



## KTL GLOBAL LIMITED

(Incorporated in the Republic of Singapore under Registration Number 200704519M)

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### ENTRY INTO BRANDING, OPERATION AND PROCUREMENT SERVICES AGREEMENT IN CONNECTION WITH BRAND MANAGEMENT SERVICES FOR GUANGDONG X DIAMOND

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The Board of Directors (the “**Board**”) of KTL Global Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement released by the Company on 23 June 2021 (the “**23 June 2021 Announcement**”) in respect of the entry by the Company into a brand management service agreement (the “**BMSA**”) with Guangdong X Diamond Technology Co., Ltd. (广东熹钻技术有限公司) (“**Guangdong X Diamond**”).

*Unless otherwise defined herein, all capitalised terms shall have the meanings ascribed to them in the 23 June 2021 Announcement.*

#### 1. The BMSA

1.1 As disclosed in the 23 June 2021 Announcement, the Company has recently entered into the BMSA pursuant to which the Company has been engaged to provide Guangdong X Diamond with brand management services. Guangdong X Diamond is a company incorporated in the PRC and is in the business of manufacturing and sales of synthetic diamonds (the “**GXD Products**”).

1.2 Pursuant to the terms of the BMSA:

- (a) the brand management services provided by the Company include introducing Guangdong X Diamond to and/or connecting Guangdong X Diamond with local partners/businesses (“**Local Partners**”), which may be interested in (i) selling the GXD Products in their respective e-commerce and/or physical shops and/or (ii) distributing the GXD Products to retail shops. In connection with the foregoing, Guangdong X Diamond has acknowledged and agreed that the Company may provide or may be providing branding, operation and procurement (“**BOP**”) services to the foregoing Local Partners;
- (b) Guangdong X Diamond has granted to the Company a royalty-free exclusive license to use the GXD Trade Marks for purposes of the provision of the brand management services by the Company to Guangdong X Diamond; and
- (c) Guangdong X Diamond has irrevocably and unconditionally agreed that the Company shall be entitled to grant a sub-license in respect of the GXD Trade Marks to any person it deems necessary as part or for the purposes of, or in connection with, the provision of the brand management services being provided by the Company under the BMSA (the rights specified in sub-paragraphs (b) and (c) above being the “**GXD TM Rights**”).

Shareholders may wish to refer to the 23 June 2021 Announcement for more information on the BMSA.

- 1.3 As the Company intends for the BOP services to the foregoing Local Partners to be provided by the Company's wholly-owned subsidiary, Gold Heartland Pte. Ltd. ("**GHPL**"), the Company and Guangdong X Diamond have both agreed for the BMSA to expressly allow for such BOP services to also be provided by GHPL and, in connection thereto, for the same GXD TM Rights to also be granted to GHPL. Accordingly, both the Company and Guangdong X Diamond have on 30 June 2021 entered into a supplemental agreement to the BMSA to expressly provide for the foregoing.

## **2. Entry into X Diamond BOP Services Agreements**

- 2.1 Further to the above and in connection with the brand management services being provided by the Company to Guangdong X Diamond pursuant to the BMSA, the Company wishes to update shareholders that GHPL has on 30 June 2021 entered into a BOP services agreement (the "**X Diamond BOP Services Agreement**") with 1 Local Partner which the Company has introduced to/connected with Guangdong X Diamond.
- 2.2 Pursuant to the X Diamond BOP Services Agreement, GHPL will provide BOP services to the Local Partner (and the physical and online stores as may be operated by the Local Partner) for a period of 1 year from the date of the agreement (the "**Initial Term**"). The X Diamond BOP Services Agreement will be automatically renewed for successive one-year terms (each being a "**Renewal Term**"), up to a maximum of 4 Renewal Terms, unless (i) a party gives the other party written notice of non-renewal at least 2 months before the end of the Initial Term or a Renewal Term (as the case may be), or (ii) the agreement is terminated earlier in accordance with its terms.
- 2.3 For the Initial Term, the service fee (the "**GXD BOP Service Fee**") payable by the Local Partner to GHPL for the BOP services is S\$200,000. Such GXD BOP Service Fee for the Initial Term is payable by the Local Partner in cash and in full immediately upon the signing of the X Diamond BOP Services Agreement. The Company confirms that its subsidiary, GHPL, has received full payment of the GXD BOP Service Fee of S\$200,000 from the Local Partner upon parties' execution of the X Diamond BOP Services Agreement.

