KTL International Holdings Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 442)

PROFIT WARNING

This announcement is made by KTL International Holdings Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary assessment by the management of the Group on the unaudited consolidated management accounts of the Group for the four months ended 31 July 2015 (the "**Period**"), the Company records a consolidated loss for the Period (the "**Loss**") against a consolidated profit for the corresponding period of 2014. The Loss was mainly attributable to a decline in the Group's revenue by approximately 49% and gross profit by approximately 61% for the Period as compared to the same period in 2014. Based on the information currently available, the decline was primarily attributable to (i) the unfavourable economic environment in Russia and Europe during the Period, leading to a decrease in sales of the Group by approximately HK$191.5 million and approximately HK$12.8 million, respectively; and (ii) the decrease in average wholesale price of gold fine jewellery products of the Group in Russian market by approximately HK$420 per piece as higher portion of products with simple design were sold to Russia, primarily resulting from the depreciation of Ruble against US dollars and the weakening of purchasing powers of Russian customers.

The information contained in this announcement is solely based on a preliminary assessment by the management of the Company with reference to the information currently available to the Group and based on the unaudited consolidated management accounts of the Group for the Period, which is yet to be finalised and has not yet been reviewed or audited by the Company's auditors or the audit committee of the Company.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
KTL International Holdings Group Limited
Kei York Pang Victor
Co-Chairman and Executive Director

Hong Kong, 4 September 2015

As at the date of this announcement, the executive Directors are Mr. Kei York Pang, Victor, Mr. Li Man Chun, and Mr. Kei Yeuk Lun, Calan; and the independent non-executive Directors are Mr. Ting Tit Cheung, Mr. Chan Chi Kuen and Mr Lo Chun Pong.