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TAI KAM HOLDINGS LIMITED

泰錦控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8321)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 30 APRIL 2024**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Director(s)”) of Tai Kam Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) of the Stock Exchange 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, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

FINANCIAL HIGHLIGHTS

Revenue amounted to approximately HK\$38.1 million for the year ended 30 April 2024 (2023: approximately HK\$97.3 million), representing a decrease of approximately 60.8% as compared with that of the year ended 30 April 2023.

Net loss for the year ended 30 April 2024 amounted to approximately HK\$11.4 million (2023: Net loss of approximately HK\$31.7 million). Such decrease in net loss was primarily attributable to the decrease in other gains or losses and decrease in administrative expenses for year ended 30 April 2024.

Basic and diluted loss per share amounted to approximately HK4.63 cents for the year ended 30 April 2024 (2023: basic and diluted loss per share of approximately HK13.03 cents).

The Board does not recommend a payment of a final dividend for the year ended 30 April 2024 (2023: Nil).

ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2024

The board of Directors of the Company (the “Board”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30 April 2024 together with the comparative figures for the year ended 30 April 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	4	38,132	97,332
Direct costs		<u>(37,408)</u>	<u>(95,370)</u>
Gross profit		724	1,962
Other income and other gains or losses	6	(2,547)	(9,514)
Impairment losses under expected credit loss model, net of reversal		(5,649)	(4,121)
Administrative expenses		<u>(3,937)</u>	<u>(19,816)</u>
Loss from operation		(11,409)	(31,489)
Finance costs	7(a)	<u>–</u>	<u>(260)</u>
Loss before tax	7	(11,409)	(31,749)
Income tax	8	<u>–</u>	<u>–</u>
Loss and total comprehensive expense for the year attributable to owners of the Company		<u>(11,409)</u>	<u>(31,749)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share			
Basic and diluted	10	<u>(4.63)</u>	<u>(13.03)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*AS AT 30 APRIL 2024*

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Plant and equipment		–	–
Financial assets at fair value through profit or loss		–	2,994
Other receivables		3,836	3,791
		<u>3,836</u>	<u>6,785</u>
Current assets			
Financial assets at fair value through profit or loss		22,763	22,562
Trade and other receivables	<i>11</i>	35,455	52,822
Contract assets		9,845	8,754
Contract costs		1,521	1,521
Cash and bank balances		10,487	1,546
		<u>80,071</u>	<u>87,205</u>
Current liabilities			
Trade and other payables	<i>12</i>	19,043	17,699
Tax payables		77	95
		<u>19,120</u>	<u>17,794</u>
Net current assets		<u>60,951</u>	<u>69,411</u>
Total assets less current liabilities		<u>64,787</u>	<u>76,196</u>
Net assets		<u>64,787</u>	<u>76,196</u>
EQUITY			
Share capital	<i>13</i>	12,320	12,320
Reserves		52,467	63,876
Total equity attributable to owners of the Company		<u>64,787</u>	<u>76,196</u>

NOTES

FOR THE YEAR ENDED 30 APRIL 2024

1. GENERAL INFORMATION

Tai Kam Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 1 April 2016. The address of its registered office and principal place of business are set out in “Corporate Information” section.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in undertaking site formation works and renovation works in Hong Kong.

The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 28 October 2016.

The consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is also the functional currency of the Company and all values are rounded to nearest thousands of units of HK\$ (“HK\$’000”), unless otherwise stated.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted priced (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on 1 May 2023 for the preparation of the consolidated financial statements:

HKFRS 17	Insurance Contracts
HKAS 1 and HKFRS Practice Statements 2 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKAS 12 (Amendments)	International Tax Return-Pillar Two Model Rules

Excepted as described below, none of these amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments to HKAS 1 and HKFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The application of the amendments has had no material impact on the Group’s financial performance and positions, but has affected the disclosures of accounting policies

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint venture ³
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback ¹
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
HKAS 1 (Amendments)	Non-current Liabilities with Covenants ¹
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements ¹
HKAS 21 (Amendments)	Lack of Exchangeability ²

¹ Effective for annual periods beginning on or after 1 January 2024

² Effective for annual periods beginning on or after 1 January 2025

³ No mandatory effective date yet determined but available for adoption

The directors anticipate that application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. REVENUE

Revenue represents receipts from the provision of undertaking site formation works and renovation works in Hong Kong.

Revenue from contracts with customers which recognised as over time are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from construction contracts	<u>38,132</u>	<u>97,332</u>

5. SEGMENT INFORMATION

The CODM has been identified as the executive directors. The CODM regards the Group's business of undertaking site formation works and renovation works as a main contractor in Hong Kong as a single operating segment and reviews the overall results of the Group as a whole to make decision about resources allocation. Accordingly, other than geographical information and major customers, no segment analysis information is presented.

