

Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

3,400,000 European Style Cash Settled Long Certificates
relating to the ordinary shares of BYD Electronic (International) Company Limited
with a Daily Leverage of 5x

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Société Générale

Issue Price: S\$1.20 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by SG Issuer (the “**Issuer**”) unconditionally and irrevocably guaranteed by Société Générale (the “**Guarantor**”), and is supplemental to and should be read in conjunction with a base listing document dated 18 June 2021 including such further base listing documents as may be issued from time to time (the “**Base Listing Document**”) for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see “Placing and Sale” contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and

holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products¹ and Specified Investment Products (SIPs)², and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 18 June 2021 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 18 October 2021.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

15 October 2021

¹ As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

² As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “CFTC”) under the United States Commodity Exchange Act of 1936, as amended and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed “Placing and Sale” contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates.

Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the “**Conditions**” shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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RISK FACTORS

The following are risk factors relating to the Certificates:

- (a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;
- (b) the Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;
- (c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has fallen sharply;
- (d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;
- (e) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;
- (f) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;
- (g) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;
- (h) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 32 to 36 and the examples and illustrations of adjustments set out in the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section of this document for more information;

- (i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;
- (j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);
- (k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy (as described below) including the Funding Cost (as defined below) and Rebalancing Cost (as defined below);
- (l) investors should note that there may be an exchange rate risk relating to the Certificates where the Cash Settlement Amount is converted from a foreign currency into Singapore dollars.

Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Certificates. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies;

- (m) investors should note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;
- (n) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;
- (o) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);
- (p) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;
- (q) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight fall in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens the following day or (ii) a sharp intraday fall in the price of the Underlying Stock

of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 52 to 53 of this document for more information;

- (r) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to the Condition 13 on pages 38 to 39 of this document for more information;
- (s) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;
- (t) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;
- (u) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power,

the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

- (v) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

- (w) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;

- (x) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may decline. The following is a list of some of the significant risks associated with the Underlying Stock:

- Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and
- The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;

- (y) the value of the Certificates depends on the Leverage Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Strategy last closing level and a calculation tool available to the investors on a website;

- (z) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;

- (aa) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited ("**CDP**");

- (i) investors should note that no definitive certificate will be issued in relation to the Certificates;
- (ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;
- (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and

- (iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;

- (bb) the reform of HIBOR may adversely affect the value of the Certificates

The Hong Kong Inter-bank Offered Rate (“**HIBOR**”) benchmark is referenced in the Leverage Strategy.

It is not possible to predict with certainty whether, and to what extent, HIBOR will continue to be supported going forwards. This may cause HIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Certificates.

In addition, the occurrence of a modification or cessation of HIBOR may cause adjustment of the Certificates which may include selecting one or more successor benchmarks and making related adjustments to the Certificates, including if applicable to reflect increased costs.

The Calculation Agent may make adjustments as it may determine appropriate if any of the following circumstances occurs or may occur: (1) HIBOR is materially changed or cancelled or (2)(i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any of the international or national reforms in making any investment decision with respect to any Certificate;

- (cc) the US Foreign Account Tax Compliance Act (“**FATCA**”) withholding risk:

FATCA generally imposes a 30 per cent. withholding tax on certain U.S.-source payments to certain non-US persons that do not provide certification of their compliance with IRS rules to disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer or an investor’s broker or custodian may be subject to FATCA and, as a result, may be required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide the Issuer or the relevant broker or custodian with such certification, the Issuer and the Guarantor or other withholding agent could be required to withhold U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer or the relevant broker or custodian could be required to close an account of an investor who does not comply with the FATCA certification procedures.

FATCA IS PARTICULARLY COMPLEX. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN ITS PARTICULAR CIRCUMSTANCES;

(dd) U.S. withholding tax

The Issuer has determined that this Certificate is not linked to U.S. Underlying Equities within the meaning of applicable regulations under Section 871(m) of the United States Internal Revenue Code, as discussed in the accompanying Base Listing Document under “TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986.” Accordingly, the Issuer expects that Section 871(m) will not apply to the Certificates. Such determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on a Certificate Holder's particular circumstances. Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates; and

(ee) risk factors relating to the BRRD

French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution.

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the “**BRRD**”) entered into force on 2 July 2014. The BRRD has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the “**BRR Act 2015**”). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (“**SRM**”) and a Single Resolution Fund (the “**SRM Regulation**”) has established a centralised power of resolution entrusted to a Single Resolution Board (the “**SRB**”) in cooperation with the national resolution authorities.

Since November 2014, the European Central Bank (“**ECB**”) has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism (“**SSM**”). In addition, the SRM has been put in place to ensure that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States’ resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the “**SSM Regulation**”) and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation

mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the “**Resolution Authority**”) with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution’s critical financial and economic functions while minimising the impact of an institution’s failure on the economy and financial system (including taxpayers’ exposure to losses).

Under the SRM Regulation, a centralised power of resolution is established and entrusted to the SRB acting in cooperation with the national resolution authorities. In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions’ resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the “**Bail-in Power**”). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent

practicable, the resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

Before taking a resolution measure, including implementing the Bail-in Power, or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

The application of any measure under the BRRD and the SRM Regulation or any suggestion of such application with respect to the Issuer, the Guarantor or the Group could materially adversely affect the rights of Certificate Holders, the price or value of an investment in the Certificates and/or the ability of the Issuer or the Guarantor to satisfy its obligations under any Certificates, and as a result investors may lose their entire investment.

Moreover, if the Issuer's or the Guarantor's financial condition deteriorates, the existence of the Bail-in Power, the exercise of write-down/conversion powers or any other resolution tools by the Resolution Authority independently of a resolution measure or in combination with a resolution measure when it determines that the Issuer, the Guarantor or the Group will no longer be viable could cause the market price or value of the Certificates to decline more rapidly than would be the case in the absence of such powers.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article 12 of the SRM Regulation. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The current regime will evolve as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called "EU Banking Package", the following legislative texts have been published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the "**BRRD II**"); and
- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity ("**TLAC**") of credit institutions and investment firms (the "**SRM II Regulation**" and, together with the BRRD II, the "**EU Banking Package Reforms**").

The EU Banking Package Reforms will introduce, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet ("**FSB TLAC Term Sheet**"),

by adapting, among others, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions' ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC will be implemented in accordance with the FSB TLAC Term Sheet, which impose a level of "Minimum TLAC" that will be determined individually for each global systemically important bank ("**G-SIB**"), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets through January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator through January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

According to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**"), as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the "**CRR II**"), EU G-SIBs, such as Societe Generale, will have to comply with TLAC requirements, on top of the MREL requirements, as from the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale will have to comply at the same time with TLAC and MREL requirements.

Consequently, criteria for MREL-eligible liabilities will be closely aligned with those laid down in the CRR, as amended by the CRR II for the TLAC-eligible liabilities, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet the MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance while only an additional return is linked to that derivative component and depends on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL will be set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance any may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by non-EU law, they must be able to be written down or converted under that law (including through contractual provisions).

The scope of liabilities used to meet the MREL includes, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in the BRRD, as amended by the BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that the MREL be met with own funds and other subordinated liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail-in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR,

as amended by the CRR II, as permitted by the TLAC standard. Specific requirements apply to resolution groups with assets above EUR 100 billion (top-tier banks).

If the SRB finds that there could exist any obstacles to resolvability by the Issuer or the Guarantor and/or the Group, a higher MREL requirement could be imposed. Any failure by the Issuer or the Guarantor, as applicable, and/or the Group to comply with its MREL may have a material adverse effect on the Issuer's business, financial conditions and results of operations.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	3,400,000 European Style Cash Settled Long Certificates relating to the ordinary shares of BYD Electronic (International) Company Limited (the “ Underlying Stock ”)
ISIN:	LU2267112790
Company:	BYD Electronic (International) Company Limited (RIC: 0285.HK)
Underlying Price ³ and Source:	HK\$25.55 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	5x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 1.20
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	9.50%, is a hedging cost against extreme market movements overnight.
Funding Cost ⁶ :	The annualised costs of funding, referencing a publicly published interbank offered rate plus spread.
Rebalancing Cost ⁶ :	The transaction costs (if applicable), computed as a function of leverage and daily performance of the Underlying Stock.
Launch Date:	8 October 2021
Closing Date:	15 October 2021
Expected Listing Date:	18 October 2021

³ These figures are calculated as at, and based on information available to the Issuer on or about 15 October 2021. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 15 October 2021.

⁴ Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to “Fees and Charges” below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.

⁵ Please note that the Gap Premium is calculated on a 360-day basis.

⁶ These costs are embedded within the Leverage Strategy.

Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 6 October 2022
Expiry Date:	13 October 2022 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	12 October 2022 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	<p>The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.</p>
Cash Settlement Amount:	<p>In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:</p> <p>Closing Level multiplied by the Notional Amount per Certificate</p> <p>Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 43 to 58 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.</p>
Hedging Fee Factor:	<p>In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of $(1 - \text{Management Fee} \times (\text{ACT}(t-1;t) \div 360)) \times (1 - \text{Gap Premium}(t-1) \times (\text{ACT}(t-1;t) \div 360))$, where:</p> <p>“$t$” refers to “Observation Date” which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date; and</p>

ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Underlying Stock Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Underlying Stock Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Underlying Stock Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Strategy and the value of the Certificate on that fifth Underlying Stock Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

An “**Underlying Stock Business Day**” is a day on which The Stock Exchange of Hong Kong Limited (the “**HKEX**”) is open for dealings in Hong Kong during its normal trading hours and banks are open for business in Hong Kong.

Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 43 to 58 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Strategy is set out in the “Specific Definitions relating to the Leverage Strategy” section on pages 20 to 26 below.

Initial Exchange Rate³: 0.1732

Final Exchange Rate: The rate for the conversion of HKD to SGD as at 5:00pm (Singapore Time) on the Valuation Date as shown on Reuters, provided that if the Reuters service ceases to display such information, as determined by

the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate at such a time.

Air Bag Mechanism:

The “**Air Bag Mechanism**” refers to the mechanism built in the Leverage Strategy and which is designed to reduce the Leverage Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock falls by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents approximately 75% loss after a 5 times leverage), the Air Bag Mechanism is triggered and the Leverage Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.

Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered.

The Leverage Strategy is floored at 0 and the Certificates cannot be valued below zero.

Please refer to the “Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)” section on pages 24 to 26 below and the “Description of Air Bag Mechanism” section on pages 49 to 50 of this document for further information of the Air Bag Mechanism.

Adjustments and Extraordinary Events:

The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

Underlying Stock Currency:

Hong Kong Dollar (“**HKD**”)

Settlement Currency:

Singapore Dollar (“**SGD**”)

Exercise Expenses:

Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.

Relevant Stock Exchange for the Certificates:

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”)

Relevant Stock Exchange for the Underlying Stock:

HKEX

Business Day and Exchange Business Day:

A “**Business Day**” is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

An “**Exchange Business Day**” is a day on which the SGX-ST and the HKEX are open for dealings in Singapore and Hong Kong respectively during its normal trading hours and banks are open for business in Singapore and Hong Kong.

Warrant Agent:	The Central Depository (Pte) Limited (“ CDP ”)
Clearing System:	CDP
Fees and Charges:	<p>Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.</p> <p>Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy including the Funding Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.</p>
Further Information:	Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Strategy

Description of the Leverage Strategy

The Leverage Strategy is designed to track a 5 times daily leveraged exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Strategy to the Underlying Stock is reset within the Leverage Strategy in order to retain a daily leverage of 5 times the performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Strategy Formula

LSL_t	<p>means, for any Observation Date(t), the Leverage Strategy Closing Level as of such day (t).</p> <p>Subject to the occurrence of an Intraday Restrike Event, the Leverage Strategy Closing Level as of such Observation Date(t) is calculated in accordance with the following formulae:</p> <p>On Observation Date(1):</p> $LSL_1 = 1000$ <p>On each subsequent Observation Date(t):</p> $LSL_t = \text{Max}[LSL_{t-1} \times (1 + LR_{t-1,t} - FC_{t-1,t} - RC_{t-1,t}), 0]$
LR_{t-1,t}	<p>means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:</p> $LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right)$
FC_{t-1,t}	<p>means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows:</p> $FC_{t-1,t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{t-1} \times \text{ACT}(t - 1, t)}{\text{DayCountBasisRate}}$
RC_{t-1,t}	<p>means the Rebalancing Cost of the Leverage Strategy on Observation Date (t), calculated as follows :</p> $RC_{t-1,t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right \right) \times TC$
TC	<p>means the Transaction Costs applicable (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to:</p> <p>0.13%</p> <p>“Stamp Duty” refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.</p>
Leverage	5
S_t	<p>means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.</p>
Rate_t	<p>means, in respect of each Observation Date(t), a rate calculated as of such day in accordance with the following formula:</p> $\text{Rate}_t = \text{CashRate}_t + \% \text{SpreadLevel}_t$

Rfactor_t means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula:

$$Rfactor_t = 1 - \frac{Div_t}{S_{t-1}}$$

where

Div_t is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered net of any applicable withholding taxes.

