



## SGXNet Announcement

19 November 2018

# Joint Venture between Singapore Exchange Limited and Shanghai Ganglian E-Commerce Holdings Co., Ltd

## 1. INTRODUCTION

- 1.1 Singapore Exchange Limited (**SGX**) wishes to announce that it has, through its wholly owned subsidiary, Asian Gateway Investments Pte. Ltd. (**AGI**), entered into a joint venture and shareholders' agreement (**JV Agreement**) with Shanghai Ganglian E-Commerce Holdings Co., Ltd (**SGEH**). The JV Agreement sets out the terms by which a joint venture company (**JVCo**) will be established with each party acquiring 50% of the issued ordinary share capital of the JVCo (each 50% to be referred to as **JVCo Shares**). The JVCo Shares will be acquired by AGI and by SGEH (**Proposed Transaction**).

## 2. RATIONALE FOR THE JOINT VENTURE

- 2.1 Through the JVCo, the parties wish to co-operate and create indices measuring the normalised prices of iron ore, steel and other ferrous metals (**JV Indices**). These JV Indices will also be licenced for data distribution, research and analysis, and creation of derivative products. To do this, the JVCo will leverage the strength of SGEH's extensive data and indexing business, and SGX's expertise in creating reliable and regulatory-compliant indices, to develop new indexation and product opportunities for both SGEH and SGX.
- 2.2 In particular, the JVCo will grant to Singapore Exchange Derivatives Trading Limited, an exclusive licence to create derivative products based on the JV Indices outside of China.

## 3. PRINCIPAL TERMS OF THE JV AGREEMENT

- 3.1 Under the terms of the JV Agreement, the JVCo will be established with an initial issued share capital of S\$200,000 (**Issued Share Capital**), to be paid in cash by AGI and SGEH in equal proportion. The Issued Share Capital was arrived at after taking into account, inter alia, the business operations and prospects of the JVCo, and the synergistic benefits that may be derived from the Proposed Transaction.
- 3.2 Upon completion of the Proposed Transaction, AGI will hold 100,000 ordinary shares, representing 50% of the issued share capital of the JVCo. Subject to the establishment of JVCo and JVCo executing a Deed of Ratification and Accession, the Proposed Transaction is expected to be completed within 60 days of this Announcement.
- 3.3 The Board of Directors of the JVCo will comprise of 4 directors, with 2 directors each being nominated by SGX and SGEH respectively.

**4. FUNDING**

SGX will use its available cash on hand to fund the Proposed Transaction.

**5. FINANCIAL EFFECTS**

The Proposed Transaction is not expected to have a material impact on the financial position of the SGX for the current financial year.

**6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST**

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction.

**7. GENERAL INFORMATION**

A copy of the JV Agreement will be made available for inspection during the Company's normal business hours on any business day at the Company's registered office for a period of 3 months from the date of this Announcement.

**By Order of the Board**

Ding Hui Yun

Company Secretary