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KARL THOMSON HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

ANNOUNCEMENT

The Directors have noted the recent decreases in the price of the shares and increases in the trading volume of the shares of the Company and would like to inform that they were advised that a substantial shareholder of the Company had acquired 1,746,000 shares of the Company in the market today at prices ranging from HK\$0.50 to HK\$0.68 per Share.

The board of directors (the "Directors") of Karl Thomson Holdings Limited (the "Company") have noted the recent decreases in the price of the shares and increases in the trading volume of the shares of the Company today and would like to inform that they were advised that a substantial shareholder of the Company, J&A Investment Limited, had acquired 1,746,000 shares of the Company of HK\$0.10 each (the "Shares") in the market today at prices ranging from HK\$0.50 to HK\$0.68 per Share. The 1,746,000 Shares represent approximately 0.38% of the existing issued share capital of the Company. Accordingly, the shareholding of J&A Investment Limited in the Company had increased from 62.67% to 63.05%.

Save as mentioned above, the Directors are not aware of any other reasons for such decrease in the price of the shares and increase in the trading volume of the shares of the Company and would like to confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, nor are the Directors aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Made by the order of the board of the Company, the Directors of which individually and jointly accept responsibility for the accuracy of this announcement.

On behalf of the Board
Nam Kwok Lun

Deputy Chairman and Managing Director

Hong Kong, 7th February, 2002