CashRate_t means, in respect of each Observation Date(t), the Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC H1HKDOND= or any successor page, being the rate as of day (t), provided that if any of such rate is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of modification, the permanent or indefinite cancellation or cessation in the provision of HIBOR, or a regulator or other official sector entity prohibits the use of HIBOR, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

%SpreadLevel_t means, in respect of each Observation Date(t), a rate which shall be determined with respect to such Valuation Date(t) by the Calculation Agent as the difference between (1) the 12-month HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC H1HKD1YD= and (2) Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC H1HKDOND= or any successor page, each being the rate as of day (t), provided that if any of such rates is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of modification, the permanent or indefinite cancellation or cessation in the provision of HIBOR, or a regulator or other official sector entity prohibits the use of HIBOR, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

Provided that if such difference is negative, %SpreadLevel_t should be 0%.

ACT(t-1,t) ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).

DayCountBasisRate 365

Benchmark Fallback	upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
Reference Rate Event	<p>means, in respect of the Reference Rate any of the following has occurred or will occur:</p> <ul style="list-style-type: none"> (i) a Reference Rate Cessation; (ii) an Administrator/Benchmark Event; or (iii) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide development formally agreed upon by the International Swaps and Derivative Association (ISDA) or the Asia Securities Industry & Financial Markets Association (ASIFMA), pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate (or near risk-free rate) established in order to comply with the recommendations in the Financial Stability Board's paper titled "Reforming Major Interest Rate Benchmarks" dated 22 July 2014.
Reference Rate Cessation	<p>means, for a Reference Rate, the occurrence of one or more of the following events:</p> <ul style="list-style-type: none"> (i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or (iii) in respect of a Reference Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that (a) the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored and (b) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;

**Administrator/
Benchmark Event**

means, for a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that either the Issuer, the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Certificates.

Reference Rate(s)

means the rate(s) used in the Leverage Strategy Formula, for example SORA, SOFR and US Federal Funds Effective Rate.

Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)

**Extraordinary Strategy
Adjustment for
Performance Reasons**

If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date**, noted hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions.

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Strategy Closing Level on the Intraday Restrike Date (LSL_{IRD}) should be computed as follows :

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)} \times (1 + ILR_{IR(n),IR(C)} - IRC_{IR(n),IR(C)}), 0]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)}, 0]$$

$ILSL_{IR(k)}$

means, in respect of $IR(k)$, the Intraday Leverage Strategy Level in accordance with the following provisions :

(1) for $k = 1$:

$$ILSL_{IR(1)} = \text{Max}[LSL_{IRD-1} \times (1 + ILR_{IR(0),IR(1)} - FC_{IRD-1,IRD} - IRC_{IR(0),IR(1)}), 0]$$

(2) for $k > 1$:

$$ILSL_{IR(k)} = \text{Max}[ILSL_{IR(k-1)} \times (1 + ILR_{IR(k-1),IR(k)} - IRC_{IR(k-1),IR(k)}), 0]$$

$ILR_{IR(k-1),IR(k)}$

means the Intraday Leveraged Return between $IR(k-1)$ and $IR(k)$, calculated as follows :

$$ILR_{IR(k-1),IR(k)} = \text{Leverage} \times \left(\frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right)$$

$IRC_{IR(k-1),IR(k)}$

means the Intraday Rebalancing Cost of the Leverage Strategy in respect of $IR(k)$ on a given Intraday Restrike Date, calculated as follows :

$$IRC_{IR(k-1),IR(k)} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left| \frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right| \right) \times \text{TC}$$

IS_{IR(k)}	<p>means the Underlying Stock Price in respect of IR(k) computed as follows:</p> <p>(1) for k=0</p> $IS_{IR(0)} = S_{IRD-1} \times Rfactor_{IRD}$ <p>(2) for k=1 to n</p> <p>means in respect of IR(k), the lowest price of the Underlying Stock during the respective Intraday Restrike Observation Period</p> <p>(3) with respect to IR(C)</p> $IS_{IR(C)} = S_{IRD}$ <p>In each case, subject to the adjustments and provisions of the Conditions.</p>
IR(k)	<p>For k=0, means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date;</p> <p>For k=1 to n, means the kth Intraday Restrike Event on the relevant Intraday Restrike Date.</p>
IR(C)	means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.
n	means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.
Intraday Restrike Event	<p>means in respect of an Observation Date(t):</p> <p>(1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price IS_{IR(0)} as of such Calculation Time.</p> <p>(2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price IS_{IR(k)} as of such Calculation Time.</p>
Calculation Time	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Strategy Level.
TimeReferenceOpening	means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
TimeReferenceClosing	means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
Intraday Restrike Event Observation Period	means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event

Time and (2) the TimeReferenceClosing.

Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.

**Intraday Restrike Event
Time**

means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF

THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status and Guarantee, Transfer and Title

- (a) *Form.* The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-
- (i) a master instrument by way of deed poll (the “**Master Instrument**”) dated 18 June 2021, made by SG Issuer (the “**Issuer**”) and Société Générale (the “**Guarantor**”); and
 - (ii) a warrant agent agreement (the “**Master Warrant Agent Agreement**” or “**Warrant Agent Agreement**”) dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the “**Certificate Holders**”) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (b) *Status and Guarantee.* The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a “**Guarantee Obligation**”).

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the “**Code**”).

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

- (i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated

obligations of the Guarantor outstanding as of the date of the entry into force of the law no. 2016-1691 (the “**Law**”) on 11 December 2016;

- (ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;
- (iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and
- (iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

- (c) **Transfer.** The Certificates are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) **Title.** Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression “**Certificate Holder**” shall be construed accordingly.
- (e) **Bail-In.** By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:
 - (i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer’s liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:
 - (A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;
 - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other securities or other obligations of the Issuer or the Guarantor or another person;

- (C) the cancellation of the Certificates; and/or
- (D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the regulator,

(the “**Statutory Bail-In**”);

- (ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the “**M&F Code**”):

- (A) ranking:
 - (1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the M&F Code;
 - (2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the M&F Code; and
 - (3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the M&F Code; and
- (B) which are not *titres non structurés* as defined under Article R.613-28 of the M&F Code, and
- (C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer’s obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself, and as if any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the “**Contractual Bail-in**”).

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg

and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

“Amounts Due” means any amounts due by the Issuer under the Certificates.

“Bail-In Power” means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person.

“MREL” means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

“Relevant Resolution Authority” means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

2. Certificate Rights and Exercise Expenses

- (a) *Certificate Rights*. Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The “**Closing Level**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

- (i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

“**Market Disruption Event**” means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

- (b) *Exercise Expenses*. Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the “**Exercise Expenses**”). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

- (c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. Exercise of Certificates

- (a) *Exercise.* Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
- (c) *Settlement.* In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.
- (d) *CDP not liable.* CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a "**Business Day**" shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.
- (b) *Definitions.* **“Potential Adjustment Event”** means any of the following:
 - (i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;
 - (iii) an extraordinary dividend;
 - (iv) a call by the Company in respect of the Underlying Stock that is not fully paid;
 - (v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming

separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

- (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:
 - (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;
 - (ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or
 - (iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or

Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. “**Nationalisation**” means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.
- (e) *Other Adjustments.* Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

- (a) *Meetings of Certificate Holders.* The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these

Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.

- (b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

12. Delisting

- (a) *Delisting.* If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

- (a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

“Regulatory Event” means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the **“Relevant Affiliates”** and each of the Issuer, Société Générale and the Relevant Affiliates, a **“Relevant Entity”**) that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer’s obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer’s obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer’s obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer’s obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer’s capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

“Change in law” means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the

Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

- (b) *Early Termination for Holding Limit Event.* The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

“Holding Limit Event” means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

- (c) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(d) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.
- (d) *Termination.* If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

14. Substitution of the Issuer

The Issuer may be replaced by the Guarantor or any subsidiary of the Guarantor as principal

obligor in respect of the Certificates without the consent of the relevant Certificate Holders. If the Issuer determines that it shall be replaced by the Guarantor or any subsidiary of the Guarantor (the **"Substituted Obligor"**), it shall give at least 90 days' notice (exclusive of the day on which the notice is given and of the day on which the substitution is effected) specifying the date of the substitution, in accordance with Condition 9, to the Certificate Holders of such event and, immediately on the expiry of such notice, the Substituted Obligor shall become the principal obligor in place of the Issuer and the Certificate Holders shall thereupon cease to have any rights or claims whatsoever against the Issuer.

Upon any such substitution, all references to the Issuer in the Conditions and all agreements relating to the Certificates will be to the Substituted Obligor and the Certificates will be modified as required, and the Certificate Holders will be notified of the modified terms and conditions of such Certificates in accordance with Condition 9.

For the purposes of this Condition, it is expressly agreed that by subscribing to, acquiring or otherwise purchasing or holding the Certificates, the Certificate Holders are expressly deemed to have consented to the substitution of the Issuer by the Substituted Obligor and to the release of the Issuer from any and all obligations in respect of the Certificates and all agreements relating thereto and are expressly deemed to have accepted such substitution and the consequences thereof.

15. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

16. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

17. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	SG Issuer
Company:	BYD Electronic (International) Company Limited
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	3,400,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 18 June 2021 (the “ Master Instrument ”) and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the “ Master Warrant Agent Agreement ”) and made between the Issuer, the Guarantor and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates
Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples

thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.

- Listing: Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 18 October 2021.
- Governing Law: The laws of Singapore
- Warrant Agent: The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589
- Further Issues: Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED LONG CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Long Certificates on Single Equities?

European style cash settled long certificates on single equities (the “**Certificates**”) are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

- (1) is the Final Reference Level multiplied by the Final Exchange Rate;
- (2) is the Initial Reference Level multiplied by the Initial Exchange Rate;
- (3) is the Strike Level; and
- (4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will increase and are seeking short-term leveraged exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

- (i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and
- (ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Strategy including the Funding Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
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Daily Fees	=	Daily Management Fee Adjustment
		$1 - \text{Management Fee} \times \text{ACT} (t-1;t) / 360$
		x
		Daily Gap Premium Adjustment
		$1 - \text{Gap Premium} (t-1) \times \text{ACT} (t-1;t) / 360$

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

Value of Certificates	=	$t^7=0$	x	$t=1$	x	$t=2$	x ...	$t=i$
		Notional Amount		Leverage Strategy daily performance ⁸ x Daily Fees		Leverage Strategy daily performance x Daily Fees		Leverage Strategy Daily performance x Daily Fees

Value of Certificates	=	$t=0$	x	Product of the daily Leverage Strategy Performance	x	Product of the Daily Fees (Hedging Fee Factor)
		Notional Amount		Leverage Strategy daily performance x Leverage Strategy daily performance		Daily Fees x Daily Fees

Final Value of Certificates	=	$t=0$	x	Final Reference Level x Final Exchange Rate ÷ Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor
		Notional Amount				

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

⁷ "t" refers to "**Observation Date**" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date.

