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## **STANDARD CHARTERED PLC**

**渣打集團有限公司**

*(Incorporated as a public limited company in England and Wales with limited liability)*

*(Registered Number: 966425)*

*(Stock Code: 02888)*

### **Connected Transaction**

#### **Entry into the Investment Agreement of Clifford Capital Holdings Pte. Ltd.**

On 26 March 2020, Standard Chartered, through its wholly-owned subsidiary SCBSL, entered into the Investment Agreement with CCH, the Temasek SPVs and the Other Transaction Parties, pursuant to which SCBSL (i) agreed to swap its existing shares in CCPL for Shares in CCH at a 1:1 exchange ratio and (ii) committed to contribute additional funds to CCH up to a total amount of US\$43,438,824 by way of subscription for Shares as and when called by CCH within the Commitment Period at a price of US\$1.6775 per Share. Such additional funds will be utilised to support further business growth at CCPL and the expansion of new business lines under CCH.

On 26 March 2020, SCBSL also entered into the Shareholders' Agreement between CCH, the Temasek SPVs and the Other Transaction Parties. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, save for DBS Bank Ltd. in which Temasek is an indirect substantial shareholder, the Other Transaction Parties and their respective ultimate beneficial owners are all independent third parties of Standard Chartered and Standard Chartered's connected persons.

As Temasek is a substantial shareholder of Standard Chartered as defined under the Listing Rules, Temasek is a connected person of Standard Chartered. By virtue of Temasek holding more than 30% of their issued share capital, CCH and CCPL are connected persons of Standard Chartered. Pursuant to Chapter 14A of the Listing Rules, the entry into the Investment Agreement and the Shareholders' Agreement between SCBSL, CCH, the Temasek SPVs and the Other Transaction Parties constitutes a connected transaction for Standard Chartered.

As the highest applicable percentage ratios in respect of the transaction contemplated under the Investment Agreement is more than 0.1% but less than 5%, the entry into the Investment Agreement and the Shareholders' Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement.

#### **INTRODUCTION**

On 26 March 2020, SCBSL entered into the Investment Agreement with CCH, the Temasek SPVs and the Other Transaction Parties. Under the Investment Agreement, SCBSL (i) agreed to swap its existing shares in CCPL for Shares in CCH at a 1:1 exchange ratio and (ii) committed to contribute additional funds to CCH up to a total amount of US\$43,438,824 by way of subscription for Shares as and when called by CCH within the Commitment Period at a price of US\$1.6775 per Share. Such additional funds will be utilised to support further business growth at CCPL and the expansion of new business lines under CCH. The valuation of CCH was proposed by CCPL, based on advice from its

financial advisor and mutually agreed by all shareholders of CCPL. On 26 March 2020, SCBSL also entered into the Shareholders' Agreement between CCH, the Temasek SPVs and the Other Transaction Parties.

## **INVESTMENT AGREEMENT**

The principal terms of the Investment Agreement are as follows:

- i. SCBSL will sell its shares in CCPL to CCH for the aggregate amount of US\$33,705,585.94, such amount to be wholly satisfied by (i) the allotment and issue of 22,770,000 Shares to SCBSL and (ii) the transfer of 99 incorporation Shares from the CCH company secretary to SCBSL;
- ii. SCBSL undertakes to contribute additional funds in the total amount of US\$43,438,824 to CCH by way of subscription for Shares as and when called by CCH during the Commitment Period;
- iii. SCBSL currently holds 9.9% of CCPL. Following completion of the steps in (i) above, SCBSL will hold 9.9% of CCH. Following completion of the steps in (ii) above, SCBSL is anticipated to maintain a 9.9% holding in CCH; and
- iv. failure to subscribe for Shares as and when called by CCH will result in SCBSL's shareholding in CCH being diluted and will entitle other shareholders to acquire its Shares at a discount to the lower of fair market value and book value.

## **SHAREHOLDERS' AGREEMENT**

The Shareholders' Agreement contains terms and shareholder rights customary for transactions of this nature, including as to board representation, voting, transfer restrictions and exit provisions.

SCBSL's material rights in this regard include:

- i. the right to appoint a director for so long as it holds 5% or more of the Shares;
- ii. customary pre-emptive rights to subscribe, on a pro rata basis, for new equity securities to be issued by CCH;
- iii. a right of first refusal in respect of the transfer of Shares by other shareholders; and
- iv. a tag along right in the event of a sale by one of the Temasek SPVs that would result in the occurrence of certain events.

Any sale of Shares by SCBSL will be subject to customary pre-emptive rights in favour of the other shareholders.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT AGREEMENT AND SHAREHOLDERS' AGREEMENT**

CCH is envisioned to be an integrated alternative investment platform with synergistic companies, offering origination, distribution and investment management capabilities, and operating under a financially sustainable and commercial ethos. In addition to CCPL, CCH will expand into new business lines which initially includes the acquisition, warehousing and distribution of infrastructure loans (through Bayfront Infrastructure Management) and subsequently the provision of structured

credit products (through Keppel-Pierfront Private Credit Funds) and short-term working capital financings.

The creation of CCH and expansion of its business lines will create scale and diversity, which will deliver Standard Chartered significant opportunities for revenue and cost synergies.

The Board (including the independent non-executive directors) is of the view that that the terms of the Investment Agreement and the Shareholders' Agreement are fair and reasonable, and the transactions contemplated under the Investment Agreement and Shareholders' Agreement are on normal commercial terms and in the ordinary and usual course of business of the Standard Chartered group, are fair and reasonable and are in the interests of Standard Chartered and its shareholders as a whole.

