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 of the unaudited consolidated management accounts of the Group for the five months ended 31 August 2016 (the "**Period**"), the Company recorded a consolidated loss for the Period (the "**Loss**"). The Loss was mainly attributable to a decline in the Group's revenue by approximately 33.0% and gross profit by approximately 37.0% for the Period as compared to the corresponding period in 2015. Based on the information currently available, the decline in revenue was primarily attributable to a significant slowdown of sales in Russian and American markets, the decrease of which were approximately HK$56.1 million and HK$31.6 million, respectively, for the Period as compared to the corresponding period in 2015, primarily attributable to global economic uncertainty and weaker than expected demand in Russian and American market.

In response to this difficult and challenging operating environment, the Group will closely monitor the market situation and make necessary adjustments to its strategies and operations, including streamlining of organisational structures and implementation of stringent cost control measures to improve operating efficiency and profitability.

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 the unaudited consolidated management accounts of the Group for the Period, which is yet to be finalised and has not 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, 27 October 2016

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.