⁸ Leverage Strategy daily performance is computed as the Leverage Strategy Closing Level on Business Day (t) divided by the Leverage Strategy Closing Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary shares of BYD Electronic (International) Company Limited
Expected Listing Date:	03/07/2018
Expiry Date:	18/07/2018
Initial Reference Level:	1,000
Initial Exchange Rate:	1
Final Reference Level:	1,200
Final Exchange Rate:	1
Issue Price:	1.20 SGD
Notional Amount per Certificate:	1.20 SGD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	9.50%
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n^{th} Underlying Stock Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

$$\text{HFF}(0) = 100\%$$

On Next Calendar Day (assuming it is an Underlying Stock Business Day):

$$\text{HFF}(1) = \text{HFF}(0) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 9.50\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9736\% \approx 99.9725\%$$

Assuming 2nd Underlying Stock Business Day falls 3 Calendar Days after 1st Underlying Stock Business Day:

$$\text{HFF (2)} = \text{HFF (1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t - 1; t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t - 1; t)}}{360}\right)$$

$$\text{HFF (2)} = 99.9725\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 9.50\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9725\% \times 99.9967\% \times 99.9208\% \approx 99.8900\%$$

The same principle applies to the following Underlying Stock Business Days:

$$\text{HFF (n)} = \text{HFF (n - 1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t - 1; t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t - 1; t)}}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.5883% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9725%
5/7/2018	99.9450%
6/7/2018	99.9175%
9/7/2018	99.8351%
10/7/2018	99.8076%
11/7/2018	99.7802%
12/7/2018	99.7528%
13/7/2018	99.7253%
16/7/2018	99.6431%
17/7/2018	99.6156%
18/7/2018	99.5883%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

$$\begin{aligned} \text{Closing Level} &= [(\text{Final Reference Level} \times \text{Final Exchange Rate}) / (\text{Initial Reference Level} \times \text{Initial Exchange Rate}) - \text{Strike Level}] \times \text{Hedging Fee Factor} \\ &= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.5883\% \\ &= 119.51\% \end{aligned}$$

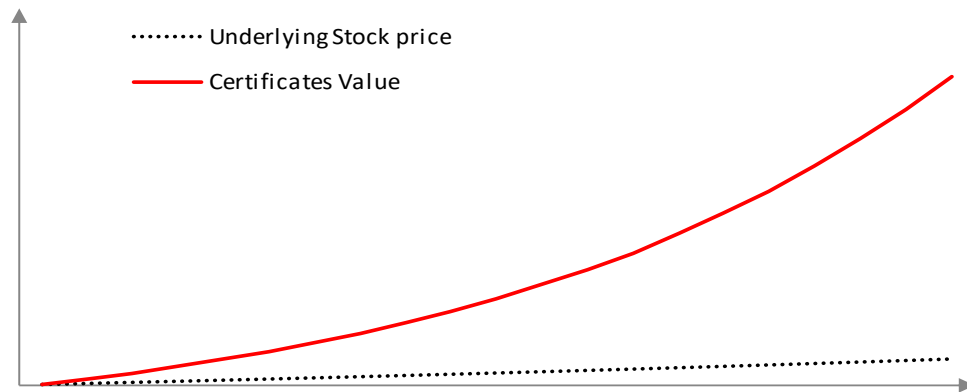
$$\begin{aligned} \text{Cash Settlement Amount} &= \text{Closing Level} \times \text{Notional Amount per Certificate} \\ &= 119.51\% \times 1.20 \text{ SGD} \\ &= \mathbf{1.434 \text{ SGD}} \end{aligned}$$

Illustration on how returns and losses can occur under different scenarios

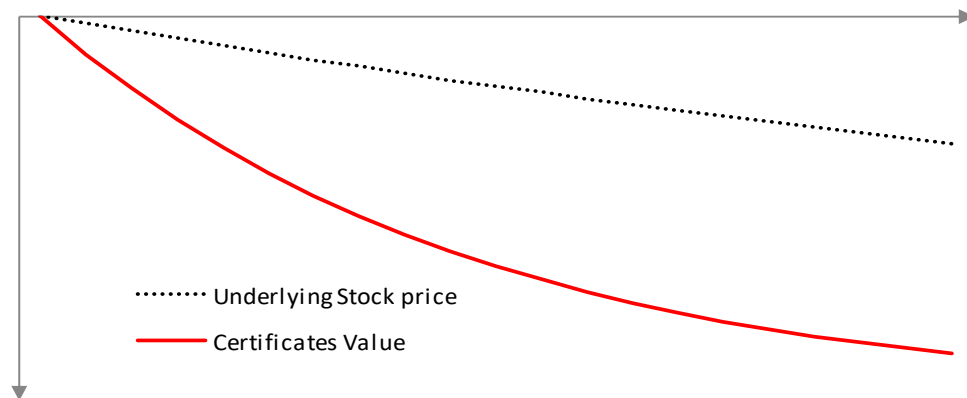
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples

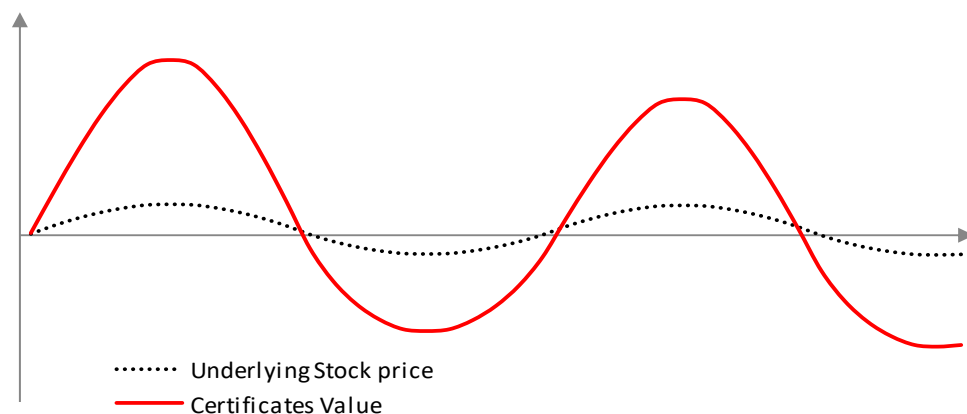
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	1.2	1.32	1.45	1.60	1.76	1.93
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 2 – Downward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	1.2	1.08	0.97	0.87	0.79	0.71
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 3 – Volatile Market

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return		2.00%	-0.04%	1.96%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	-10.0%	10.0%	-10.0%	10.0%
Price at end of day	1.2	1.32	1.19	1.31	1.18	1.29
Accumulated Return		10.00%	-1.00%	8.90%	-1.99%	7.81%

Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, a 30-minute period starts. This period is divided into two sub-periods:

- Observation Period : during 15 minutes after the Air Bag trigger, the price of the Underlying Stock is observed and its minimum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Strategy is reset using the minimum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Strategy, 30 minutes after the Air Bag trigger.

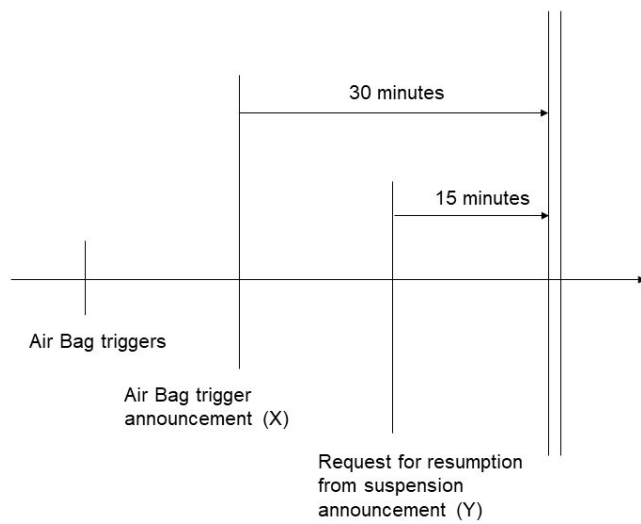
Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. Investors cannot sell or purchase any Certificates during this period.

Air Bag Mechanism timeline

Air Bag Trigger	Observation Period	Resumption of Trading
More than 45 minutes before Market Close	First 15 minutes after Air Bag Trigger	Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger
45 minutes before Market Close		Next trading day at Market Open
30 to 45 minutes before Market Close		
30 minutes before Market Close		
15 to 30 minutes before Market Close		
15 minutes before Market Close	From Air Bag Trigger to Market Close	
Less than 15 minutes before Market Close		

With **Market Close** defined as:

- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading



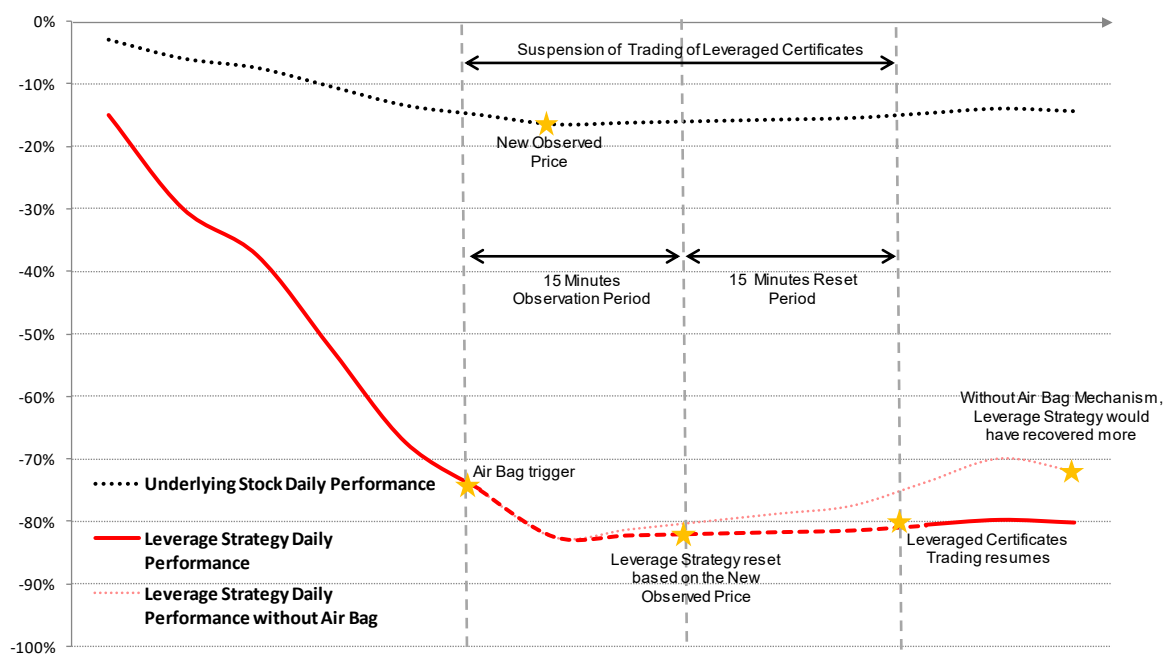
- The later between $X+30$ minutes or $Y+15$ minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates.
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing time of the underlying asset, the Certificates will resume at 9 a.m. on the next SGX-ST trading day.

