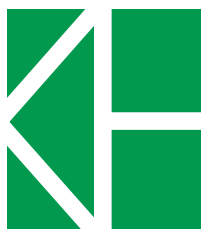

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in KH Investment Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

**(I) REFRESHMENT OF GENERAL MANDATE
TO ALLOT AND ISSUE SHARES;
(II) REFRESHMENT OF SHARE OPTION SCHEME
MANDATE LIMIT;
AND
(III) NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



MENLO CAPITAL LIMITED

Terms used herein shall have the same meanings as defined in this circular.

A notice convening the special general meeting of the Company to be held at 1st Floor, Function Room, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Monday, 6 December 2010 at 4:30 p.m. or any adjournment is set out from pages 18 to 21 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy to the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the special general meeting of the Company. Completion and return of the form of proxy shall not preclude you from attending and voting at the special general meeting of the Company should you so wish.

This circular will remain on the "Latest Company Announcements" page of the GEM's website for 7 days from the date of its publication and on the Company's website at www.golife.com.hk from the date of its publication.

* For identification purpose only

18 November 2010

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company held on 19 May 2010 for the then independent shareholders of the Company to approve, among other things, the Existing General Mandate and the Refreshment of Scheme Mandate Limit
“associate(s)”	has the meaning as ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company
“Company”	KH Investment Holdings Limited (嘉滙投資控股有限公司*), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any full-time or part-time employees of the Company or its subsidiaries (including any executive, non-executive and independent non-executive directors of the Company and/or any of its subsidiaries) and any adviser or consultant, distributors, suppliers, agents, customers, partners, joint venture partners, promoter, service providers to the Group who, in the sole discretion of the Board, have contributed or may contribute to the Group, are eligible for Options under the Share Option Scheme
“Existing General Mandate”	the general mandate granted at the AGM to the Directors by the Shareholders to issue, allot and deal with up to 67,053,210 Shares, representing 20% of the issued share capital of the Company as at 19 May 2010, being the date of the AGM
“GEM”	the Growth Enterprise Market of the Stock Exchange

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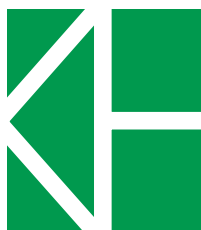
DEFINITIONS

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising all of the independent non-executive Directors, to advise the Independent Shareholders in respect of the refreshment of the Existing General Mandate and any extension thereof
“Independent Financial Adviser” or “Menlo Capital”	Menlo Capital Limited, a corporation licensed under the SFO to conduct type 6 (advising on corporate finance) regulated activity as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in connection with the refreshment of the Existing General Mandate and any extension thereof
“Independent Shareholder(s)”	Shareholder(s) other than Mr. Lai Hok Lim and the chief executive of the Company and their respective associates
“Latest Practicable Date”	16 November 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“New General Mandate”	the general mandate proposed to be granted to the Directors at the SGM to issue, allot and deal with new Shares not exceeding 20% of the entire issued share capital of the Company as at the date of the SGM
“Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme
“Refreshment of Scheme Mandate Limit”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme

DEFINITIONS

“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of the passing of such resolution
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all Options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SGM”	the special general meeting of the Company to be convened on Monday, 6 December 2010 at 4:30 p.m., to consider and, if thought fit, approve the refreshment of the Existing General Mandate and any extension thereof
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 6 March 2002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Director:

Mr. Lai Hok Lim

Independent non-executive Directors:

Mr. Yip Tai Him

Mr. Law Yiu Sang, Jacky

Ms. Chio Chong Meng

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business

in Hong Kong:

Unit 3407, 34/F

Shun Tak Centre

West Tower

168-200 Connaught Road Central

Hong Kong

18 November 2010

To the Shareholders

Dear Sir or Madam,

**(I) REFRESHMENT OF GENERAL MANDATE
TO ALLOT AND ISSUE SHARES;
(II) REFRESHMENT OF SHARE OPTION SCHEME
MANDATE LIMIT;
AND
(III) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The purposes of this circular are to (i) provide you with the information relating to the refreshment of the Existing General Mandate and any extension thereof and the Refreshment of Scheme Mandate Limit; (ii) set out the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the

* For identification purpose only

LETTER FROM THE BOARD

refreshment of the Existing General Mandate and any extension thereof; (iii) set out the recommendation from Menlo Capital to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Existing General Mandate and any extension thereof; and (iv) provide the Shareholders with the notice of SGM, at which ordinary resolutions will be proposed to the Independent Shareholders and the Shareholders to consider and, if thought fit, approve the refreshment of the Existing General Mandate and any extension thereof and the Refreshment of Scheme Mandate Limit.