(a) Geographical information

No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current asset are principally attributable to a single geographical region, which is Hong Kong.

(b) Major customers

Revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	19,655	15,864
Customer B	<u>18,477</u>	<u>81,468</u>

Except as disclosed above, no other customers contributed 10% or more to the Group's revenue for both years.

6. OTHER INCOME AND OTHER GAINS OR LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other income		
Government subsidies (<i>Note</i>)	–	48
Bond interest income	<u>246</u>	<u>152</u>
	<u>246</u>	<u>200</u>
Other gains or losses		
Gain on disposal of subsidiaries (<i>Note 29</i>)	–	526
Loss arising on change in fair value of financial assets at fair value through profit or loss	<u>(2,793)</u>	<u>(10,240)</u>
	<u>(2,793)</u>	<u>(9,714)</u>
	<u>(2,547)</u>	<u>(9,514)</u>

Note:

During the year ended 30 April 2023, the Group recognised a subsidy of HK\$48,000 (2024: Nil) which relates to Employment Support Scheme provided by Hong Kong government. There were no unfulfilled conditions or contingencies relating to these government subsidies.

7. LOSS BEFORE TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss before tax is stated after charging/(crediting):		
(a) Finance costs		
Interest on amount due to a related company of former directors	–	260
(b) Staff costs (including directors' emoluments)		
Salaries, allowances and benefits in kind	1,889	3,443
Discretionary bonuses	–	2,530
Share option expenses	–	5,660
Retirement benefit schemes contributions	261	297
	<u>2,150</u>	<u>11,930</u>
(c) Other items		
Auditor's remuneration:		
– Audit services	400	412
– Non audit services	–	29
Depreciation of plant and equipment	–	16
Expenses related to short-term leases	–	24
Subcontracting charges (included in direct costs)	37,408	95,370
Impairment losses recognised under expected credit loss model, net of reversal:		
– trade receivables	5,637	2,657
– contract assets	52	(6)
– other receivables	(40)	1,470
	<u>5,649</u>	<u>4,121</u>

8. INCOME TAX

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. Hong Kong Profits Tax is calculated at 16.5% on the estimated profit for both years.

No provision for Hong Kong Profits Tax has been made for both years as the Group did not have any assessable profits arising in or derived from Hong Kong.

The income tax for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss before tax	<u>(11,409)</u>	<u>(31,749)</u>
Tax at Hong Kong Profits Tax rate of 16.5% (2023: 16.5%)	(1,883)	(5,239)
Tax effect of:		
Income non-taxable for tax purpose	(41)	(95)
Expenses not deductible for tax purpose	1,599	4,162
Estimated tax loss not recognised	325	1,172
Income tax	<u>–</u>	<u>–</u>

9. DIVIDENDS

No dividend was declared or paid by the Company to its shareholders during the year (2023: Nil), nor has any dividend been declared subsequent to the end of the reporting period.

10. LOSS PER SHARE

The calculation of loss per share attributable to owners of the Company is based on the following:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Loss		
Loss for the year attributable to owners of the Company	<u>(11,409)</u>	<u>(31,749)</u>
	2024 '000	2023 <i>'000</i>
Number of shares		
Weighted average number of shares for the purpose of basis and diluted loss per share	<u>246,400</u>	<u>243,744</u>

As the Company's outstanding share options where applicable had an anti-dilutive effect to the basic loss per share computation for both years, the exercise of the above potential future shares is not assumed in the computation of diluted loss per share for both years.

11. TRADE AND OTHER RECEIVABLES

	2024 HK\$'000	2023 <i>HK\$'000</i>
Trade receivables from contracts with customers (<i>note (a)</i>)	40,883	52,857
Less: allowance for credit losses	<u>(27,102)</u>	<u>(21,465)</u>
	13,781	31,392
Surety bonds (<i>note (b)</i>)	21,337	21,281
Bond receivables (<i>note (c)</i>)	3,763	3,761
Bond interest receivables	330	142
Convertible bonds interest receivables	73	30
Prepayment	<u>7</u>	<u>7</u>
	39,291	56,613
Less: non-current portion	<u>(3,836)</u>	<u>(3,791)</u>
	<u>35,455</u>	<u>52,822</u>

Notes:

(a) Trade receivables from contracts with customers

The Group usually grants credit period to customers maximum up to 60 days. The aging analysis of the trade receivables based on the invoice dates (net of allowance for credit losses) is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 90 days	2,289	4,470
91 – 180 days	207	709
181 – 365 days	1,758	6,662
Over 365 days	9,527	19,551
	<u>13,781</u>	<u>31,392</u>

12. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables (<i>note (a)</i>)	5,661	6,153
Accruals and other payables	2,269	1,576
Retention payables (<i>note (b)</i>)	11,113	9,970
	<u>19,043</u>	<u>17,699</u>

As at 30 April 2024 and 2023, no retention payables expected to be settled after more than one year.