Illustrative examples of the Air Bag Mechanism⁹

Scenario 1 – Downward Trend after Air Bag trigger



Scenario 2 – Upward Trend after Air Bag trigger



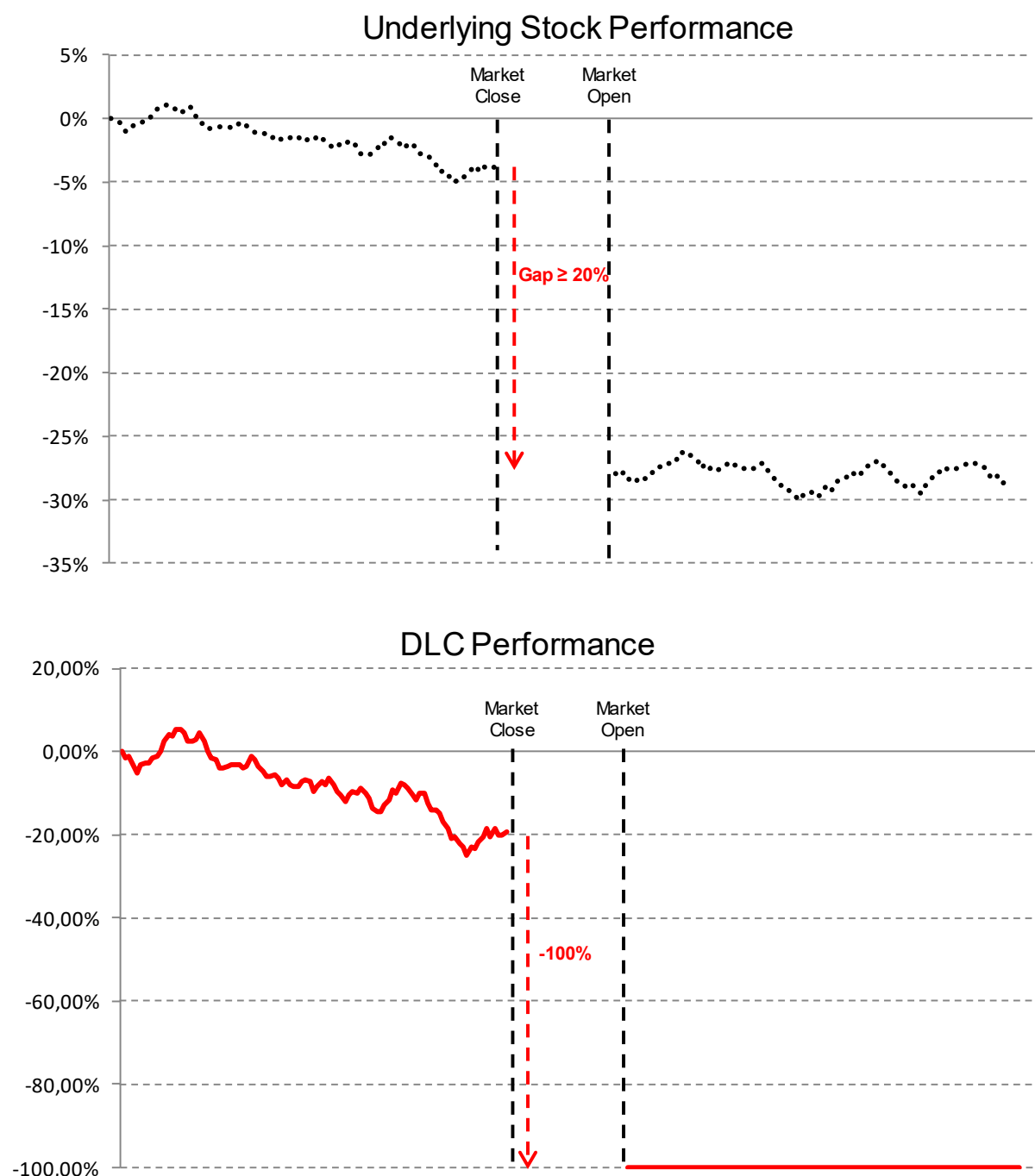
⁹ The illustrative examples are not exhaustive.

Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

Scenario 1 – Overnight fall of the Underlying Stock

On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a “gap”. If the opening price of the Underlying Stock is 20% or more below the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens the following day, and the Certificates would lose their entire value in such event.



Scenario 2 – Sharp intraday fall of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock falls by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Observation Date (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{S_{t-1}} \right] \times \frac{1}{1 + M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price falls by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$DivExc_t$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$$S_{t-1} = \$100$$

$$S_t = \$51$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

M = 1 (i.e. 1 new Shares for 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0}{100} \right] \times \frac{1}{1 + 1} = 50\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{51}{100 \times 50\%} - 1 \right) = 10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.32	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$42.5, which is 15% below \$50, the Underlying Stock Reference Price.

2. Share Consolidation

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$$S_{t-1} = \$100$$

$$S_t = \$202$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0}{100} \right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{202}{100 \times 200\%} - 1 \right) = 5\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.26	5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$170, which is 15% below \$200, the Underlying Stock Reference Price.

3. Rights Issues

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of \$40.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

$$R = \$40 \text{ (i.e. subscription price of \$40)}$$

$$M = 0.5 \text{ (i.e. 1 new share for every 2 existing shares)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100} \right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = 25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.50	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

$$S_{t-1} = \$100$$

$$S_t = \$85$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$R = \$0$$

$$M = 0.2 \text{ (i.e. 1 new share for 5 existing shares)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100} \right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{85}{100 \times 83.33\%} - 1 \right) = 10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.32	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$70.83, which is 15% below \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$20$$

$$R = \$0$$

$$M = 0$$

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100} \right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = 25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.50	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of Hong Kong Exchanges and Clearing Limited (the “HKExCL”) at <http://www.hkex.com.hk> and/or the Company’s web-site at <http://www.byd-electronics.com/>. The Issuer has not independently verified any of such information.

BYD Electronic (International) Company Limited (the “**Company**”) is a holding company which was incorporated in Hong Kong on June 14, 2007, and it’s a subsidiary of BYD Company Limited (Stock Code:1211.HK).

The Company has become the world-leading provider of intelligent product solutions in the past 20 years, providing vertically integrated one-stop service that comprises development of new materials, product design, manufacturing, supply chain management, logistics and after-sales service. Main customers are global leading brand manufacturers of mobile intelligent terminals. The Company mainly engages in the manufacturing of material, molds, and components such as metal, glass casing, ceramics and composite board as well as software design, hardware design, assembly, and testing of electronic products. With years of development, business areas of BYD Electronics has separated into 3 major parts, including smartphone and notebook business, new intelligent devices (the Internet of things, robotics, artificial intelligence and new types of smart products) and automotive intelligent systems (central control system , communication modules, multi-media modules, ECUs, etc.).

The information set out in Appendix I of this document relates to the unaudited results of the Company and its subsidiaries for the six months period ended 30 June 2021 and has been extracted and reproduced from an announcement by the Company dated 27 August 2021 in relation to the same. Further information relating to the Company may be located on the web-site of the HKExCL at <http://www.hkex.com.hk>.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker ("**DMM**") for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

- (a) Maximum bid and offer spread : (i) when the best bid price of the Certificate is S\$10 and below: 10 ticks or S\$0.20 whichever is greater; and
(ii) when the best bid price of the Certificate is above S\$10: 5% of the best bid price of the Certificate.
- (b) Minimum quantity subject to bid and offer spread : 10,000 Certificates
- (c) Last Trading Day for Market Making : The date falling 5 Exchange Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

- (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (ii) if the Certificates are valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);
- (iii) before the Relevant Stock Exchange for the Underlying Stock has opened and after the Relevant Stock Exchange for the Underlying Stock has closed on any trading day;
- (iv) when trading in the Underlying Stock is suspended or limited in a material way for any reason, for the avoidance of doubt, the DMM is not obliged to provide quotations for the Certificates at any time when the Underlying Stock is not negotiated/traded for any reason;
- (v) where the Certificates are suspended from trading for any reason;
- (vi) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;
- (vii) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (viii) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (ix) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;
- (x) if the stock market experiences exceptional price movement and volatility;

- (xi) when it is a public holiday in Singapore and/or Hong Kong and/or the SGX-ST and/or the HKEX are not open for dealings; and
- (xii) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Exchange Business Day immediately preceding the Expiry Date.

SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR

The information set out in Appendix II of this document is a reproduction of the press release dated 3 August 2021 containing the Guarantor's consolidated financial results for the second quarter ended 30 June 2021.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 105 of the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.
2. Settlement of trades done on a normal “ready basis” on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed “Summary of the Issue” above.
3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.
4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2020 or the Guarantor since 30 June 2021, in the context of the issuance of Certificates hereunder.
5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:
 - (a) the Guarantee;
 - (b) the Master Instrument; and
 - (c) the Master Warrant Agent Agreement.

None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The Auditors of the Issuer and the Guarantor have given and have not withdrawn their written agreement to the inclusion of the report, included herein, in the form and context in which it is included. Their report was not prepared exclusively for incorporation into this document.

The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.

7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.
8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.

9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale, Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:
- (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;
 - (b) the latest financial reports (including the notes thereto) of the Issuer;
 - (c) the latest financial reports (including the notes thereto) of the Guarantor;
 - (d) the consent letters from the Auditors to the Issuer and the Guarantor referred to in paragraph 6 above;
 - (e) the Base Listing Document;
 - (f) this document; and
 - (g) the Guarantee.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall be deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore.

Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong ("SFO")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("CWUMPO") or which do not constitute an offer to the public within the meaning of the CWUMPO; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made

available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

United Kingdom

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

- (a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the

Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

United States

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended (the “**Commodity Exchange Act**”) and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (ii) it is not purchasing any Certificates for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S. person. No payment will be made to accounts of holders of the Certificates located in the United States.

As used in the preceding paragraphs, the term “**United States**” includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term

“U.S. person” means any person who is (i) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986, or (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the **“CEA”**) or any rules thereunder of the CFTC (the **“CFTC Rules”**), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person).

APPENDIX I

REPRODUCTION OF THE UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021 OF BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the unaudited results of the Company and its subsidiaries for the six months period ended 30 June 2021 and has been extracted and reproduced from an announcement by the Company dated 27 August 2021 in relation to the same.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



比亞迪電子(國際)有限公司
BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED

(incorporated in Hong Kong under the Companies Ordinance with limited liability)
(Stock code: 285)

2021 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors of the Company (the “**Board**”) is pleased to announce the unaudited results of the Company and its subsidiaries for the six months period ended 30 June 2021. This announcement, containing the full text of the 2021 Interim Report of the Company, is prepared with reference to the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of interim results. Printed version of the Company’s 2021 Interim Report will be delivered to the Company’s shareholders and is also available for viewing on the websites of the Hong Kong Stock Exchanges at www.hkexnews.hk and of the Company at <http://electronics.byd.com>.

By Order of the Board of
BYD Electronic (International) Company Limited
WANG Nian-qiang
Director

Hong Kong, 27 August 2021

As at the date of this announcement, the executive Directors of the Company are Mr. WANG Nian-qiang and Mr. JIANG Xiang-rong; the non-executive Directors are Mr. WANG Chuan-fu and Mr. WANG Bo; and the independent non-executive Directors are Mr. CHUNG Kwok Mo John, Mr. Antony Francis MAMPILLY and Mr. QIAN Jing-jie.

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

截至二零二一年六月三十日止六個月中期業績

Turnover	營業額	41.88%	to RMB44,531 million	至人民幣44,531百萬元
Gross profit	毛利	-25.35%	to RMB3,061 million	至人民幣3,061百萬元
Profit attributable to owners of the Parent	母公司擁有人應佔溢利	-33.55%	to RMB1,643 million	至人民幣1,643百萬元
Earnings per share	每股盈利	-33.55%	to RMB0.73	至人民幣0.73元

HIGHLIGHTS:

- The Group's overall business developed well, with business areas expanded and major customer business promoted, resulting in a year-on-year revenue growth of 41.88%, which was a record high for the same period in history.
- The overall profit contribution of smart phone and laptop, new intelligent product and automobile intelligent system business achieved year-on-year growth.
- The shipments of core product of major North American customers continued to grow and new products were successfully introduced into mass production, driving the several-fold growth of the Group's business size.
- The shipments of products such as smart home devices, unmanned aerial vehicles and gaming hardware have increased significantly. The new intelligent product still maintained their rapid growth momentum, representing a year-on-year increase of 38.35%.
- As sales volume of automobiles recovered continuously, especially of which the new energy vehicles increased significantly, the scale of automotive intelligent system business has grown rapidly, representing a year-on-year increase of 89.74%.
- Continuously enhancing the R&D of electronic atomization products and the operation of automatic production line, iterating technical solutions rapidly and improving patent layout, and thereby reserving potential energy for the business development of the Group.

