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KARL THOMSON HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

The Directors noted the decrease in the price and increase in trading volume of the Shares of the Company and wished to state that the Directors were informed by a substantial shareholder of the Company had purchased of 13,400,000 Shares in the market today at HK\$0.50 per Share.

The board of directors (the "Directors") of Karl Thomson Holdings Limited (the "Company") noted the decrease in the price and increase in the trading volume of the shares of the Company and wished to state that the Directors were informed by a substantial shareholder of the Company, J&A Investment Limited ("J&A") (80% of the issued share capital of J&A is beneficially owned by Mr. Lam Kwok Hing, the chairman and executive director of the Company, and the remaining 20% of the issued share capital of J&A is beneficially owned by Mr. Nam Kwok Lun, the deputy chairman and managing director of the Company), had purchased of 13,400,000 shares of the Company of HK\$0.10 each (the "Shares") in the market today at HK\$0.50 per share. The 13,400,000 Shares represent approximately 2.91% of the existing issued share capital of the Company. Immediately after its purchase of 13,400,000 shares of the Company, J&A's shareholding in the Company has increased from approximately 64.85% to 67.76% of the existing issued share capital.

Save for the announcements of the Company dated 3 June 2003, 11 July 2003, 1 August 2003 and mentioned above, the Directors are not aware of any other reasons for such decrease in the price and increase in the trading volume of the Shares and would like to 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.

On behalf of the Board
Nam Kwok Lun

Deputy Chairman and Managing Director

Hong Kong, 28th October 2003