THE EXISTING GENERAL MANDATE

At the AGM, the then independent shareholders of the Company approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to issue, allot and deal with not more than 67,053,210 Shares, being 20% of the entire issued share capital of the Company of 335,266,054 Shares as at the date of the AGM.

REASONS FOR THE REFRESHMENT OF THE EXISTING GENERAL MANDATE

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

From the date of the granting of the Existing General Mandate up to the Latest Practicable Date, the Existing General Mandate had been utilised as to 59,183,672 Shares, representing substantial part of the aggregate number of Shares which may be issued and allotted under the Existing General Mandate, in connection with the acquisition of Infrared Engineering & Consultants Limited, a company principally engaged in sales of infrared-related equipments, providing infrared thermal imaging and thermography solutions and consultancy services, as well as the provision of training in infrared thermography and imaging technology for various academic institutions and private organization in Hong Kong and the PRC. Details of which has been disclosed in the Company's announcement dated 16 July 2010.

There is only 7,869,538 additional Shares, representing 11.74% of the Existing General Mandate, can be issued under the Existing General Mandate. The Directors consider that the Group may require for equity financing and the issue of additional Shares exceeding the amount as allowed under the Existing General Mandate for its future business operations and development, in particular there may be possibilities that the Group would identify suitable investment opportunities before the next annual general meeting which

LETTER FROM THE BOARD

may incur funding requirements. In view of the possible future funding needs of the Group for future operations and development, and possible investment when opportunities arise, the Board considers the New General Mandate to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group and is relatively less time consuming. Despite both the open offer or rights issue would allow the Shareholders to maintain their respective pro-rata shareholdings in the Company, the Board considers that the New General mandate may broaden not only the capital base of the Company but also its shareholders base in the Company by introducing potential investors who interest in the business of the Company. Furthermore, unlike the open offer, rights issue and the specific mandate which require longer time frame to complete, the New General Mandate offers an opportunity for the Directors to capture a favourable equity market condition to raise funds by issuing new Shares and, in particular, would offer the Board higher flexibility to capture investment opportunities which may arise at any time and require prompt investment decision by the Group.

Having considered the New General Mandate will provide the Group with an additional alternative and the flexibility in deciding the best financing method for its future business operations and development, the Directors consider that the refreshment of the Existing General Mandate and any extension thereof are in the interests of the Company and the Shareholders as a whole.

THE NEW GENERAL MANDATE

As at the Latest Practicable Date, the issued share capital of Company consisted of 396,549,726 Shares. Ordinary resolutions will be proposed to the Independent Shareholders to approve (i) the granting of the New General Mandate to authorise the Directors to allot, issue and deal with 79,309,945 new Shares, being the number of Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM for passing such resolution, assuming no further issue or repurchase of Shares from the Latest Practicable Date up to the date of the SGM; and (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

The New General Mandate and any extension thereof will, if granted at the SGM, remain effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held in accordance with Bermuda law or the Bye-Laws; and (iii) its revocation or variation by ordinary resolution of the Shareholders in general meeting.

LETTER FROM THE BOARD

The Independent Board Committee comprising Mr. Yip Tai Him, Mr. Law Yiu Sang, Jacky and Ms. Chio Chong Meng, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders on the proposed refreshment of the Existing General Mandate. Menlo Capital has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this regard. The text of the letter from the Independent Board Committee is set out on page 13 of this circular and the letter from Menlo Capital containing its advice is set out from pages 14 to 17 of this circular.

REFRESHMENT OF SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company on 6 March 2002. The Scheme Mandate Limit was set at 10% of the Shares in issue as at the date of adoption of the Share Option Scheme in compliance with the GEM Listing Rules. Subject to prior Shareholders' approval, the Company may, at any time thereafter, refresh the Scheme Mandate Limit to the extent not exceeding 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval.