摘要：

- 集團整體業務發展良好，大客戶業務不斷推進，業務領域不斷擴寬，推動收入同比上升41.88%，創歷史同期新高。
- 智能手機及筆電、新型智能產品和汽車智能系統業務的整體利潤貢獻實現同比增長。
- 北美大客戶核心產品出貨量持續增長，新型號產品成功導入量產，帶動業務規模同比實現數倍增長。
- 智能家居、無人機、遊戲硬件等產品出貨量大幅提升，新型智能產品業務保持高速發展，同比增長38.35%。
- 隨著汽車銷量持續復蘇，尤其新能源汽車銷量大幅增長，汽車智能系統業務規模增長迅猛，同比增長89.74%。
- 持續加大電子霧化產品的研發和自動化生產線的投入，快速疊代技術方案，完善專利佈局，為集團業務成長儲備新勢能。

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BUSINESS REVIEW

The Group is a global leading high-end platform-based manufacturing enterprise, providing customers with new materials development, product design and development, parts and components as well as complete machine manufacturing, supply chain management, logistics, after-sales and other one-stop services. The Group offers a wide variety of businesses ranging from smart phones, smart wearables, computers, Internet of Things, smart home, game hardware, robots, unmanned aerial vehicles, communication equipment, electronic atomization, automotive smart system equipment, health devices to other diversified market areas. Leveraging on its industry-leading R&D and manufacturing capabilities, diversified product portfolio and high quality customer resources, the Group's business has stepped into a new round of rapid growth cycle.

In the first half of 2021, the COVID-19 outbreak continued to recur across the globe. Despite the complicated and volatile environment both domestically and abroad, China's economy has been recovering well. Its GDP has witnessed a year-on-year increase of 12.7% in the first half of 2021, which indicated its strong resilience and momentum. In the first half of 2021, the Group recorded sales of approximately RMB44,531 million, representing a year-on-year increase of approximately 41.88%. During the period, the Group continued to diversify its market layout strategy and actively broaden the Company's business field. With its achievement of years of deep cultivation in electronic intelligent manufacturing, the Group has built an industry benchmark, improved the market share of key customers. Under the background of the shortage of the industry chip, the Group's sales scale still hit a record high as compared with the same period in history. The business of smart phone and laptop industry has gradually recovered, and the share of large Android customers continues to increase, and the shipment of core product of major North American customers continue to increase, the business scale continued to expand. Smart homes, game hardware, unmanned aerial vehicles and other new intelligent products arranged in the early stage have increased continuously. Meanwhile, the Group continues to increase the investment in electronic atomization products, iterate technical solutions rapidly and improve patent layout, reserving potential energy for the business development of the Group. Thanks to the increase in the sales of new energy vehicles, the shipments of the automobile intelligent system experience stable growth. As the revenue scale of smart phone and laptop, new intelligent product and automobile intelligent system business significantly increases, the profit contribution of that also achieves a year-on-year increase. As the

業務回顧

本集團是全球領先的平台型高端製造企業，為客戶提供新材料開發、產品設計與研發、零組件及整機製造、供應鏈管理、物流及售後等一站式服務。集團業務廣泛，涉及智能手機、智能穿戴、電腦、物聯網、智能家居、遊戲硬件、機器人、無人機、通信設備、電子霧化、汽車智能系統、醫療健康設備等多元化的市場領域。依託於業界領先的研發和製造實力、多元的產品組合，以及優質的客戶資源，集團業務已步入新一輪的高速成長週期。

二零二一年上半年，全球新冠肺炎疫情依然反覆，面對複雜多變的國內外環境，中國經濟整體復蘇良好，二零二一年上半年國內生產總值同比增長12.7%，展現強勁的韌性與動能。二零二一上半年，集團錄得銷售額約人民幣445.31億元，同比上升約41.88%。期內，集團延續多元化市場佈局策略，積極拓寬公司業務領域。憑藉多年深耕電子智造的成果，打造行業標杆，提高於大客戶的市場份額，在行業芯片短缺的大背景下，集團的銷售規模仍然創同期歷史新高。智能手機及筆電板塊行業景氣度有所回升，安卓大客戶份額持續提升，北美大客戶核心產品出貨量持續增加，業務規模持續擴張。前期佈局的智能家居、遊戲硬件、無人機等新型智能產品持續放量。同時，集團持續加大電子霧化產品的投入，快速迭代技術方案，完善專利佈局，為集團業務成長儲備新勢能。受益於新能源汽車銷量大增，汽車智能系統出貨量穩步增長。隨著智能手機及筆電、新型智能產品和汽車智能系統業務收入規模的

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COVID-19 pandemic prevention and control has entered into a regular stage, the demand for medical protection products has experienced a significant decrease as compared to the same period of last year, therefore, revenue and profit of the current period decrease year on year significantly. During the period, profit attributable to shareholders decreased by approximately 33.55% to approximately RMB1,643 million as compared to the same period of last year.

In respect of the smart phone and laptop business, driven by the rapid development of new technology application, the market penetration of 5G smart phones increased continuously. Thanks to the economic revitalization measures taken by various countries, the smart phone market recovered gradually. According to the data from research agency IDC, the global smartphone shipments in the first half of 2021 increased by approximately 19.4% year on year to 659 million units. Information released by the China Academy of Information and Communications Technology shows the phone shipments in the Chinese market amounted to 174 million units in the first half of 2021, up approximately 13.7% year on year, while the shipment of 5G mobile phones increased by 1.01 times to 128 million units. In the post-pandemic era, the demands for home economy such as home working and distance teaching have continuously driven the increased sales of laptops and tablet PCs. According to the data from the research agency IDC, the global PC shipments topped 168 million units in the first half of 2021, representing an increase of approximately 30.9% year on year, and the tablet PC reached up to approximately 80.40 million units, representing an increase of approximately 24.5% year on year. With its achievement of years of deep cultivation in electronic intelligent manufacturing and its distinguished industry reputation, the Group continued to cement partnerships with major customers to increase market shares. During the period, there is widespread shortage of chips in the industry, which has caused certain fluctuations in customer demand. The Group actively responded to and overcame the challenges, and still pushed its business scale to a new high. In terms of major Android customers, as the share of the market continued to increase, the Group actively expanded the capacity, and the shipments of complete machine assembly as well as the business scale continued to increase. Affected by the decrease in the sale volume of high-tier flagship models, the revenue of parts and components of Android decreased. In terms of major Northern American customers business, the Group had established strong engineering manufacturing, quality and operation team through internal training and external recruitment. Excellent product quality and delivery performance continuously deepened the strategic cooperation between the Group and major Northern American customers,

大幅增長，利潤貢獻也實現同比增長。新冠疫情防進入常態化，醫療防護產品需求同比大幅下降，當期的收入和利潤同比大幅減少。期內，股東應佔溢利同比下跌約33.55%至約人民幣16.43億元。

智能手機及筆電業務方面，在新科技應用迅速發展的推動下，5G手機及物聯網產品的市場滲透率持續上升，而且得益於各國的振興經濟措施，智能手機市場持續復蘇。根據市場研究機構IDC的統計，二零二一年上半年全球智能手機出貨量同比上升約19.4%至6.59億部。中國信息通信研究院發表的資料顯示，二零二一年上半年內地手機出貨量同比增長約13.7%至1.74億部，其中5G手機出貨量增長1.01倍至1.28億部。在後疫情時代，居家工作及遠距教學等宅經濟需求持續推動筆記本電腦及平板電腦的銷量保持增長，研究機構IDC的資料顯示，二零二一年上半年全球PC市場出貨量同比增長約30.9%至約1.68億部，而全球平板電腦出貨量亦同比上升約24.5%至約8,040萬部。集團憑藉多年深耕電子智造的成果及卓越的行業口碑，不斷推進與大客戶的合作關係，提升市場份額。期內，行業普遍存在芯片短缺的情況，導致客戶的需求出現一定波動，集團積極應對，克服挑戰，仍然將業務規模推向新高。安卓大客戶方面，隨著市場份額持續提升，集團積極擴大產能，整機組裝出貨量和業務規模不斷提升。受期內高端旗艦機型銷量減少的影響，安卓零部件收入減少。北美大客戶業務方面，通過內部培養和外部招募，集團組建了強大的工程製造、品質和運營團隊。優異的產品

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and the position of supply chain has been continuously improved. The full series of products of the Group, including plastic, metal, glass, ceramic, assembly, has been introduced and realized mass production. The assembly of the core products and the shipments of parts and components continued to increase. The continuous introduction of the new project not only drove major Northern American customers business scale to achieve several times and year-on-year growth, but also laid solid foundation for future continuous growth. During the period, the Group recorded revenue of RMB37,581 million from the smart phone and laptop business, representing a significant increase of approximately 102.88% over 2020. In particular, revenue from components and parts amounted to approximately RMB7,110 million, representing a decrease of 17.47% as compared to the same period in 2020; and revenue from assembly amounted to approximately RMB30,471 million, representing a substantial increase of approximately 207.51% as compared to the same period in 2020.

In respect of new intelligent product business, by the active expansion of the business scope, the Group has formed a comprehensive array of business domains covering the Internet of Things (IoT), smart home, gaming hardware, robots, unmanned aerial vehicles, electronic atomization, smart commercial equipment and industrial control. There is an obvious rebound over the same period of the last year in the furniture market. According to the data from IDC, the market shipments of smart home devices in China in the first quarter was 46.99 million units, representing a year-on-year increase of 27.7%. Meanwhile, the number of game players continued to grow, driving the increasing demand for game hardware. During the period, the Group's forward-looking layout in new intelligent products has entered into the harvest period. In particular, the shipments of representative products such as intelligent furniture, game hardware and unmanned aerial vehicles increased continuously, contributing to the rapid growth of new intelligent business. The Group has deepened cooperation with customers of sweeping robots in terms of R&D, parts and components, and assembly businesses, and in line with the mass production of overseas factories, the market share has increased year on year. The smart POS machine business has developed steadily, gradually developing from a single customer to a multi-customer business. With the increase of market demand, the game hardware product business has maintained a good momentum of development. The Group had joined hands with the leaders in the unmanned aerial vehicles industry, occupying the absolute leading market share of customers' products, providing customers with one-stop services such as components and parts, modules and assembly, and becoming customers' strategic partner. During the period, the Group deepened its cooperation with large customers at home and abroad on the heat-

品質和交付表現，促進集團與北美大客戶的戰略合作持續深化，供應鏈地位不斷提升。集團包括塑膠、金屬、玻璃、陶瓷、組裝的全系產品線均已導入並實現規模化量產。核心產品的組裝和零部件出貨量持續增長，新項目不斷導入，不僅帶動北美大客戶業務規模實現同比數倍增長，也為未來持續增長打下堅實的基礎。期內，集團在智能手機及筆電業務領域錄得人民幣375.81億元之收入，較二零二零年同期大幅增長約102.88%。其中零部件收入約人民幣71.10億元，同比下降17.47%；組裝收入約人民幣304.71億元，同比大幅增長約207.51%。

在新型智能產品業務方面，集團積極拓展業務範圍，形成覆蓋物聯網、智能家居、遊戲硬體、機器人、無人機、電子霧化、智能商用設備、工業控制的廣泛佈局。家居市場較去年同期有明顯反彈，IDC的數據顯示，第一季度中國智能家居設備市場出貨量為4,699萬台，同比增長27.7%。同時，全球遊戲玩家數量持續增長，推動遊戲硬體的需求上升。期內，集團於新型智能產品領域的前瞻性佈局進入收成期，其中智能家居、遊戲硬體及無人機等代表產品出貨量持續增長，推動新型智能業務邁進高速增長軌道。集團與掃地機器人客戶從研發，零組件，組裝業務上合作加深，配合海外工廠的量產，市場份額逐年提升。智能POS機業務發展穩健，逐步從單一客戶向多客戶業務發展。隨著市場需求的增長，遊戲硬體類產品業務保持良好的發展勢頭。集團攜手無人機行業龍頭，佔有客戶產品的絕對領先的市場份額，為客戶提供零部件、組件、組裝等一站式服務，成為客戶的戰略合作夥伴。期內，集團與海內外大客戶在加熱不燃燒產品（HNB）方面的合作進一步深入，收入規模不斷增加；同時積極佈局陶瓷霧化器，依託在材料、化學、

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not-burn products (HNB), leading to an increase in the revenue scale. Meanwhile, the Group distributed its ceramic atomizer and completed the layout of patents and developed high-quality products, with the automatic production line well-prepared during the period by relying on leading advantages in sectors including materials, chemistry, hydromechanics, structure and electronic design, molds, automatic equipment and smart manufacture. The Group currently cooperates with several customers at home and abroad on the ceramic atomizer and will provide bulk supply in the near future. In the first half of the year, the Group recorded a revenue of RMB5,014 million from the new intelligent product business, accounting for 11.26% of the overall revenue and representing an increase of approximately 38.35% over 2020.