Note:

(a) Trade payables

The aging analysis of trade payables based on invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 30 days	1,549	3,243
31 – 60 days	744	546
61 – 90 days	726	524
Over 90 days	2,642	1,840
	<u>5,661</u>	<u>6,153</u>

The credit period granted by its suppliers normally up to 30 days.

- (b)** The retention payables in relation to the release of retention vary from contract to contract, which usually within 1-2 years subject to practical completion, the expiry of the defect liability period or a pre-agreed time period.

13. SHARE CAPITAL

	Number of shares		Amount	
	2024 '000	2023 '000	2024 HK\$'000	2023 HK\$'000
Authorised:				
Ordinary shares of HK\$0.05 each				
As at 1 May/as at 30 April	<u>400,000</u>	<u>400,000</u>	<u>20,000</u>	<u>20,000</u>
Issued and fully paid:				
As at 1 May	<u>246,400</u>	<u>236,800</u>	<u>12,320</u>	<u>11,840</u>
Exercise of share options (<i>note</i>)	<u>–</u>	<u>9,600</u>	<u>–</u>	<u>480</u>
As at 30 April	<u>246,400</u>	<u>246,400</u>	<u>12,320</u>	<u>12,320</u>

Notes:

During the year ended 30 April 2023, certain option holders exercised their option rights to subscribe for 9,600,000 (2024: nil) ordinary shares at exercise price of HK\$0.120 (2024: nil) per share with total consideration of approximately HK\$1,152,000 (2024: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

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. After containing the epidemic, in the 2023–24 Budget Speech, the government committed to devoted to construction industry in Hong Kong. The capital works expenditure will exceed HK\$100 billion a year and the overall construction volume of Hong Kong construction industry will soar, to some HK\$300 billion a year. Looking forward, the policy stimulus which may improve market sentiment and bring in more capital to the construction industry of 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. Despite the challenging environment, the Group will 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.

FINANCIAL REVIEW

Revenue

Revenue represents receipts from the provision of construction services in site formation works and renovation works in Hong Kong. Site formation generally refer to 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 business for premises in Hong Kong.

The Group’s revenue decreased by approximately HK\$59.2 million, or approximately 60.8%, from approximately HK\$97.3 million for the year ended 30 April 2023 to approximately HK\$38.1 million for the Reporting Period. The decrease in revenue was mainly due to decrease in works performed from site formation works and renovation works for the Reporting Period.

The executive Directors regard the Group’s business of construction in Hong Kong as a single operating segment and review the overall results of the Group as a whole to make decisions on resource allocation. Accordingly, no segment analysis information is presented.

No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is Hong Kong.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately HK\$1.3 million, or approximately 65.0%, from approximately HK\$2.0 million for the year ended 30 April 2023 to approximately HK\$0.7 million for the Reporting Period. The Group's gross profit margin decreased from approximately 2% for the year ended 30 April 2023 to approximately 1.9% for the Reporting Period. The decrease in gross profit margin was mainly due to more revenue contribution from contracts with lower margin for the Reporting Period.

The Group's direct costs decreased by approximately HK\$58.0 million, or approximately 60.8%, from approximately HK\$95.4 million for the year ended 30 April 2023 to approximately HK\$37.4 million for the Reporting Period. The decrease of direct costs is mainly due to the decrease in revenue, subcontracting charges and labour cost from those projects with substantial use of subcontractors and labours for the Reporting Period.

Administrative expenses

The Group's administrative expenses decreased by approximately HK\$15.9 million, or approximately 80.3%, from approximately HK\$19.8 million for the year ended 30 April 2023 to approximately HK\$3.9 million for the Reporting Period. Administrative expenses consist primarily of staff costs, professional fees, depreciation, and other administrative expenses. The decrease in the Group's administrative expenses was mainly due to decrease in legal and professional fee, staff cost and share option expenses for the Reporting Period.

Other income and other gains or losses

The Group's other income remained unchange at HK\$0.2 million for the year ended 30 April 2023 and for the Reporting Period. The Group's other gains or losses decreased by approximately HK\$6.9 million, it was mainly due to the decrease in unrealised loss on change in fair value of financial assets at fair value through profit or loss of approximately HK\$7.4 million.