For each Renewal Term (if any), the amount of GXD BOP Service Fee payable will be subject to GHPL's review and revision. GHPL will notify the Local Partner at least 3 months before the end of the Initial Term or a Renewal Term (as the case may be) should there be any revision to the amount of the GXD BOP Service Fee payable for a Renewal Term.

- 2.4 Shareholders should note that the Company's subsidiary, GHPL, may enter into more X Diamond BOP Services Agreements as the Company introduces Guangdong X Diamond to and/or connects Guangdong X Diamond with more Local Partners. In this regard, the Company expects the terms and conditions of the X Diamond BOP Services Agreement to be entered into with each Local Partner to be the same (or substantially the same) subject to agreement by the respective Local Partners. As the X Diamond BOP Services Agreement provides for the grant of a sublicense in respect of the GXD Trade Marks, for compliance with the terms of the BMSA, the Company is required to obtain the prior written approval of Guangdong X Diamond for the grant of such sublicense. In respect of the grant of such sublicense under the X Diamond BOP Services Agreement with the current Local Partner, the Company has obtained the prior

written approval of Guangdong X Diamond. Shareholders should therefore note that the entry by GHPL into the X Diamond BOP Services Agreements with additional new Local Partners in the future will be subject to the prior written approval of Guangdong X Diamond.

### **3. Financial Effects**

Given that the GXD BOP Service Fee for the Initial Term has been received by GHPL, GHPL's entry into the foregoing X Diamond BOP Services Agreement is expected to have a positive impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2021.

Save for their respective directorships and/or shareholding interests in the Company and/or its subsidiaries (as the case may be), none of the Directors or their associates or, as far as the Company is aware, substantial shareholders of the Company or their associates, has any interest, direct or indirect, in the BMSA or in the foregoing X Diamond BOP Services Agreement which has been entered into by GHPL.

### **4. BOP Business**

4.1 Notwithstanding the entry by GHPL into the existing X Diamond BOP Services Agreement (and any further new X Diamond BOP Services Agreements which may be entered into by GHPL in the future), as at the date of this announcement, the Company intends to continue to operate its existing BOP business segment which is being undertaken by the Company's 80%-owned subsidiary, Bluegas Private Limited.

4.2 Shareholders should note that the entry by GHPL into the X Diamond BOP Services Agreements (including any further new X Diamond BOP Services Agreements in the future) allows for the Group to expand its BOP business segment by providing its BOP services to customers in another industry. While Bluegas Private Limited provides BOP services to downstream operators that supply hospitals, clinics and pharmacies in different provinces of the PRC with smart automatic vending kiosks dispensing medical consumables and supplements, under the X Diamond BOP Services Agreements, GHPL will be providing BOP services to distributors and sellers of synthetic diamonds, specifically the GXD Products. Such BOP services are being provided in connection with the BMSA entered into by the Company earlier (and as announced by the Company in the 23 June 2021 Announcement). By serving BOP clients in different industries and businesses, the Group expects to reduce the business risk of the Group's BOP business segment given that clients in different business and industries would likely be subject to among others different market and pricing pressures as well as geographic risks depending on the location of their business operations and activities.

4.3 The Company wishes to highlight that the essence of the BOP services being provided to its BOP clients in different industries will still continue to be similar (although some times with some customisations to cater to the needs of the BOP clients in the particular industry). As such, the entry by GHPL into the existing X Diamond BOP Services Agreement (and any further new X Diamond BOP Services Agreements in the future) falls within the ordinary course of the Group's business (being the existing BOP business).

## **5. Update and Cautionary Statement**

The Company has made this announcement to update shareholders primarily on the Group's BOP business (including the BOP services that will be provided by GHPL) and the standard terms in respect of which the Group expects to provide the BOP services in connection with the BMSA (subject to relevant parties' mutual agreement). The Company will make further announcements to keep shareholders informed as and when there are further material developments in respect of the subject matter herein and where required under the Listing Rules.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

### **By Order of the Board**

Liu Changsheng  
Chief Executive Officer

30 June 2021