In respect of the automotive intelligent system, the major development trends are electrification and intelligence of automobiles. As such, the auto industry of downstream continued to recover and the shipments were growing steadily. In particular, the sales volume of new energy vehicles set a record high in June, showing its strong momentum. According to the data released by China Association of Automobile Manufacturers (CAAM), China's production and sales volume of automobile in the first half of 2021 were 12.569 million and 12.891 million respectively, representing an increase of 24.2% and 25.6%. Benefiting from the recovery of sale volume of automobiles, the shipments of the Group's multi-media central control system, which served both the parent company and external automobile brands, remained growing. With the continuous promotion of the trend towards connected automobile, the shipments of the Group's 4G communication module increased strongly, and 5G communication module was introduced rapidly, and the overall scale of automobile intelligent system business hit a new high. At the same time, the Group actively promoted a wide range of cooperation with automobile manufacturers at home and abroad, which laid a solid foundation for introducing new customers. During the period, the Group's revenue from the automotive intelligent system business amounted to approximately RMB1,290 million, accounting for 2.90% of the total revenue and representing an increase of approximately 89.74% as compared to the same period last year.

For many years, the Group has been taking a long-term view, focusing on the future, and actively investing in research and development to create core technical barriers. According to the development needs of new projects of major customers, the Group actively sets up R&D team and NPI team, as well as related electronics laboratory. For electronic atomization technology, the Group has set up a ceramic material and atomization core development team, instrument design

流體力學、結構和電子設計、模具、自動化裝備和智能製造等領域的行業領先優勢，於期內完成專利佈局並開發出品質優異的產品，全自動生產線也準備就緒。當前，集團正與國內外多個客戶展開陶瓷霧化器的合作，將於近期開始批量供貨。上半年，集團新型智能產品業務錄得收入約為人民幣50.14億元，佔整體收入11.26%，較二零二零年同期增長約38.35%。

在汽車智能系統業務方面，汽車電動化、智能化乃大勢所趨，下游汽車產業行業景氣度持續回升，出貨量穩步增長，其中新能源汽車表現強勁，新能源汽車銷量於6月更創歷史新高。根據中國汽車工業協會的資料，二零二一年上半年全國汽車產量及銷量分別為1,256.9萬輛及1,289.1萬輛，同比上升24.2%及25.6%。受益於汽車銷量的復蘇，集團服務於母公司及外部汽車品牌的多媒體中控系統出貨量均保持增長。隨著汽車網聯化趨勢持續推進，集團的4G通訊模組出貨量增長強勁，5G通訊模組快速導入，汽車智能系統業務整體規模再創新高。同時，集團積極與國內外汽車廠商廣泛洽談合作，為持續導入新客戶打下堅實基礎。期內，集團來自汽車智能系統業務的收入約人民幣12.90億元，佔整體收入2.90%，較去年同期上升約89.74%。

多年以來，集團一直立足長遠，著眼未來，積極投入研發，打造核心技術壁壘。針對大客戶的新項目的開發需求，集團積極組建研發團隊和NPI團隊，以及相關的電子實驗室。針對電子霧化技術，集團組建了陶瓷材料和霧化芯開發團隊、器具的設計團隊、自動化團隊以及



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team, automation team and testing team, established the electron atomization mechanism institute, and set up an integrated functional and reliability laboratory. Based on the comprehensive layout of definition and design of products, formulas and processes of materials, simulations, mold design, engineering verification, automation solutions, etc., the Group conducts rapid iteration of product technical solutions and conducts a comprehensive layout of patents to reserve potential energy for the business development of the Group.

The Group has constantly promoted the global strategy over the years, enhanced its relationship with customers at home and abroad and planned to expand the production scale in many countries and regions so as to improve its operating efficiency. During the period, the Group has introduced several industrial parks into mass production both domestically and abroad, which will bring the Group's business into a new stage. Domestically, the Group's production base in Anyang has achieved mass production, and the Zhongshan Industrial Park is in the process of installing equipment and will soon introduce mass production. In terms of overseas bases, the bases in India and Malaysia have achieved mass production. In order to achieve continuous product iteration and technology upgrading, and further meet the growing needs of customers, the Group has been accelerating its international expansion and actively planning new bases at home and abroad.

FUTURE STRATEGY

The spread of the mutant COVID-19 all around the world together with geopolitical tensions has created uncertainties for the global economic outlook. Looking ahead the second half of 2021, the domestic economy and the consumption continued to recover steadily even if it is full of opportunities and challenges. With the vigorous support on industries related to intelligent manufacturing by the country, the government has launched several policies to support scientific research and advanced manufacturing, and expand domestic needs and optimize the consumer market under the "14th Five-Year Plan". As the integration of domestic need system improved gradually, the economic support by new endogenous force continued to grow, which will assist the Group to achieve breakthrough. The Group will continue to cultivate and absorb excellent talents, and vertically integrate the comprehensive advantages including materials, molds, parts and components, R&D, automation, intelligence and large-scale manufacturing, to further enhance the comprehensive competitiveness. At the same time, the Group adheres to major customers strategy, continues to consolidate and expand core business, explores the

測試團隊，成立了電子霧化機理研究所，並設立了一體化的功能和可靠性實驗室。基於在產品的定義和設計、材料的配方和工藝、模擬仿真、模具設計、工程驗證、自動化方案等方面的全面佈局，集團對產品的技術方案進行快速迭代，並對專利進行全方位佈局，為集團業務成長儲備新勢能。

近年來，集團致力推進全球化佈局，持續強化與國內外客戶的關係，並在海內外多個國家和地區規劃擴大生產規模，提升營運成效。期內，集團在海內外的多個新工業園已投入量產，將帶動集團業務再上新臺階。國內方面，集團在安陽的生產基地已實現量產，中山工業園處於設備安裝中，即將導入量產。海外基地方面，印度和馬來西亞的基地已實現量產。為了實現產品不斷迭代及技術升級，並進一步滿足不斷增長的客戶需求，集團將持續加速擴張國際版圖，積極規劃並建設海內外的新基地。

未來策略

新冠肺炎疫情變種病毒在全球多地傳播，加上地緣政治緊張局勢，為環球經濟前景帶來不確定性。然而機遇與挑戰並存，展望二零二一年下半年，國內經濟持續穩定復蘇，消費恢復態勢向好，加上國家大力支持電子智造相關產業，在「十四五」規劃下，政府提出多項政策支持科研及先進製造業，以及擴大內需及優化消費市場。隨著內需體系完整性逐步提升，新的內生動能對經濟的支撐持續增強，有助集團實現持續突破。集團將堅持持續培養和吸納優秀人才，並垂直整合包含材料、模具、零組件、研發、自動化、智能化和大規模製造的綜合優勢，進一步提升綜合競爭力。同時，堅持大客戶戰略，繼續鞏固及擴充核心業務，深挖大客

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business potential of the major customers, maintains a keen market insight, persists in diversified layout and continues to introduce new business field, injecting continuously new momentum for its business development.

In respect of the smart phone and laptop business, the 5G era will become a starting point for a new round of explosive growth of the Group. Several countries have deployed 5G networks and migrated to 5G devices one after another. After the impact of the epidemic has slowed down, the emerging markets have shown strong demand for mobile phones. IDC expected that the shipments of smart phones in 2021 will increase to 1.38 billion units, representing an increase of 7.7% as compared with that of 2020. TrendForce expected that the demand momentum for home economy such as telecommuting and distance teaching will continue in 2021. It is estimated that the global laptop shipments will reach 236 million units this year, representing an annual growth of approximately 15%. As a leading manufacturer in the industry with leading technology and advanced manufacturing capabilities, the Group will benefit even more from the industry recovery and continue to promote the sustained and sound business development. In terms of the Android assembly business, the Group focuses on mid-to-high-end products for major customers, forms in-depth strategic cooperation with customers through vertically integrated services, and positively meets customers' needs for development to establish new productions bases in China and beyond, continuously increasing market share. In terms of Android components and parts business, the Group will adhere to innovative technology research and development, and continue to maintain and strengthen its leading position in the metal, glass and ceramics industry. In terms of the major North American customers, the Group has carried out full cooperation with customers on sectors including plastic, metal, glass, ceramics, assembly and is committed to becoming a benchmark supplier for customers in terms of automation and intelligence, quality and delivery by increasing the share of its existing core products. At the same time, the Group will continue to tap the customer's business potential and create more value for customers through R&D and NPI capabilities, continue to introduce new projects and new product lines, continue to deepen strategic partnerships with customers, and drive continuous breakthroughs in business scale.

戶的業務潛力，並保持敏銳的市場洞察力，堅持多元化佈局，不斷導入新的業務領域，為集團業務發展持續注入新動能。

智能手機及筆電業務方面，5G時代將會成為集團新一輪爆發式增長的起點，多國部署5G網路的市場，並陸續向5G設備遷移，而新興市場，在疫情影響放緩之後，展現出了對手機的強勁需求。IDC預測，二零二一年智能手機出貨量將達到13.8億部，較二零二零年增長7.7%。TrendForce預計遠距辦公與教學等宅經濟的需求動能將延續至二零二一年，預估今年全球筆電出貨量將突破2.36億台，年成長率約15%。作為擁有領先技術和先進製造能力的行業龍頭廠商，集團將更加受益於行業景氣度回升，持續推動業務持續良好發展。安卓組裝業務方面，集團聚焦大客戶的中高端產品，通過垂直整合的服務，與客戶形成深度戰略合作，並積極配合客戶的發展需求，在國內和海外佈局新的生產基地，不斷提升市場份額。安卓零部件業務方面，集團將堅持創新技術研發，持續保持並加強在金屬，玻璃陶瓷的行業領導地位。北美大客戶方面，集團已在塑膠、金屬、玻璃、陶瓷、組裝等領域與客戶展開全面合作。集團將積極提升現有核心產品的份額，致力於在自動化、智能化、品質和交付等方面，成為客戶的標杆供應商。同時，集團將持續挖掘客戶業務潛力，通過研發和NPI能力為客戶創造更多價值，持續導入新項目和新產品線，與客戶的戰略合作關係持續深化，帶動業務規模不斷突破。



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In respect of the new intelligent products, the reform of 5G and artificial intelligent will irritate the market to take a big leap and create a long-term growing space in areas for which much endeavour has been made by the Group such as smart home, the Internet of Things (IoT), smart city and unmanned aerial vehicles. Currently, the China's smart home market is in the process of upgrading and adjusting, with various categories are upgrading and expanding their products capability, connections and scenario applications. IDC expects that the shipments of the smart home devices market in China will reach 250 million units, representing an increase of 21.1% and the global shipments will reach 1.4 billion units in 2025, and the annual compound growth rate from 2020 to 2025 will be 12.2%. Looking forward to the second half of the year, with the products in areas for which much early endeavour has been made by the Group such as unmanned aerial vehicles, smart home and game hardware continued to boost, the business scale of new intelligent products will witness constant breakthrough. In addition, the market penetration of global electronic atomization equipment continues to rise, with great market growth potential in the future. According to the Sullivan Report, the market scale of global electronic atomization equipment is expected to grow at a compound growth rate of approximately 32.6% from 2021 to 2025. The Group will continue to increase R&D investment and upgrade product technology to enhance its technical strength. It is believed that the Group's strong R&D support, global layout and comprehensive capabilities for vertical integration will provide strong support for the introduction of more new customers. The Group will persist in positive market strategy, and seize a large business opportunity of new intelligent product, and continue to introduce new customers and go deep into robots, electronic atomization and other new business field. Relying on the R&D and capacity distribution in the field of electronic atomization, the Group will accelerate the project cooperation with domestic and foreign customers, seize the opportunity of market growth, and release the potential of business growth.

