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**KH INVESTMENT HOLDINGS LIMITED**

**嘉匯投資控股有限公司\***

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock code: 8172)**

## **DISCLOSEABLE TRANSACTION**

On 13 December 2010 (after trading hours of the Stock Exchange), the Company, as vendor, and the Purchaser, as purchaser, entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Company has conditionally agreed to sell (i) the Sale Shares; and (ii) the Sale Debts. The aggregate of the consideration for the Disposal is HK\$1 which shall be satisfied by the Purchaser in cash upon Completion.

Since the applicable percentage ratios as defined under the GEM Listing Rules are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

## **THE SALE AND PURCHASE AGREEMENT**

### **Date**

13 December 2010

### **Parties**

(a) Purchaser: Chung Chiu (PTC) Limited

(b) Vendor: the Company

To the best knowledge, information and belief of the Directors after having made all reasonable enquires, the Purchaser is Independent Third Parties.

\* *For identification purposes only*

## **Assets to be Disposed**

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase and the Company has conditionally agreed to sell (i) the Sale Shares, being the 19% of the issued share capital of the Target Company; and (ii) the Sale Debts, being the aggregate outstanding shareholder's loan owing by the Target Company to the Company as at the date of the Sale and Purchase Agreement.

As at the date of the Sale and Purchase Agreement, the Sale Debts amounts to approximately HK\$7,249,177.46.

## **Consideration**

The total consideration for the Disposal is HK\$1, which shall be satisfied by the Purchaser to the Company and payable upon Completion.

The consideration was determined among the Purchaser and the Company, after arm's length negotiations with reference to the net liabilities position of the Target Company as at 30 September 2010 and the par value of its share.

The Board (including independent non-executive Directors) considers that the consideration for the sale of Sale Shares and the repayment of the Sale Debt is fair and reasonable.

## **Conditions**

Completion of the Sale and Purchase Agreement is conditional upon the payment of the consideration by the Purchaser to the Company.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company was incorporated on 2 January 2009 and is principally engaged in investment holding. Its subsidiaries are principally engaged in distribution of high-end apparel and accessories.

According to the audited consolidated accounts of the Target Group for the year ended 31 December 2009, which is prepared in accordance with Hong Kong Financial Reporting Standards, the loss before and after taxation were both approximately HK\$84.8 million. The net liabilities of the Target Group was approximately HK\$135.6 million as at 31 December 2009.

According to the audited consolidated accounts of the Target Group for the year ended 31 December 2008, which is prepared in accordance with Hong Kong Financial Reporting Standards, the loss before and after taxation were both approximately HK\$45.7 million. The net liabilities of the Target Group was approximately HK\$50.9 million as at 31 December 2008.

## **REASONS FOR THE DISPOSAL**

The Company is an investment holding company and its subsidiaries are principally engaged in film production and distribution, the provision of artists management services, the provision of infrared thermal imaging and thermography solutions and consultancy services and investment in jointly controlled entity which is principally engaged in distribution of high-end apparel and accessories.

In accordance with the unaudited consolidated management accounts of the Target Group for the period ended 30 September 2010, which is prepared in accordance with Hong Kong Financial Reporting Standards, the turnover and loss before and after taxation was approximately HK\$0 and HK\$1.8 million respectively. The Directors believe that the Disposal will provide the Group with an opportunity to restructure its business operations and allow the Group to focus its resources on the existing businesses of the Group.

The Directors (including independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

## **IMPLICATION UNDER THE GEM LISTING RULES**

Since the applicable percentage ratios as defined under the GEM Listing Rules are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

The following words and phrases used in this announcement have the following meaning:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for business in Hong Kong
“Company”	KH Investment Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares are listed on the GEM
“Completion”	completion of the Disposal in accordance with the terms and conditions under the Sale and Purchase Agreement

“Connected Persons”	has the meaning ascribed thereto in the GEM Listing Rules
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Debts pursuant to the Sale and Purchase Agreement
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its Connected Persons
“Purchaser”	Chung Chiu (PTC) Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 13 December 2010 entered into between the Purchaser and the Company in relation to the Disposal
“Sale Debts”	HK\$7,249,177.46, being the aggregate outstanding shareholders’ loans owing by the Target Company to the Company as at the date of the Sale and Purchase Agreement
“Sale Shares”	50 ordinary shares of US\$1 in the issued share capital of the Target Company, representing the 19% of the issued share capital in Target Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Amazing Goal International Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	Target Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**KH Investment Holdings Limited**  
**Lai Hok Lim**  
*Chairman*

Hong Kong, 13 December 2010

*As at the date of this announcement, the executive Director is Mr. Lai Hok Lim; and the independent non-executive Directors are Mr. Yip Tai Him, Mr. Law Yiu Sang, Jacky and Ms. Chio Chong Meng.*

*This announcement, for which the Directors collectively and individually accept full responsibilities, 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 aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will be published on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of its publication and on the Company’s website at [www.golife.com.hk](http://www.golife.com.hk).*