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KTP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 645)

ANNOUNCEMENT ADDENDUM TO THE MEMORANDUM OF UNDERSTANDING

The Company entered into the Addendum with LTE on 21 October 2011 to extend the term and amend certain provisions of the MOU.

Reference is made to the announcement of KTP Holdings Limited (the “**Company**”) dated 26 August 2011 (the “**MOU Announcement**”) in relation to the signing of the memorandum of understanding with PT Langit Timur Energy (“**LTE**”) on the Company’s intention to participate with LTE relating to the tender offer for coal offtake agreement and acting as a marketing agency in relation to certain coal concessions in Indonesia. Unless the context requires otherwise, terms used herein shall have the same meaning as those defined in the MOU Announcement.

REASONS FOR ENTERING THE ADDENDUM

As disclosed in the MOU Announcement, the term of the MOU shall come into force and effect at the date of signing of the MOU and shall continue until the earlier of (a) the expiry of 60 days from the date of the MOU (or such period the parties to the MOU may agree); or (b) execution of the Formal Agreement.

As additional time is required for further negotiation of the commercial terms of the Intended Tender Offer and for the engagement of professional parties to conduct due diligence on certain coal concessions in Indonesia, the Company entered into the addendum to the MOU (the “**Addendum**”) with LTE on 21 October 2011 to extend the term and amend certain provisions of the MOU. In order to fend off competition from other bidders who are also interested in the Intended Tender Offer and at the request of LTE, the Company shall place an additional deposit in an aggregate amount which is equivalent to US\$2 million (“**Additional Deposit**”) with LTE. The Additional Deposit is interest-free and refundable.

PRINCIPAL TERMS OF THE ADDENDUM

1. The Company shall place the Additional Deposit with LTE starting from the date of the Addendum to 31 December 2011; and
2. Both parties agree to extend the period of the MOU's effectiveness to 26 February 2012 or any other date agreed by the parties.

Save as disclosed above, all terms and conditions of the MOU will remain unchanged and in full force and effect.

GENERAL

All terms and conditions of the Formal Agreement relating to the participation in the Intended Tender Offer are still under negotiation among the parties thereto. **Therefore, the terms and conditions of the Formal Agreement may or may not be agreed and the possible transaction may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

By Order of the Board
KTP Holdings Limited
Chua Chun Kay
Chairman

21 October 2011

As at the date of this announcement, the Board comprises Mr. Chua Chun Kay (Chairman) and Mr. David Michael Gormley as executive directors of the Company and Mr. Lam Pun Yuen, Frank, Mr. Ngan Hin Hong and Mr. Yeung Kin Bond, Sydney as independent non-executive directors of the Company.