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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 DELAY IN DESPATCH OF CIRCULAR IN RELATION TO MAJOR TRANSACTION ACQUISITION OF THE ISSUED SHARE CAPITAL OF SWISS-INVEST PETROLEUM GROUP LIMITED AND GRANT OF SHAREHOLDER'S LOAN

The Company announces that additional time is required to prepare the technical report and negotiate the principal terms of the Formal Agreement for incorporation into the Circular. As such, the Company has applied to the Stock Exchange for a waiver from strict compliance with the requirement under Rule 14.38 of the Listing Rules and an extension of time for despatch of the Circular to the Shareholders to on or before 5 April 2006.

Reference is made to the announcement of the Company dated 14 February 2006 (the “**Announcement**”) in relation to, among others, the acquisition of the issued share capital of Swiss-Invest Petroleum Group Limited and grant of shareholder’s loan (the “**Major Transaction**”) and the Subscription. Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed to them in the Announcement.

Pursuant to Rule 14.38 of the Listing Rules, the Company is required to, within 21 days after publication of the Announcement, that is, on or before 8 March 2006, despatch to Shareholders a circular (the “**Circular**”) in relation to the Major Transaction. However, the Company requires more time to prepare the technical report and negotiate the principal terms of the Formal Agreement for incorporation into the Circular]. As such, the Company has applied to the Stock Exchange for a waiver from strict compliance with the requirement under Rule 14.38 of the Listing Rules and an extension of time for despatch of the Circular to the Shareholders to on or before 5 April 2006.

By order of the Board
Karl Thomson Holding Limited
Lam Kwok Hing
Chairman

Hong Kong, 7 March, 2006

* *For identification purposes only.*

As at the date of this announcement, the executive Directors are Mr. Lam Kwok Hing and Mr. Nam Kwok Lun, and the independent non-executive Directors are Mr. Chen Wei-ming, Eric, Mr. Kwan Wang Wai, Alan and Mr. Ng Chi Kin, David.

Please also refer to the published version of this announcement in China Daily.