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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: 2888)

CONNECTED TRANSACTION

ENTRY INTO SHARE SUBSCRIPTION AGREEMENT WITH PARTIOR PTE. LTD.

On 3 November 2022, Standard Chartered's wholly-owned subsidiary SCOHL, entered into a Share Subscription Agreement with Partior, pursuant to which SCOHL agreed to subscribe for Subscription Shares in Partior at a price of US\$2.573 per Subscription Share, and for a total subscription price of US\$23,332,806 in order to acquire 25% shareholding in Partior, subject to the satisfaction of certain conditions.

On completion of the Share Subscription Agreement, SCOHL will enter into a Shareholders' Agreement with Partior, Silverheels and the Other Transaction Parties. Regarding the Other Transaction Parties, to the best of the Board's knowledge, information and belief having made all reasonable enquiry, save for DBS Finnovation Pte. Ltd. in which Temasek is an indirect substantial shareholder, JPMC Strategic Investments I Corporation and its ultimate beneficial owner are both 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 its issued share capital, Partior is also a connected person of Standard Chartered. Pursuant to Chapter 14A of the Listing Rules, SCOHL's entry into the Share Subscription Agreement between SCOHL and Partior and the Shareholders' Agreement between SCOHL, Partior, Silverheels and the Other Transaction Parties constitutes a connected transaction for Standard Chartered.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (calculated in accordance with the Listing Rules) in respect of the transactions contemplated under the Share Subscription Agreement is more than 0.1% but less than 5%, the entry into the Share Subscription Agreement and the Shareholders' Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement.

INTRODUCTION

On 3 November 2022, SCOHL entered into a Share Subscription Agreement with Partior. On completion of the Share Subscription Agreement, which is conditional upon the satisfaction of certain conditions (detailed below), (i) SCOHL will enter into the Shareholders' Agreement with Partior, Silverheels and the Other Transaction Parties, and (ii) Standard Chartered (through its affiliates) will enter into an agreement on arms-length commercial terms to act as a settlement bank for Euro and US Dollar denominated transactions, and as a participant bank on Partior's platform.

SHARE SUBSCRIPTION AGREEMENT

The Share Subscription Agreement was entered into on 3 November 2022 between SCOHL and Partior. Under the Share Subscription Agreement, SCOHL has agreed to subscribe for the Subscription Shares at a price of US\$2.573 per Subscription Share, and for a total subscription price of US\$23,332,806, payable in cash, in order to acquire 25% shareholding in Partior subject to the satisfaction of certain conditions as disclosed below.

The subscription price was determined on the basis of normal commercial terms after arm's length negotiation between Standard Chartered and Partior. The transaction terms and the valuation of Partior took into account the prevailing market conditions, Standard Chartered's due diligence of the Partior platform and its business prospects.

Completion of the Share Subscription Agreement is conditional upon fulfilment of, amongst others, the following conditions on or before the date falling 6 months after the date of the Share Subscription Agreement (or such other mutually agreed date):

- i. Completion of (i) the subscription of additional shares in Partior by Silverheels and the Other Transaction Parties, (ii) the restructuring of certain existing intellectual property royalty arrangements between Partior and the Other Transaction Parties and (iii) the payment of the proceeds from the share subscription referred to above by Partior to the Other Transaction Parties to settle certain royalty payments in connection with such restructuring;
- ii. Merger Control Clearance in Germany and South Korea whereby:
 - a. The German Federal Cartel Office lifts the prohibition on completion of the Share Subscription Agreement in accordance with German Act against Restraints of Competition; and
 - b. The Korea Fair Trade Commission issues an approval notification for the Share Subscription Agreement pursuant to the Monopoly Regulation and Fair Trade Law;
- iii. The following documents being in agreed form:
 - a. The Holdco SHA; and
 - b. The agreement for Standard Chartered to act as a settlement bank for Euro and US Dollar denominated transactions, and as a participant bank on Partior's platform. The terms of the agreement are subject to further negotiation between signing and completion of the Share Subscription Agreement.

Upon completion of the Share Subscription Agreement, SCOHL will hold a 25.0% shareholding in Partior, and the remaining 75.0% shareholding in Partior will be held by Silverheels and the Other Transaction Parties in equal proportion.

SHAREHOLDERS' AGREEMENT

The Shareholders' Agreement between SCOHL, Partior, Silverheels and the Other Transaction Parties will be entered into on completion of the Share Subscription Agreement. It contains terms and shareholder rights customary for transactions of this nature, including as to board representation, voting, transfer restrictions and exit provisions.