The rules of the New Share Option Scheme provide that the Company may specify the Eligible Participants to whom the Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the Share Option Scheme. There is no performance target specified in the Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Participants to acquire proprietary interests in the Company.

The Scheme Mandate Limit was refreshed on 9 May 2007, 23 May 2008, 20 April 2009, 6 July 2009, 7 September 2009 and 19 May 2010 of a 10% of the then total issued share capital of the Company, pursuant to which the Company was authorised to grant Options to subscribe for up to a maximum number of 404,400 Shares, 498,800 Shares, 1,156,378 Shares, 12,488,205 Shares, 12,488,205 Shares and 33,526,605 Shares. The Directors consider that the granting of the Options will be for the benefit of the Company and the Shareholders as a whole that the Eligible Participants of the Share Option Scheme are granted rights to obtain equity holdings of the Company through the grant of options under the Share Option Scheme. This will motivate the Eligible Participants who, at the sole discretion of the Board, have made or may make contribution to the Group as well as to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct interest in attaining the long term business objectives of the Group. For these reasons, the Directors consider that the Refreshment of the Scheme Mandate Limit is in the best interests of the Company and

LETTER FROM THE BOARD

the Shareholders as a whole and is in line with the purpose of the Share Option Scheme because it provide flexibility to the Board to reward and motivate its employees and other selected Eligible Participants under the Share Option Scheme.

Details of the Refreshment of the Scheme Mandate Limit, movements of Options granted under the Share Option Scheme and the relationship and contributions to the Group are as follows:

Date of approval for refreshment	No. of Shares that may be issued upon exercise of all Options to be granted under the Scheme Mandate Limit as at the date of adoption/refreshment	Details of movements of the Options granted								
		Date of grant	Category of eligible persons	Exercise period	Exercise price	No. of Options granted	No. of Options exercised	No. of Options cancelled	No. of Options lapsed	No. of Options outstanding as at the Latest Practicable Date
9 May 2007	404,400	3 July 2007 (Notes 1 and 6)	Employees	3 July 2007	HK\$18.910	11,456	—	(11,456)	—	—
		3 July 2007 (Notes 1 and 6)	Directors	3 July 2007	HK\$18.910	22,914	—	(22,914)	—	—
23 May 2008	498,800	—	—	—	—	—	—	—	—	
20 April 2009	1,156,378	—	—	—	—	—	—	—	—	
6 July 2009	12,488,205	3 September 2009 (Notes 2 and 6)	Employees	3 September 2009 to 2 September 2010	HK\$0.455	2,496,000	(1,248,000)	—	(1,248,000)	—
		3 September 2009 (Notes 2 and 6)	Consultants	3 September 2009 to 2 September 2010	HK\$0.455	8,736,000	(5,392,000)	—	(3,344,000)	—
		3 September 2009 (Notes 2 and 6)	Directors	3 September 2009 to 2 September 2010	HK\$0.455	1,248,000	(1,248,000)	—	—	—
7 September 2009	12,488,205	13 November 2009 (Notes 3 and 6)	Employees	13 November 2009 to 12 November 2010	HK\$0.500	1,248,000	—	—	(1,248,000)	—
		13 November 2009 (Notes 3 and 6)	Directors	13 November 2009 to 12 November 2010	HK\$0.500	2,496,000	(2,496,000)	—	—	—
		18 May 2010 (Note 4)	Consultants	18 May 2010 to 17 May 2011	HK\$0.202	8,400,000	(2,100,000)	—	—	6,300,000
19 May 2010	33,526,605	2 June 2010 (Note 5)	Directors	2 June 2010 to 1 June 2011	HK\$0.325	5,450,000	—	—	—	5,450,000
		2 June 2010 (Note 5)	Employees	2 June 2010 to 1 June 2011	HK\$0.325	2,100,000	—	—	—	2,100,000
		2 June 2010 (Note 5)	Consultants	2 June 2010 to 1 June 2011	HK\$0.325	23,900,000	—	—	—	23,900,000
						56,108,370	(12,484,000)	(34,370)	(5,840,000)	37,750,000

Notes:

- On 3 July 2007, 34,370 Options (as adjusted for the share consolidations on 13 August 2008, 6 April 2009 and 18 January 2010 and the completion of the open offer on 29 June 2009 (the “Adjustments”), representing 8.5% of the then scheme mandate limit as at the date of such grant, were granted to employees of the Company and directors of the Company. All 34,370 Options was cancelled as at the Latest Practicable Date.

