



12 January 2017

### High Concentration of Shareholding in Tai Kam Holdings Limited (Stock Code: 08321)

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Tai Kam Holdings Limited (“the Company”) in the hands of a limited number of shareholders as at 3 January 2017.

**In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.**

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 3 January 2017, 17 shareholders held an aggregate of 146,660,000 Shares, representing 18.33% of the issued Shares. Such shareholding, together with 600,000,000 Shares (representing 75.00% of the issued Shares) held by a controlling shareholder, represented 93.33% of the issued Shares as at 3 January 2017. As such, only 53,340,000 Shares (representing 6.67% of the issued Shares) were held by other shareholders.

As at 3 January 2017, the shareholding structure of the Company was as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Classy Gear Limited (Note 1)	600,000,000	75.00
A group of 17 shareholders (Note 2)	146,660,000	18.33
Other shareholders	53,340,000	6.67
Total	800,000,000	100.00

Note 1: Classy Gear Limited is beneficially owned as to 75% by Mr LAU King Shun (Chairman, Chief Executive Officer and Executive Director of the Company), and 25% by LAU Kan Sui Sunny (Executive Director of the Company).

Note 2: 79,170,000 Shares (representing 9.90% of the issued Shares) were held by 10 shareholders who initially obtained 116,030,000 Shares (representing 14.50% of the issued Shares) in the placing of the Company for GEM Board listing in October 2016.



The Company was listed on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited on 28 October 2016 by way of placing a total of 200,000,000 Shares, representing 25% of the issued Shares, at \$0.35 per Share. Share price of the Company closed at \$2.80 on the first day of listing, representing an increase of 7 times from the placing price. During the period from 31 October 2016 to 15 December 2016, the closing price was within the range of \$1.90 to \$2.85.

Since 16 December 2016, the closing price of the Shares increased substantially by 371% from \$2.10 on 15 December 2016 to \$9.90 on 30 December 2016. On 3 January 2017, the closing price dropped by 25% to \$7.40, still 21 times above the placing price of \$0.35.

On 12 December 2016, the Company announced its first interim results for the six months ended 31 October 2016, which reported a loss of approximately \$5,540,000, compared with a profit of \$5,747,000 for the corresponding period in the previous year.

As of 11 January 2017, price of the Shares closed at \$7.36, representing an increase of 250% from the closing price of \$2.10 on 15 December 2016, or an increase of 20 times from the placing price of \$0.35.

**In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.**

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