

KTL TECHNOLOGIES LIMITED
ABN 75 009 089 981

20 July 2009

Dear KTL Technologies Shareholder,

In specie distribution of KTL Technologies HK Limited shares

At a general meeting of KTL Technologies Limited (KTL) on 16 December 2008, KTL shareholders approved a resolution to reduce the issued capital of KTL by making a pro rata in specie distribution of shares in KTL Technologies HK Limited (KTLHK) to KTL shareholders.

Important information about the nature of the in specie distribution is in KTL's notice of general meeting dated 14 November 2008, including information about KTLHK shares and taxation issues.

Enclosed is a share certificate in respect of KTLHK shares transferred to you pursuant to KTL's in specie distribution.

KTL considers the fair market value of KTLHK shares to be A\$nil. The decrease in net asset value of KTLHK from 30 September 2008 was due to operating expenses incurred by JSHM during the three-month period.

KTLHK's constitution provides that the KTLHK shares cannot be transferred for 12 months from the date you are registered as the holder of the KTLHK shares. If you would like a copy of KTLHK's Memorandum and Articles of Association then refer to www.ktltek.com.au or please contact KTLHK's company secretary on +852 2848 0126.

Yours faithfully,
KTL TECHNOLOGIES LIMITED

Ms Rachel Wong
DIRECTOR AND COMPANY SECRETARY