LETTER FROM THE BOARD

2. On 3 September 2009, 12,480,000 Options (as adjusted for the Adjustments), representing 99.9% of the then scheme mandate limit as at the date of such grant, were granted to the directors of the Company, employees of the Company and consultants of the Company, who have been consultants of the Group since 2008 and periodically suggest the Group with new businesses and project opportunities as well as assisting the Group with operation of its core businesses and investors' relations (the "Consultants"). Among the 12,480,000 Options granted, 7,888,000 Options were exercised and 4,592,000 Options were lapsed as at the Latest Practicable Date.
3. On 13 November 2009, 3,744,000 Options (as adjusted for the Adjustments), representing 30.0% of the then scheme mandate limit as at the date of such grant, were granted to employees of the Company and directors of the Company. Among the 3,744,000 Options granted, 2,496,000 Options were exercised and 1,248,000 Options were lapsed as at the Latest Practicable Date.
4. On 18 May 2010, 8,400,000 Options (as adjusted for the Adjustments), representing 67.3% of the then scheme mandate limit as at the date of such grant, were granted to Consultants. Among the 8,400,000 Options granted, 2,100,000 Options were exercised and 6,300,000 Options remains outstanding as at the Latest Practicable Date.
5. On 2 June 2010, 31,450,000 Options, representing 93.5% of the then scheme mandate limit as at the date of such grant, were granted to the directors of the Company, Consultants and employees of the Company and all the 31,450,000 Options granted remains outstanding as at the Latest Practicable Date.
6. The exercise price and the number of outstanding Options have been adjusted due to the completion of the share consolidations on 18 January 2010 and the completion of payment of the special dividend.
7. In relation to the adjustments of the exercise price and number of outstanding Options as mentioned in Note 6 above, the auditors of the Company have reviewed and confirmed in writing of such adjustments.

As shown in the above table, the Company has outstanding Options of 37,750,000 which can exercise into 37,750,000 Shares as at the Latest Practicable Date. The 37,750,000 Options, if exercised, represents approximately 9.52% of the total issued share capital of the Company.

It is proposed that subject to the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the Options granted under the refreshed Scheme Mandate Limit and the passing of the relevant resolution at the SGM by the Shareholders, the Scheme Mandate Limit be refreshed so that the total number of securities, which may be issued upon exercise of all Options to be granted under the Share Option Scheme under the refreshed Scheme Mandate Limit as refreshed, shall not exceed 10% of the Shares in issue as at the date of approval of the Refreshment of Scheme Mandate Limit by the Shareholders at the SGM. Options previously granted under the Share Option Scheme (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. Based on 396,549,726 Shares in issue as at the Latest Practicable Date and assuming no further issue or repurchase of Shares prior to the SGM, the refreshed Scheme Mandate Limit will be 39,654,972 Shares.

LETTER FROM THE BOARD

Pursuant to the GEM Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme at any time should not exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

Conditions of the Refreshment of Scheme Mandate Limit

The Refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution to approve the refreshment of the Scheme Mandate Limit at the SGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of passing the resolution of Refreshment of Scheme Mandate Limit at the SGM) which may fall to be issued upon the exercise of the options to be granted under the Share Option Scheme and any other share option schemes of the Company.

Application will be made to the Stock Exchange for the listing of, and permission to deal, in the Shares, representing 10% of the Shares in issue at the SGM, which may fall to be issued upon the exercise of the options that may be granted under the refreshed Scheme Mandate Limit.

GENERAL

Pursuant to Rule 17.42A(1) of the GEM Listing Rules, the refreshment of the Existing General Mandate requires the approval of the Independent Shareholders at the SGM at which any controlling Shareholders and their associates or, where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions to be proposed for the approval of such grant, and under Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting must be taken by way of poll.