Net Loss

The net loss amounted to approximately HK\$11.4 million for the Reporting Period as compared to the net loss of approximately HK\$31.7 million for year ended 30 April 2023. Such decrease in net loss was primarily attributable to the decrease in other gains or losses and decrease in administrative expenses for the Reporting Period as discussed above and the decrease on the gross profit for the Reporting Period while partially off-set by the increase in impairment losses under expected credit loss model.

Final Dividend

The Board did not recommend a payment of a final dividend for the Reporting Period (2023: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 April 2024, the Group's total equity attributable to owners of the Company amounted to approximately HK\$64.8 million (2023: approximately HK\$76.2 million).

As at 30 April 2024, the Group had cash and bank balances of approximately HK\$10.5 million (2023: approximately HK\$1.5 million). Cash and bank balances are denominated in Hong Kong Dollars. The decrease was mainly due to the cash used in operations.

The Directors are of the view that as at the date hereof, the Group's financial resources are sufficient to support its business and operations. Notwithstanding this, the Group may consider other financing activities when appropriate business opportunities arise under favorable market conditions.

PLEDGE OF ASSETS

There was no pledge of assets as at 30 April 2024 (2023: Nil).

CASH POSITION

As at 30 April 2024, the cash and bank balances of the Group amounted to approximately HK\$10.5 million (2023: approximately HK\$1.5 million), representing an increase of approximately HK\$9.0 million as compared to that as at 30 April 2023.

GEARING RATIO

Gearing ratio is calculated as total borrowings (including payables incurred not in our ordinary course of business) divided by the total equity as at the respective reporting dates.

As at 30 April 2024, the Group's gearing ratio was nil (2023: nil).

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

FOREIGN EXCHANGE EXPOSURE

The Group's business operations have been conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group are mainly denominated in Hong Kong Dollars. For the Reporting Period and for the year ended 30 April 2024, there was no material impact to the Group arising from the fluctuation in the foreign exchange rates between the currencies.

The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the Reporting Period (2023: Nil).

CAPITAL COMMITMENTS

As at 30 April 2024, the Group had no material capital commitments (2023: Nil).

CONTINGENT LIABILITIES

There were no significant contingent liabilities of the Group as at 30 April 2024 (2023: Nil).

CAPITAL STRUCTURE

The shares of the Company were successfully listed on GEM of the Stock Exchange on 28 October 2016. There has been no change in the capital structure of the Group since then up to the end of the Reporting Period. The share capital of the Group only comprises of ordinary shares.

As at 30 April 2024, the Company's issued capital was HK\$12,320,000 (2023: HK\$12,320,000) and the number of its issued ordinary shares was 246,400,000 of HK\$0.05 each (2023: 246,400,000 of HK\$0.05 each).

EMPLOYEES AND REMUNERATION POLICY

The Group had 22 employees (including executive Directors) as at 30 April 2024 (2023: 23 employees). Total staff costs (including Directors' emoluments) were approximately HK\$2.2 million for the Reporting Period as compared to approximately HK\$11.9 million for the year ended 30 April 2023. The remuneration policy and package of the Group's employees were annually reviewed and when necessary. The salaries increment, grant of share options and discretionary bonuses may be awarded to employees according to Group's performance as well as the assessment of individual performance.

SIGNIFICANT INVESTMENTS

As at 30 April 2024, the Group's financial assets at fair value through profit or loss amounted to HK\$22.8 million represented were bonds investment and equity investments listed in Hong Kong. Details of the significant investments are as follows:

Company Name	Fair value change <i>HK\$'000</i>	Fair value at 30 April 2024 <i>HK\$'000</i>	Approximate percentage of financial assets at fair value through profit or loss	Approximate percentage to the Group's total asset as at 30 April 2024
Equity investments in Harbour				
Digital Asset Capital Limited	360	5,592	24.6	6.7
Equity investments in China				
Jicheng Holdings Limited	2,867	5,031	22.1	6.0
Other securities with individual fair value less than 5% of the total assets as at 30 April 2024 (<i>Note 1</i>)	(6,181)	8,985	39.5	10.6
Bond investments in Capital VC Limited	161	3,155	13.8	3.8
	<u>(2,793)</u>	<u>22,763</u>	<u>100.0</u>	<u>27.1</u>

Note:

- As at 30 April 2024, other listed equity securities comprised 12 listed equity securities in Hong Kong. None of the other listed equity securities was more than 5% of the total assets of the Group as at 30 April 2024.

