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KARL THOMSON HOLDINGS LIMITED

(高信集團控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 7)

ANNOUNCEMENT

The Directors have noted the increases in the price and trading volume of the shares of the Company and we are not aware of any reasons for such movements. The Directors also wish to state that the Company is currently engaging in discussion of a possible notifiable acquisition (“the Possible Acquisition”).

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board of directors (the “Directors”) of Karl Thomson Holdings Limited (the “Company”) have noted the increases in the price and trading volume of the shares of the Company and wish to state that we are not aware of any reasons for such movements.

The Company is currently contemplating a possible notifiable acquisition involving certain connected parties (“the Possible Acquisition”), which is notifiable under rule 13.23 of the Rules Governing the Listing of Securities on Stock Exchange (the “Listing Rules”) and may require the approval of its shareholders. However, while these discussions are continuing, no definitive agreement has been signed. The Company is not aware of any leakage of information regarding the Possible Acquisition as at the time of this announcement. The Company expects to make further announcements as soon as practicable in relation to the Possible Acquisition.

Save for the above mentioned, we also confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board 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.

List of all Directors of the Company as of the date of this announcement:

Executive Directors:

Mr. Lam Kwok Hing (Chairman)
Mr. Nam Kwok Lun

Independent Non-Executive Directors:

Mr. Ng Chi Kin, David
Mr. Chen Wei-ming, Eric
Mr. Kwan Wang Wai Alan

On behalf of the Board
Nam Kwok Lun

Deputy Chairman and Managing Director

Hong Kong, 22nd November 2004

* For identification only