of the Placing Shares without interests and the Stock Exchange will be notified immediately. Notice of lapse of the Placing will be published by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.taikamholdings.com on the next Business Day immediately following the date of such lapse.

All share certificates for the Placing Shares will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 28 October 2016. The Shares will be traded in board lots of 10,000 Shares. The stock code of the Company is 8321.

If there is any change to the expected timetable, the Company will make appropriate announcement on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.taikamholdings.com.

By order of the Board
Tai Kam Holdings Limited
Lau King Shun
Chairman

Hong Kong, 27 October 2016

As at the date of this announcement, the executive Directors are Mr. Lau King Shun, Mr. Lau Kan Sui Sanny and Mr. Lau Mei Chai; and the independent non-executive Directors are Ms. Wong Yuk King, Mr. Yim Kin Ping and Mr. Ho Cheuk Wai.

This announcement, for which all Directors 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 announcement is accurate and complete in all material respects and not misleading or deceptive, there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk for at least seven days from the date of its posting. This announcement will also be published on the website of the Company at www.taikamholdings.com.