新型智能產品業務方面，5G及人工智慧技術革新將刺激市場跨越式前進，為集團多年佈局的智能家居、物聯網、智慧城市、無人機等多個領域打開遠期成長空間。目前中國智能家居市場處於升級調整期，各品類均在積極升級及拓展產品功能、連接和場景應用，IDC預計，二零二一年中國智能家居設備市場出貨量2.5億台，同比增長21.1%，全球出貨量將於二零二五年達到14億台，二零二零年至二零二五年的年複合增長率為12.2%。展望下半年，隨著前期佈局的無人機、智能家居、遊戲硬件等多個領域產品持續放量，將帶動新型智能產品業務規模持續突破。此外，全球電子霧化設備的市場滲透率持續上升，未來市場增長潛力大，根據沙利文報告，全球電子霧化設備市場規模從二零二一年至二零二五年期間的預計複合增長率約32.6%。集團將持續加大研發投入和產品技術升級，提升技術實力，相信集團強大的研發支持、全球佈局和垂直整合的綜合能力，將為更多新客戶的引入提供強有力的支持。集團將堅持積極的市場策略，把握新型智能產品的龐大商機在擴大智能家居、無人機、遊戲硬件、智能POS機等現有業務市場份額的同時，不斷導入新客戶，持續深入機器人、電子霧化等新的業務領域。依託在電子霧化方面的研發和產能佈局，集團將加速推進與國內外客戶的項目合作，把握市場增長的機遇，釋放業務增長的潛力。

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In respect of the automotive intelligent system business, the automotive industry is accelerating the reform and innovation, moving towards electric, digital and intelligent development in multiple dimensions, and the market shares of new energy vehicles will continue to grow. Favourable policies have been issued successively. In April 2021, the Ministry of Housing and Urban-Rural Development and the Ministry of Industry and Information Technology jointly issued the Notice on Identifying the First Batch of Pilot Cities for the Coordinated Development of Smart City Infrastructure and Intelligent Networked Vehicles (《關於確定智慧城市基礎設施與智能網聯汽車協同發展第一批試點城市的通知》), whereby six cities (including Beijing, Shanghai, Guangzhou, Wuhan, Changsha and Wuxi) were identified as the first batch of pilot cities for the collaborative development of smart city infrastructure and intelligent networked vehicles. In June of the same year, the Guangdong Provincial Development and Reform Commission issued the “Special Action Notice for Automobile Old for New Service in Guangdong Province 2021” (《廣東省2021年汽車以舊換新專項行動公告》) and “Special Action Guide for Automobile Purchase Subsidy Application for Automobile Old for New Service in Guangdong Province 2021” (《廣東省2021年汽車以舊換新專項行動購車補貼申請指南》) to carry out the 2021 special action for automobile old for new service, and the purchase of new energy vehicles can get a subsidy of up to RMB10,000 per unit. In addition, IDC expects that the global autonomous driving market will grow rapidly, with a CAGR of 18.3% from 2020 to 2024. The wave of new energy vehicles and intelligent driving will help expand the business scale of the Group's automotive intelligent system. The Group will continue to accumulate technology R&D experience, deepening the industry layout, to occupy domestic and overseas market. In terms of multi-media central control system, the Group will continuously enhance the cooperation with automobile OEM and has invested in research and development according to new project requirements of domestic and overseas customers. In terms of vehicle communication module, the Group actively introduces new customers and new projects, and the 5G vehicle communication module will be the big highlight in the future performance growth. At the same time, the Group actively expands intelligent vehicle domain controller and other new product lines. The Group will continue to strengthen the collaboration with domestic and overseas customers, realizing the long-term development of automobile intelligent system business.

汽車智能系統業務方面，汽車行業正加速革新，從多個維度邁向電動化、數位化和智能化，新能源汽車的市場份額將持續上升。利好政策接連出台，二零二一年四月，住房和城鄉建設部、工業和資訊化部聯合發佈《關於確定智慧城市基礎設施與智能網聯汽車協同發展第一批試點城市的通知》，確定北京、上海、廣州、武漢、長沙、無錫等6個城市為智慧城市基礎設施與智能網聯汽車協同發展第一批試點城市。同年六月，廣東省發展改革委發佈《廣東省2021年汽車以舊換新專項行動公告》及《廣東省2021年汽車以舊換新專項行動購車補貼申請指南》，開展二零二一年汽車以舊換新專項行動，購買新能源車最高可獲取補貼10,000元／輛。另外，IDC預計全球自動駕駛市場將迅速發展，二零二零年至二零二四年複合年均增長率達到18.3%。新能源汽車及智能駕駛的浪潮將有助擴大集團汽車智能系統業務規模，集團將繼續累積技術研發經驗，加深產業佈局，搶佔海內外市場。多媒體中控系統方面，集團將持續加強與汽車主機廠的合作，根據海內外客戶的新項目要求，積極投入研發。車載通訊模組方面，集團積極導入新客戶和新項目，5G車載通訊模塊將成為未來業績增長的大亮點。同時，集團積極擴充智能汽車域控制器等新的產品線。集團將持續加深與海內外客戶的合作，以實現汽車智能系統業務的長足發展。



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In respect of the medical and health business, the COVID-19 pandemic provided an opportunity for the Group to move into the field of medical equipment in 2020. This year, the Group seizes the trend to gradually broaden its business segment and builds a long-term growth segment. KPMG expects that the sales scale of the global medical equipment will increase significantly from US\$483.0 billion in 2020 to approximately US\$795.0 billion in 2030. The Group has obtained various domestic and international medical certifications such as ISO13485, QSR820, CE and FDA. In the future, the Group will actively explore and develop more relevant medical products and jointly explore a new future of the industry with our customers.

As an international leading high-end platform-based manufacturing enterprise, BYD Electronics continues to enhance its position in the core industrial chain of its major customer from North American while consolidating its position as a leader in Android-based products, with a view to gain a larger market share. Under the coordinated development of its core business, the Group's long-term growth potential will be guaranteed. In addition, the Group will focus on the development of automotive intelligent, achieve breakthrough and create a new chapter on emerging markets areas such as unmanned aerial vehicles, robots, electronic atomization and medical and health products. In the second half of 2021, the Group is expected to fully benefit from the rapid development of various market sectors, and the overall sales scale and performance have huge growth potential.

Looking ahead, the Group will adhere to its core corporate values, respond to the market changes in a keen way, and commit itself to enhancing technological innovation and upgrading intelligent manufacturing while creating value for clients, shareholders and investors.

醫療健康業務方面，二零二零年新冠肺炎疫情為集團進軍醫療設備領域的契機，集團今年將乘勢而上，逐步拓寬業務賽道，構建長期增長軌道。畢馬威預期全球醫療器材產業銷售規模將由二零二零年的4,830億美元大幅增長至二零三零年約7,950億美元。集團已取得ISO13485、QSR820、CE、FDA等國內國際各類醫療認證，未來將積極探索開發更多醫療相關產品，與客戶共同開拓產業新未來。

作為國際領先的平台型高端智造企業，比亞迪電子穩居安卓領域龍頭地位，並持續滲透北美大客戶核心產業鏈，爭取更大市場份額。在核心業務協同發展下，充分保障集團長遠成長空間。另外，集團聚焦汽車智能化發展，並在無人機、機器人、電子霧化、醫療健康等新興市場領域借勢突破、再創新局。二零二一年下半年，集團可望充分受益於各個市場領域的迅速發展，整體業務具備龐大的增長潛力。

展望未來，集團將一如既往地秉承企業的核心價值觀，敏銳地把握市場變化，致力提升科技創新能力，升級智能製造。同時，為客戶及股東創造更高價值。

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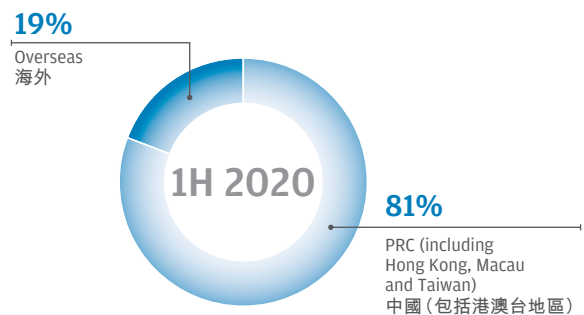
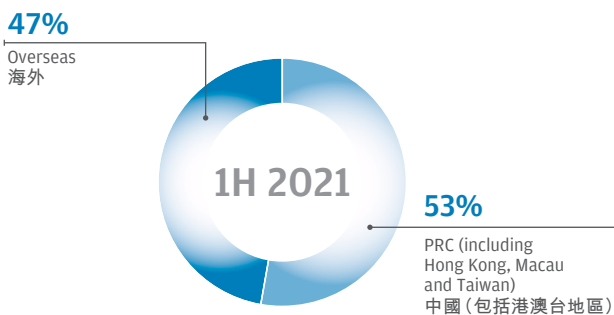
管理層討論與分析

FINANCIAL REVIEW

During the period under review (the “Period”), the turnover increased by 41.88% as compared to corresponding period of last year, and profit attributable to owners of the Parent decreased by 33.55% as compared to corresponding period of last year, which were mainly due to the change in structure of our products.

SEGMENT INFORMATION

Set out below is a comparison of geographical segment by customer locations of the Group for the six months ended 30 June 2021 and 2020:



GROSS PROFIT AND MARGIN

The Group's gross profit for the Period decreased by approximately 25.35% to RMB3,061 million. Gross profit margin decreased from approximately 13.06% in the first half of 2020 to approximately 6.87% during the Period. The decrease in gross profit margin was mainly due to the change in structure of our products.

LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the Group recorded cash inflow from operations of approximately RMB3,707 million, compared to approximately RMB3,508 million of cash inflow recorded in the first half of 2020. Such increase in cash inflow of the Group in the Period was mainly due to the increase in cash received from goods sold. Funds were obtained from the net cash derived from the Group's operations.

The Group possessed sufficient liquidity to meet the daily liquidity management and capital expenditure requirements, and control internal operating cash flows. For the six months ended 30 June 2021, the turnover days of trade receivables and trade receivable financing were approximately 50 days, while the turnover days were approximately 64 days for the six months ended 30 June 2020, which was primarily attributable to the fact that the increase in sales was more than that of average trade receivables over the same period. Inventory turnover days increased from approximately 36 days for the six months ended 30 June 2020 to approximately 37 days for the Period, which showed no significant change.

財務回顧

回顧期內，營業額較去年同期增長41.88%，母公司擁有人應佔溢利較去年同期下降33.55%，主要因為產品結構變化。

分部資料

以下為本集團於截至二零二一年及二零二零年六月三十日止六個月按客戶所在地分析的地區分部比較：

毛利及邊際利潤

本集團期內的毛利下降約25.35%至人民幣3,061百萬元，毛利率由二零二零年上半年約13.06%下降至期內約6.87%，毛利率下降的主要原因為產品結構變化。

流動資金及財務資源

期內，本集團錄得經營現金流入約人民幣3,707百萬元，而二零二零年上半年則錄得現金流入約人民幣3,508百萬元，本集團期內現金流入增加主要是銷售商品收到的現金增加所致。本集團主要通過經營產生的淨現金獲取資金。

本集團擁有足夠的流動性以滿足日常流動資金管理及資本開支需求，並控制內部經營現金流量。截至二零二一年六月三十日止六個月，應收貿易賬款及應收款項融資的周轉期約為50日，而截至二零二零年六月三十日止六個月，則約為64日，變化的主要原因為銷售額的同期增幅比平均應收貿易賬款的增幅大所致。存貨周轉期由截至二零二零年六月三十日止六個月約36日增長至期內約37日，無明顯變化。



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CAPITAL STRUCTURE

The Group's Financial Division is responsible for the Group's financial risk management which operates according to policies implemented and approved by senior management. As of 30 June 2021, the Group's cash and cash equivalents were mainly held in Renminbi and US dollars. The Group's current bank deposits and cash balances, as well as the Group's credit facilities and net cash derived from operating activities, will be sufficient to satisfy the Group's material commitments and working capital, capital expenditure, business expansion, investments and the expected debt repayment for at least the next 12 months.

The Group monitors capital using a gearing ratio, which is net liabilities divided by equity. The Group's policy is to maintain the gearing ratio as low as possible. Net liabilities include interest-bearing bank borrowings, less cash and bank balances. Equity represents equity attributable to owners of the parent. The gearing ratio was -9.76% as at 30 June 2021 (-3.24% as at 31 December 2020).