As at the Latest Practicable Date, the Company had no controlling Shareholders and none of the Directors, the chief executive of the Company and their respective associates owned any interests in the issued share capital of the Company, and therefore none of the Shareholders shall abstain from voting in favour of the relevant resolutions to be proposed at the SGM to approve the grant of the New General Mandate and any extension thereof.

LETTER FROM THE BOARD

In addition, no Shareholder is required to abstain from voting for the resolution to approve the Refreshment of Scheme Mandate Limit. The voting at the SGM shall be taken by way of a poll.

THE SGM

A notice for convening the SGM is set out from pages 18 to 21 of this circular. The SGM will be convened for the purpose of considering and, if thought fit, passing the ordinary resolutions to approve the refreshment of the Existing General Mandate, plus the number of share repurchased by the Company pursuant to the repurchase mandate granted at the AGM and the Refreshment of Scheme Mandate Limit. A form of proxy for use at the SGM is enclosed with this circular.

Whether or not you are able to attend the SGM in person, you are requested to complete and return the accompanying form of proxy to the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM. Completion and return of the form of proxy shall not preclude you from attending and voting at the SGM (or any adjourned meeting thereof) should you so wish. The voting at the SGM will be taken by way of poll. An announcement will be made by the Company following the conclusion of the SGM to inform you the results.

RECOMMENDATIONS

Your attention is drawn to the letter from Menlo Capital set out from pages 14 to 17 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the refreshment of the Existing General Mandate and the principal factors and reasons it has taken into account in arriving at its recommendation.

The Independent Board Committee, having taken into account the advice of Menlo Capital, considers that the refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of the New General Mandate are fair and reasonable so far as the Independent Shareholders are concerned, and accordingly recommends the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the SGM for approving the refreshment of the Existing General Mandate and any extension thereof. The full text of the letter from the Independent Board Committee is set out on page 13 of this circular.

LETTER FROM THE BOARD

The Directors consider that the refreshment of Existing General Mandate and any extension thereof and the Refreshment of Scheme Mandate Limit are in the interests of the Company and the Shareholders as a whole and the terms of the New General Mandate and any extension thereof and the Refreshment of Scheme Mandate Limit are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the SGM to approve the refreshment of the Existing General Mandate and any extension thereof and the Refreshment of Scheme Mandate Limit.

RESPONSIBILITY STATEMENT

This circular, for which the 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 misleading.

For and on behalf of the Board of
KH Investment Holdings Limited
Lai Hok Lim
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the proposed grant of the New General Mandate:



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)

18 November 2010

To the Independent Shareholders

Dear Sirs,

REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

We refer to the circular of the Company dated 18 November 2010 (the “**Circular**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole and whether the terms of the New General Mandate and any extension thereof are fair and reasonable so far as the Independent Shareholders are concerned.

Having considered the principal reasons and factors considered by, and the advice of, Menlo Capital as set out in its letter of advice from pages 14 to 17 of the Circular, we are of the opinion that the refreshment of the Existing General Mandate and any extension thereof is in the interests of the Company and the Shareholders as a whole and the terms of the New General Mandate and any extension thereof are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the refreshment of the Existing General Mandate and any extension thereof.

Yours faithfully

For and on behalf of the Independent Board Committee

Mr. Yip Tai Him Mr. Law Yiu Sang, Jacky Ms. Chio Chong Meng

Independent non-executive Directors

* For identification purpose only

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter from Menlo Capital Limited for the purpose of incorporation in this circular, in connection with its advice in relation to the refreshment of the Existing General Mandate and any extension thereof:



Menlo Capital Limited
Unit 1807, West Tower, Shun Tak Centre,
168 Connaught Road Central, Hong Kong

18 November 2010

*To the Independent Board Committee and the Independent Shareholders of
the Company*

Dear Sirs or Madams,

REFRESHMENT OF THE EXISTING GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

We refer to our engagement as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders on the refreshment of the Existing General Mandate and any extension thereof, details of which are set out in the “Letter from the Board” contained in the circular (the “Circular”) issued by the Company to the Shareholders dated 18 November 2010 of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context of this letter otherwise requires.

