

**K. H. GROUP HOLDINGS LTD:  
THIS PROSPECTUS RAISES  
A NUMBER OF QUESTIONABLE ANOMALIES**

In truth, K.H. Group Holdings Ltd () (Code: 1557, Main Board, The Stock Exchange of Hongkong Ltd), only has five customers and, on these five customers, the Company relies for the bulk of its total revenue.

K.H. Group is one of the latest companies to seek a listing on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

It published and disseminated its Placing and Public Offer Prospectus on March 8, 2016.

It is Offering a total of 100 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 80 cents to a high of 95 cents.

The Company is in the business of providing foundation services in the HKSAR.

It has a history, dating back to 1985, according to Page 80 of the Placing and Public Offer Prospectus.

**The Initial Public Offering (IPO)**

At the midpoint of the Indicative Offer Price Per Share, being 87.50 cents, Management estimates that it will net about \$HK69.20 million.

At Pages 222 and 223 of the Placing and Public Offer Prospectus, one is told of the manner in which the net proceeds of the IPO will be utilised:

1. Approximately, \$HK27.70 million, that is about 40 percent of the net proceeds, *'will be used for the operation of prospective projects such as Project 18 and Project 19 ... which are expected to commence in April 2016 and September 2016 respectively'*;
2. Approximately, \$HK13.80 million, that is about 20 percent of the net proceeds, *'for the hiring of 15 additional staff including project managers and experienced engineering staff by the year ending 31 March 2019'*;
3. Approximately, \$HK20.80 million, that is about 30 percent of the net proceeds, *'for purchasing machinery and equipments (sic) in the next five to six years'*; and,
4. Approximately, \$HK6.90 million, that is about 10 percent of the net proceeds, *'will be used as general working capital of our Group'*.

Only 10 million Shares have been made available in the Public Offer Tranche, the remaining 90 million Shares, being reserved for those investors with deep pockets.\_

**The History and Business of K.H. Group Holdings Ltd**

K.H. Group was founded in 1985 with the incorporation, on January 4 of that year, of K.H. Foundations Ltd () in the HKSAR.

There were, initially, five Founders of this Company, but Mr Paul Yu Shiu Tin (), who spearheaded what is now called K.H. Group from the start, stayed on during the difficult times, while the other four Founders faded into history.

None of the other four Founders is engaged in any manner, or owns any shares in this Company, in spite of them, having helped, at the outset, to fund K.H. Foundations Ltd with start-up capital.

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