None of the members of the Board have a material interest in the transaction contemplated under the Investment Agreement and the Shareholders' Agreement and none of them has abstained from voting on board resolutions of Standard Chartered in respect of the transaction.

### **INFORMATION ABOUT STANDARD CHARTERED**

Standard Chartered is a leading international banking group, with a presence in 59 of the world's most dynamic markets and serving clients in a further 85. Standard Chartered's purpose is to drive commerce and prosperity through its unique diversity, and its heritage and values are expressed in its brand promise, Here for good.

Standard Chartered is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

### **INFORMATION ABOUT TEMASEK**

Temasek is an existing shareholder of CCPL.

The principal business activities of Temasek and its investment holding companies are that of investment holding, financing and / or the provision of investment advisory and consultancy services. Temasek is wholly owned by the Singapore Minister for Finance.

### **INFORMATION ABOUT CLIFFORD CAPITAL HOLDINGS PTE. LTD.**

CCH will be a specialist financing and distribution platform for real assets globally across the debt capital structure, headquartered in Singapore. Pursuant to the Investment Agreement, CCH holds a 100% interest in CCPL. CCH has no assets other than the shares it holds in CCPL and the nominal share capital it holds in Bayfront Infrastructure Management Pte. Ltd., which is one of the new business lines to be developed, and no profit or loss has been recorded up to the date of this announcement.

The principal business activities of CCPL are to provide debt financing solutions to companies and projects with a nexus to Singapore. According to the last available audited consolidated financial accounts of CCPL, the total book value of CCPL is USD 340.5 million as at 31 December 2019. Its net profit before and after taxation are USD 36.7 million and USD 36.6 million respectively for the financial year ended 31 December 2019, and USD 33.9 million and USD 33.4 million respectively for the financial year ended 31 December 2018.

## **INFORMATION ABOUT THE OTHER TRANSACTION PARTIES**

DBS Bank Ltd. is a wholly-owned subsidiary of DBSH. DBSH is listed on the Singapore Exchange. Temasek has a direct and deemed interest of approximately 29.91% of the ordinary shares of DBSH in total.

The principal business activities of Sumitomo Mitsui Banking Corporation are banking and financial services. Sumitomo Mitsui Banking Corporation is 100% owned by Sumitomo Mitsui Financial Group, which is listed on the Tokyo Stock Exchange.

The principal business activity of Prudential Assurance Company Singapore (Pte) Limited is transacting life insurance business. Its ultimate beneficial owner is Prudential Public Limited Company, which has a primary listing on the London Stock Exchange.

The principal business activities of John Hancock Life Insurance Company (U.S.A.) are providing financial advice, insurance, and wealth and asset management solutions for individuals, groups and institutions. Its ultimate beneficial owner is Manulife Financial Corporation, a publicly-traded corporation organized under the laws of Canada.

## **LISTING RULES IMPLICATIONS**

As Temasek is a substantial shareholder of Standard Chartered as defined under the Listing Rules, Temasek is a connected person of Standard Chartered. By virtue of Temasek holding more than 30% of its issued share capital, CCH and CCPL are connected persons of Standard Chartered. Pursuant to Chapter 14A of the Listing Rules, the entry into the Investment Agreement and the Shareholders' Agreement between SCBSL, CCH, the Temasek SPVs and the Other Transaction Parties constitutes a connected transaction for Standard Chartered.

As the highest applicable percentage ratios in respect of the transaction contemplated under the Investment Agreement is more than 0.1% but less than 5%, the entry into the Investment Agreement and the Shareholders' Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement.

## **DEFINITIONS**

"Board"	the board of directors of Standard Chartered PLC
"CCH"	Clifford Capital Holdings Pte. Ltd.
"CCPL"	Clifford Capital Pte. Ltd.
"Commitment Period"	the period commencing on 26 March 2020 and ending on 31 December 2025
"connected person"	has the meaning ascribed to it under the Listing Rules
"DBSH"	DBS Group Holdings Ltd.
"Investment Agreement"	the investment agreement dated 26 March 2020 between SCBSL, CCH, the Temasek SPVs and the Other Transaction Parties
"Other Transaction Parties"	collectively, DBS Bank Ltd., Sumitomo Mitsui Banking Corporation, Prudential Assurance Company Singapore (Pte) Limited, John Hancock Life Insurance Company (U.S.A.)

“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“SCBSL”	Standard Chartered Bank (Singapore) Limited, a wholly-owned subsidiary of Standard Chartered
“Shares”	ordinary shares in the capital of CCH
“Shareholders’ Agreement”	the shareholders’ agreement dated 26 March 2020 between SCBSL, CCH, the Temasek SPVs and the Other Transaction Parties
“Standard Chartered”	Standard Chartered PLC
“Temasek”	Temasek Holdings (Private) Limited
“Temasek SPVs”	the special purpose vehicles wholly owned by Temasek, namely Kovan Investments Pte. Ltd. and Aranda Investments Pte. Ltd.
“US\$”	United States dollars, the lawful currency of the United States of America

By Order of the Board  
**Amanda Mellor**  
*Group Company Secretary*

Hong Kong, 26 March 2020

As at the date of this announcement, the Board of Directors of Standard Chartered PLC comprises:

*Chairman:*

José María Viñals Iñiguez

*Executive Directors:*

William Thomas Winters, CBE and Andrew Nigel Halford

*Independent Non-Executive Directors:*

David Philbrick Conner; Byron Elmer Grote; Christine Mary Hodgson, CBE (Senior Independent Director); Gay Huey Evans, OBE; Naguib Kheraj (Deputy Chairman); Ngozi Okonjo-Iweala; David Tang; Carlson Tong and Jasmine Mary Whitbread