As at the Latest Practicable Date, the issued share capital of Company consisted of 396,549,726 Shares. Ordinary resolutions will be proposed to the Independent Shareholders to approve (i) the granting of the New General Mandate to authorise the Directors to allot, issue and deal with 79,309,945 new Shares, being the number of Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM for passing such resolution, assuming no further issue or repurchase of Shares from the Latest Practicable Date up to the date of the SGM; and (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 17.42A(1) of the GEM Listing Rules, the refreshment of the Existing General Mandate requires the approval of the Independent Shareholders at the SGM at which any controlling Shareholders and their associates or, where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions to be proposed for the approval of such grant, and under Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting must be taken by way of poll.

As at the Latest Practicable Date, the Company had no controlling Shareholders and none of the Directors, the chief executive of the Company and their respective associates owned any interests in the issued share capital of the Company, and therefore none of the Shareholders shall abstain from voting in favour of the relevant resolutions to be proposed at the SGM to approve the grant of the New General Mandate and any extension thereof. In addition, no Shareholder is required to abstain from voting for the resolution to approve the Refreshment of Scheme Mandate Limit. The voting at the SGM shall be taken by way of a poll.

We consider that we have been provided with sufficient information to enable us to reach an informed view and to justify our reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company.

PRINCIPAL FACTORS AND REASONS TAKEN INTO ACCOUNT

In arriving at our advice to the Independent Board Committee and the Independent Shareholders in respect of the Existing General Mandate and any extension thereof, we have taken the following principal factors and reasons into consideration:

THE BACKGROUND

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

LETTER FROM INDEPENDENT FINANCIAL ADVISER

THE EXISTING GENERAL MANDATE

At the AGM, the then independent shareholders of the Company approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to issue, allot and deal with not more than 67,053,210 Shares, being 20% of the entire issued share capital of the Company of 335,266,054 Shares as at the date of the AGM.

REASONS FOR THE REFRESHMENT OF THE EXISTING GENERAL MANDATE

From the date of the granting of the Existing General Mandate up to the Latest Practicable Date, the Existing General Mandate had been utilised as to 59,183,672 Shares, representing substantial part of the aggregate number of Shares which may be issued and allotted under the Existing General Mandate, in connection with the acquisition of Infrared Engineering & Consultants Limited, a company principally engaged in sales of infrared-related equipments, providing infrared thermal imaging and thermography and imaging technology for various academic institutions and private organization in Hong Kong and the PRC. Details of which has been disclosed in the Company's announcement dated 16 July 2010.

There is only 7,869,538 additional Shares, representing 11.74% of the Existing General Mandate, can be issued under the Existing General Mandate. The Directors consider that the Group may require for equity financing and the issue of additional Shares exceeding the amount as allowed under the Existing General Mandate for its future business operations and development, in particular there may be possibilities that the Group would identify suitable investment opportunities before the next annual general meeting which may incur funding requirements. In view of the possible future funding needs of the Group for future operations and development, and possible investment when opportunities arise, the Board considers equity financing to be an important avenue of resources to the Group since equity financing does not create any interest paying obligations on the Group and is relatively less time consuming. For avoidance of doubt, as at the Latest Practicable Date, the Board had not identified any investment opportunities.

OTHER FINANCIAL ALTERNATIVES

The Board have considered other means of fundraising, including but not limited to, rights issue, open offer and specific mandate for specific usage. As one of the alternatives means of fundraising, the Board considers that the New General mandate may broaden not only the capital base of the Company but also its shareholders base in the Company by introducing potential investors who interest in the business of the Company. Furthermore, the New General Mandate offers an opportunity for the Directors to capture a favourable equity market condition to raise funds by issuing new Shares and, in particular, would offer the Board higher flexibility to capture investment opportunities which may arise at any time and require prompt investment decision by the Group.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

We concur with the view of the Board that the New General mandate (i) may broaden shareholders base in the Company; (ii) offers an opportunity for the Directors to capture a favourable equity market condition to raise funds by issuing new Shares; and (iii) would offer the Board higher flexibility to capture investment opportunities which require prompt investment decision by the Group. We are of the view that the New General mandate is also an alternatives means of fundraising other than rights issue, open offer and specific mandate for specific usage.