Harbour Digital Asset Capital Limited (“Harbour Digital”) engaged in the investment in listed and unlisted financial assets which is listed on the Main Board of The Stock Exchange of Hong Kong Limited. For the year ended 31 December 2023, the audited loss and total comprehensive loss for the year attributable to owners of Harbour Digital was HK\$14.8 million. The unrealised gain on the Group investments in Harbour Digital during the year ended 30 April 2024 was approximately HK\$0.4 million.

The Group's total investment in the Harbour Digital was approximately HK\$3.8 million. As at 30 April 2024, the Group owned 9,020,000 shares in the Harbour Digital, representing 3.2% equity interests in the Harbour Digital. Up to 30 April 2024, no dividends was received from Harbour Digital. The fair value of the investment in Harbour Digital is based on quoted market prices.

China Jicheng Holdings Limited (“China Jicheng”) engaged in investment holding while the principal subsidiaries are principally engaged in manufacture and sales of umbrellas and the relevant products, which is listed on the Main Board of The Stock Exchange of Hong Kong Limited. For the year ended 31 December 2023, the audited loss and total comprehensive loss for the year attributable to owners of China Jicheng was HK\$92.7 million. The unrealised gain on the Group investments in China Jicheng during the year ended 30 April 2024 was approximately HK\$2.9 million.

The Group’s total investment in the China Jicheng was approximately HK\$2.0 million. As at 30 April 2024, the Group owned 5,410,000 shares in the China Jicheng, representing 1.3% equity interests in the China Jicheng. Up to 30 April 2024, no dividends was received from China Jicheng. The fair value of the investment in China Jicheng is based on quoted market prices.

The future performance of the investment held by the Group may be influenced by the Hong Kong stock market. The investment environment is volatile and will be affected by global economic environment, higher interest rate, investor confidence, performance of the investee companies. In order to balance and mitigate the risk in the investment portfolio, the Group will continued maintain a diversified investment portfolio which covered variety of business sector. The Group will closely monitor the performance of the investment portfolio from time to time so as to adjust the investment strategies.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any acquisitions of subsidiaries and affiliated companies during the Reporting Period, the Group did not have other plans for material investments or capital assets.

CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company.

The Company has applied the principles as set out in the CG Code set out in Appendix 15 to the GEM Listing Rules. The Board considers that the Company has complied with the CG Code during the year ended 30 April 2024.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of conduct (“Code of Conduct”) regarding securities transactions by the Directors on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries with the Directors, all Directors have confirmed that they have complied with the required standards set out in the Code of Conduct throughout the Reporting Period.

COMPETING INTEREST

Our Directors and their respective close associates confirm that each of them does not have any interest in a business apart from our Group's business which competes or is likely to compete, directly or indirectly, with our Group's business, and is required to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PERMITTED INDEMNITY

The Company has arranged Directors' and officers' liability insurance for all Directors and senior management of the Company. The insurance covers the corresponding costs, charges, expenses and liabilities for legal action of corporate activities against them.

Pursuant to the Articles, every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

PRE-EMPTIVE RIGHTS

There is no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

EVENTS AFTER REPORTING PERIOD

There are no significant events after the reporting period that is required to be reported.

PUBLIC FLOAT

To the best knowledge of the Directors and based on information that is publicly available to the Company as of the date of this announcement, the Company has maintained sufficient public float required under the GEM Listing Rules.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the Reporting Period have been agreed by the Company's auditor, PRIVATCO CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by PRIVATCO CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PRIVATCO CPA Limited on this preliminary announcement.

AUDIT COMMITTEE

The Company established the audit committee (“Audit Committee”) on 26 September 2016 with written terms of reference in compliance with the GEM Listing Rules which are available on the websites of the Stock Exchange and the Company. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Ngok Ho Wai, Ms. Li Yixuan and Mr. Lo Chi Yung. The chairman of the Audit Committee is Mr. Ngok Ho Wai, who has appropriate professional qualifications and experience in accounting matters. The Audit Committee has reviewed the annual results in respect of the Reporting Period, and confirmed that this announcement complies with the applicable standard, the GEM Listing Rules, and other applicable legal requirements and that adequate disclosures have been made.

By order of the Board
Tai Kam Holdings Limited
Lang Junhao
Chairman and executive Director

Hong Kong, 31 July 2024

As at the date of this announcement, the executive Directors are Ms. Liu Tanying and Mr. Lang Junhao; and the independent non-executive Directors are Mr. Ngok Ho Wai, Mr. Lo Chi Yung and Ms. Li Yixuan.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at www.taikamholdings.com.