SCOHL's material rights in this regard include:

- i. the right to appoint a director for so long as it continues to hold at least 50% of the shares held by it on completion of the Share Subscription Agreement;
- ii. the right to appoint a board observer for so long as it holds at least 4.99% of the total shares of Partior;

- iii. customary pre-emptive rights to subscribe, on a pro rata basis, for new equity securities to be issued by Partior;
- iv. a right of first refusal in respect of the transfer of shares in Partior by other shareholders;
- v. a tag along right in the event of any proposed transfer by other shareholders of more than 50% of the total shares of Partior; and
- vi. a regulatory put option, pursuant to which SCOHL may exercise its right to require Partior to acquire all or part of SCOHL's shares in Partior, in the event that, among others, any proposed compliance measures as required by SCOHL due to regulatory requirements affecting SCOHL and/or its affiliates (but not required for Partior's own compliance) are not implemented by Partior and such non-implementation has a material detriment on SCOHL and/or its affiliates.

Any sale of shares in Partior by SCOHL will be subject to customary pre-emptive rights in favour of the other shareholders.

Shareholders selling more than 75% of the total shares of Partior to a third party shall have the right to drag other shareholders to sell their shares at the same time and on terms and conditions no less favourable than those applicable to the dragging shareholders. The grant of drag option is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE SUBSCRIPTION AGREEMENT AND SHAREHOLDERS' AGREEMENT

The equity investment in Partior builds on Standard Chartered's desire to shape *the Future of Payments* by assuring Standard Chartered can provide a payment foundation that is able to meet its clients' emerging needs. It allows Standard Chartered to deepen its blockchain innovation capabilities and ramp up its commitment to building a more transparent, efficient and secure infrastructure for global value movement.

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

None of the members of the Board has a material interest in the transaction contemplated under the Share Subscription 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.

INFORMATION ABOUT TEMASEK

Silverheels is a company incorporated in Singapore and its principal activity is investing trading and investment holding. Silverheels is an indirect wholly-owned subsidiary of Temasek.

INFORMATION ABOUT PARTIOR PTE. LTD.

Partior was incorporated in May 2021 and is headquartered in Singapore. It operates a blockchain-based cross-border payments and value exchange platform, enabling multi-currency digital clearing and settlement. Immediately before the signing of the Share Subscription Agreement between SCOHL and Partior, Partior's shares were held by Silverheels and the Other Transaction Parties in equal proportion.

According to the last available audited financial accounts of Partior, the total book value was US\$21.0 million as at 31 December 2021, net loss before taxation was US\$3.1 million and net loss after taxation was US\$3.1 million for the part-year ended 31 December 2021.

INFORMATION ABOUT THE OTHER TRANSACTION PARTIES

DBS Finnovation Pte. Ltd. is a wholly-owned subsidiary of DBSH. DBSH is listed on the Singapore Exchange. Temasek has a direct and deemed interest of approximately 29.63% of the ordinary shares of DBSH. The principal business of DBS Finnovation Pte. Ltd. is holding investments and businesses that are adjacent to its core banking services.

The principal business activity of JPMC Strategic Investments I Corporation is transacting in minority investments in emerging technology and FinTech companies. Its ultimate beneficial owner is JPMorgan Chase & Co, which is listed on the New York Stock Exchange.

LISTING RULES IMPLICATIONS

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DEFINITIONS

“Board”	the board of directors of Standard Chartered PLC
“connected person”	has the meaning ascribed to it under the Listing Rules
“DBSH”	DBS Group Holdings Ltd.
“Holdco”	a new Singapore-incorporated holding company
“Holdco SHA”	the shareholders’ agreement in respect of Holdco between SCOHL, Silverheels and the Other Transaction Parties
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Other Transaction Parties”	collectively, DBS Finnovation Pte. Ltd. and JPMC Strategic Investments I Corporation
“Partior”	Partior Pte. Ltd.
“SCOHL”	Standard Chartered Overseas Holdings Limited, a wholly-owned subsidiary of Standard Chartered
“Shareholders’ Agreement”	the shareholders’ agreement in respect of Partior between SCOHL, Partior, Silverheels, DBS Finnovation Pte. Ltd. and JPMC Strategic Investments I Corporation
“Share Subscription Agreement”	the share subscription agreement dated 2 November 2022 between SCOHL and Partior
“Silverheels”	Silverheels Investments Pte. Ltd.
“Standard Chartered”	Standard Chartered PLC
“Subscription Shares”	31,923 ordinary shares and 9,036,404 Series A preference shares in Partior
“Temasek”	Temasek Holdings (Private) Ltd.
“US\$”	United States dollars, the lawful currency of the United States of America

By order of the Board
Standard Chartered PLC
Adrian de Souza
Group Company Secretary

Hong Kong, 3 November 2022

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:
Shirish Moreshwar Apte; David Philbrick Conner; Byron Elmer Grote; Christine Mary Hodgson, CBE; Gay Huey Evans, CBE; Jacqueline Hunt; Robin Ann Lawther, CBE; Maria da Conceicao das Neves Calha Ramos (Senior Independent Director); Philip George Rivett; David Tang; Carlson Tong and Jasmine Mary Whitbread