Having considered that the New General Mandate will provide the Group with an additional alternative and the flexibility in deciding the best financing method for its future business operations and development, we consider that the refreshment of the Existing General Mandate and any extension thereof are in the interests of the Company and the Shareholders as a whole.

THE NEW GENERAL MANDATE

Independent Shareholders should note that the New General Mandate and any extension thereof will, if granted at the SGM, remain effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held in accordance with Bermuda law or the Bye-Laws; and (iii) its revocation or variation by ordinary resolution of the Shareholders in general meeting. We are of the view that the terms of the New General Mandate are in the ordinary course of business and fair and reasonable so far as the Independent Shareholders are concerned.

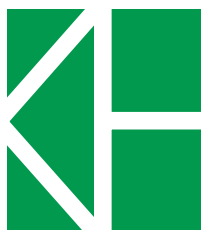
RECOMMENDATION

Having taken into consideration of the above principal factors and reasons, we are of the view that the New General Mandate is in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the New General Mandate.

Yours faithfully,
For and on behalf of
Menlo Capital Limited

Michael Leung
Executive Director

NOTICE OF SGM



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)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of KH Investment Holdings Limited (the “**Company**”) will be held at 4:30 p.m., on Monday, 6 December 2010 to consider and, if thought fit, to pass, with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT**, to the extent not already exercised, the mandate to issue and allot shares of the Company given to the directors of the Company (the “**Directors**”) at the annual general meeting (the “**AGM**”) of the Company held on 19 May 2010 be and is hereby revoked and replaced by the mandate **THAT**:
 - (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM**”), the exercise by the Directors during the Relevant Period (as hereafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;

* *For identification purpose only*

NOTICE OF SGM

(c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereafter defined); (ii) any Share Option Scheme (as hereafter defined) of the Company; (iii) the exercise of rights of conversion under the terms of any securities which are convertible into shares of the Company or warrants to subscribe for shares of the Company; or (iv) any scrip dividend or other similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the bye-laws of the Company, shall not exceed;

(i) 20 per cent. of the issued share capital of the Company as at the date of passing of this resolution; and

(ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the general meeting of the Company dated 19 May 2010),

and the approval in paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

(iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held.

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem

NOTICE OF SGM

necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange applicable to the Company); and

2. “**THAT** conditional upon the passing of resolution no. 1 above, the mandate granted to the Directors at the AGM to extend the general mandate to allot and issue Shares to Shares repurchased by the Company be and is hereby revoked and replaced by the mandate **THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 1 above in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such resolution.”

3. “**THAT** subject to the GEM granting the listing of, and permission to deal in, the shares of the Company to be issued pursuant to the exercise of options which may be granted under the Scheme Mandate Limit (as defined below) and pursuant to paragraph 8(C) of the existing share option scheme of the Company, adopted on 6 March 2002 (the “**Share Option Scheme**”), approval be and is hereby generally and unconditionally granted for refreshing and renewing the Scheme Mandate Limit (as defined in the circular of the Company dated 18 November 2010 in relation to the SGM) under the Share Option Scheme provided that (i) the total number of shares of the Company which may be allotted and issued upon the exercise of the options to be granted under the Share Option Scheme and other share option schemes of the Company shall not exceed 10% of the total number of shares of the Company in issue as at the date of the passing of this resolution (the “**Scheme Mandate Limit**”); and (ii) the overall limit on the number of shares of the Company which may be issued upon the exercise of all options to be granted and yet to be exercised under the Share Option Scheme and other share option schemes of the Company must not exceed 30% of the shares of the Company in issue from time to time and that the directors of the Company be and are hereby authorised, at their absolute discretion, to grant options under the Share Option Scheme up to the Scheme Mandate Limit and to exercise all the powers of the Company to allot, issue and deal with the shares of the Company pursuant to the exercise of such options.”

For and on behalf of the Board of
KH Investment Holdings Limited
Lai Hok Lim
Chairman

Hong Kong, 18 November 2010

NOTICE OF SGM

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:

Unit 3407, 34/F
Shun Tak Centre
West Tower
168-200 Connaught Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy to attend and, subject to the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. Whether or not you intend to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should be so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. In the case of joint holders of shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.