SIGNIFICANT INVESTMENT HELD

Except as disclosed herein, the Group did not have any significant investments during the Period.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES AND MATERIAL INVESTMENTS OF CAPITAL ASSETS

In 16 April 2021, BYD Precision Manufacture Co. Ltd, a wholly owned subsidiary by the Company, as purchaser entered into an equity transfer agreement with BYD as vendor in relation to the equity purchase representing 3.00% of the entire registered capital of RMB1,500,000,000 of BYD Auto Finance Company Limited, a subsidiary of BYD, for a total consideration of RMB80,800,000. Please refer to the announcement issued by the Company on 16 April 2021 for more details.

Save as disclosed above, there was no other material acquisition and disposal of subsidiaries and associates during the period under review. Save as disclosed in this interim report, there was no plan authorised by the Board for other material investments or additions of capital assets as at the date of this interim report.

資本架構

本集團財務處的職責是負責本集團的財務風險管理工作，並根據高級管理層實行批核的政策運作。於截至二零二一年六月三十日，本集團的現金及現金等價物主要以人民幣及美元持有。本集團目前的銀行存款和現金結存，以及本集團信貸額度和經營活動提供的淨現金將足以滿足本集團的重大承諾和營運資金、資本開支、業務擴展、投資和至少未來十二個月的債務償還預期需求。

本集團使用資本負債比率（即債務淨額除以權益）監察其資本。本集團的政策為將資本負債比率盡可能保持最低。債務淨額包括計息銀行借款，並扣除現金及銀行結餘。權益為母公司擁有人應佔權益。截至二零二一年六月三十日該資本負債比率為-9.76%（二零二零年十二月三十一日：-3.24%）。

所持重大投資

除此處披露者外，期內本集團概無任何重大投資。

重大收購及出售附屬公司及聯屬公司以及重大資本資產投資

於二零二一年四月十六日，本公司的全資附屬公司比亞迪精密製造有限公司（作為買方）與比亞迪（作為賣方）訂立股權轉讓協議，內容有關購買比亞迪之附屬公司比亞迪汽車金融有限公司全部註冊資本人民幣1,500,000,000元的3.00%股權，總代價人民幣80,800,000元。有關更多詳情，請參閱本公司於二零二一年四月十六日刊發的公告。

除上文所披露外，於回顧期內，概無其他重大收購及出售附屬公司及聯營公司。除本中期報告所披露外，於本中期報告日期，董事會概無授權任何重大投資或添置資本資產的計劃。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's income and expenditure are settled in RMB and US dollar. During the Period, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group will have sufficient foreign exchange to meet its own foreign exchange needs.

CHARGE ON ASSETS

As at 30 June 2021, the Group pledged the bank deposit for guarantee deposits amounted to approximately RMB0 (RMB418,000 as at 30 June 2020).

EMPLOYMENT, TRAINING AND DEVELOPMENT

As at 30 June 2021, the Group had approximately 101,300 employees. During the Period, total staff cost accounted for approximately 10.75% of the Group's revenue. Employees' remuneration was determined on the basis of the employees' performance, qualification and prevailing industry practices, with compensation policies being reviewed on a regular basis. Bonuses and rewards may also be awarded to employees based on their annual performance evaluation. Incentives were offered to encourage personal motivation.

SHARE CAPITAL

As at 30 June 2021, the share capital of the Company was as follows:

Number of issued ordinary shares: 2,253,204,500.

CAPITAL COMMITMENT

As at 30 June 2021, the Group had capital commitments of approximately RMB549 million (31 December 2020: approximately RMB540 million).

CONTINGENT LIABILITIES

Please refer to note 13 to the interim condensed consolidated financial statements for details of contingent liabilities.

外匯風險

本集團大部分收入及開支均以人民幣及美元結算。期內，本集團並無因貨幣匯率的波動而令其營運或流動資金出現任何重大困難或影響。董事相信，本集團將有充足外匯應付其外匯需要。

資產抵押

於二零二一年六月三十日，本集團就信用保證金而抵押的銀行存款約為人民幣0元（二零二零年六月三十日：人民幣418,000元）。

僱用、培訓及發展

於二零二一年六月三十日，本集團僱用約10.13萬名僱員。期內，員工成本總額佔本集團營業額約10.75%。本集團按僱員的表現、資歷及當時的行業慣例釐定給予僱員的報酬，而酬金政策會定期檢討。根據年度工作表現評核，僱員或會獲發花紅及獎金。獎勵的發放乃作為個人推動力的鼓勵。

股本

於二零二一年六月三十日，本公司的股本如下：

已發行普通股份數目：2,253,204,500。

資本承擔

於二零二一年六月三十日，本集團的資本承擔達約人民幣549百萬元（二零二零年十二月三十一日：約人民幣540百萬元）。

或然負債

有關或然負債的詳情請參閱中期簡明合併財務報表附註13。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2021, the relevant interests or short positions of the Directors and chief executive of the Company in the ordinary shares and underlying shares of the Company or its associated corporations (with the meaning of Part XV of the Securities and Futures Ordinance (Chap. 571 of the Laws of Hong Kong) ("SFO"), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on the Stock Exchange to be notified to the Company and the Stock Exchange were as follows:

董事及最高行政人員於股份中的權益及淡倉

於二零二一年六月三十日，本公司董事及最高行政人員於本公司或其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的普通股份及相關股份中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）的有關權益或淡倉（包括彼等根據證券及期貨條例有關條文被當作或視為擁有的權益或淡倉），或根據證券及期貨條例第352條須記錄於該條文所指的登記冊內，或根據聯交所證券上市規則上市發行人董事進行證券交易的標準守則須知會本公司及聯交所的有關權益或淡倉如下：

Name of Director 董事姓名	Name of company 公司名稱	Capacity 身份	Number of issued shares held 持有已發行 股份數目	Approximate percentage of total issued shares of the Company 佔該公司已發行 股份總數的 概約百分比
Mr. WANG Nianqiang 王念強先生	The Company 本公司	Beneficial owner and beneficiary 實益擁有人及受益人	17,102,000 ¹ (long position) (好倉)	0.76%
	BYD Company Limited ("BYD") 比亞迪股份有限公司 (「比亞迪」)	Beneficial owner 實益擁有人	18,299,740 ² (long position) (好倉)	0.64%
Mr. WANG Bo 王渤先生	The Company 本公司	Beneficiary 受益人	2,805,000 ³ (long position) (好倉)	0.12%
Mr. WANG Chuan-fu 王傳福先生	BYD 比亞迪	Beneficial owner 實益擁有人	518,351,550 ⁴ (long position) (好倉)	18.12%
Mr. Qian Jing-jie 錢靖捷先生	The Company 本公司	Beneficial owner 實益擁有人	5,000 (long position) (好倉)	0.00%

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Notes:

1. Of which 8,500,000 shares are held by Mr. Wang Nian-qiang and 8,602,000 shares are held by Gold Dragonfly Limited ("Gold Dragonfly"), a company incorporated in the British Virgin Islands and wholly owned by BF Gold Dragon Fly (PTC) Limited ("BF Trustee") as the trustee of BF Trust, the beneficiaries of which include Mr. Wang Nian-qiang.
2. These are the A shares of BYD held by Mr. Wang Nian-qiang. The total share capital of BYD as at 30 June 2021 was RMB2,861,142,855, comprising 1,813,142,855 A shares and 1,048,000,000 H shares, all of which have a par value of RMB1 each. The A shares of BYD held by Mr. Wang Nian-qiang represented approximately 1.01% of the total issued A shares of BYD as of 30 June 2021.
3. These shares are held by Gold Dragonfly, a company wholly owned by BF Trustee as the trustee of BF Trust, one of the beneficiaries of which include Mr. Wang Bo.
4. These are the 513,623,850 A shares, 3,727,700 A shares held in No.1 Assets Management Plan through E Fund BYD and 1,000,000 H shares of BYD held by Mr. Wang Chuan-fu, which represented approximately 28.53% and approximately 0.10% of total issued A shares and H shares of BYD as of 30 June 2021, respectively.

Save as disclosed above, none of the Directors or chief executive had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2021.

附註：

1. 其中有8,500,000股股份由王念強先生持有及8,602,000股股份由Gold Dragonfly Limited (「Gold Dragonfly」) 持有，後者為一家於英屬處女群島註冊成立的公司，由BF Gold Dragon Fly (PTC) Limited (「BF Trustee」) 作為BF Trust (王念強先生為該信託的其中一位受益人) 的受託人全資擁有。
2. 該等股份為王念強先生持有的比亞迪A股。於二零二一年六月三十日，比亞迪的總股本為人民幣2,861,142,855元，包含1,813,142,855股A股及1,048,000,000股H股，彼等股份面值均為人民幣1元。而王念強先生持有比亞迪之A股，相當於二零二一年六月三十日比亞迪已發行A股總數約1.01%。
3. 該等股份由Gold Dragonfly持有，而Gold Dragonfly為一家由BF Trustee作為BF Trust (王渤先生為該信託的其中一位受益人) 的受託人全資擁有的公司。
4. 該等股份為王傳福先生持有的比亞迪513,623,850股A股，通過易方達資產比亞迪增持1號資產管理計劃持有的3,727,700股A股及1,000,000股H股，分別相當於二零二一年六月三十日比亞迪已發行A股總數約28.53%及H股總數約0.10%。

除上文所披露者外，於二零二一年六月三十日，董事或最高行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份或債券證中擁有或視為擁有任何權益或淡倉。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

SHARE OPTIONS

During the period under review, the Company did not adopt any share option scheme.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the heading "Directors' and Chief Executive's Interests and Short Positions in Shares" above, at no time during the year ended 30 June 2021 was the Company, its holding company or any of its fellow subsidiaries and subsidiaries, a party to any arrangements to enable the Directors or the chief executive of the Company or their associates to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2021, so far as being known to the Directors of the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the ordinary shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

購股權

於回顧期內，本公司並無採用購股權計劃。

董事認購股份的權利

除上文「董事及最高行政人員於股份中的權益及淡倉」所披露者外，於截至二零二一年六月三十日止年度的任何時間，本公司、其控股公司或其同系附屬公司及附屬公司概無訂立任何安排，令本公司董事或最高行政人員或其聯繫人可透過購入本公司或任何其他法團的股份而獲益。

主要股東

於二零二一年六月三十日，就本公司董事所知，以下人士（不包括本公司董事及最高行政人員）於本公司普通股及相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部的規定須向本公司及聯交所披露或須記錄於本公司根據證券及期貨條例第336條須存置登記冊內的權益或淡倉：

Name of Shareholder 股東名稱	Nature of interest 權益性質	Number of ordinary shares in which the interested party has or is deemed to have interests or short positions 權益持有人持有或視為持有 權益或淡倉的普通股數目	Approximate percentage of total issued shares 佔已發行股份 總數的概約百分比
Golden Link Worldwide Limited (「Golden Link」)	Beneficial interest ¹ 實益權益 ¹	1,481,700,000 (long position) (好倉)	65.76%
BYD (H.K.) Co., Limited (「BYD HK」)	Interest of controlled corporation ¹ 受控制法團權益 ¹	1,481,700,000 (long position) (好倉)	65.76%
BYD Company Limited (「BYD」) 比亞迪股份有限公司 (「比亞迪」)	Interest of controlled corporation ¹ 受控制法團權益 ¹	1,481,700,000 (long position) (好倉)	65.76%

Notes:

- BYD is the sole Shareholder of BYD HK, which in turn is the sole Shareholder of Golden Link. As such, both BYD HK and BYD were deemed to be interested in the shares of the Company held by Golden Link.

附註：

- 比亞迪為BYD HK的唯一股東，而BYD HK則為Golden Link的唯一股東。因此，BYD HK及比亞迪均被視為於Golden Link持有的本公司股份中擁有權益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Save as disclosed above, as at 30 June 2021, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the ordinary shares or underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (THE “CODE”)

The Board of the Company is committed to maintaining and ensuring high standards of corporate governance practices.

The Board puts emphasis on maintaining a quality Board with the balance of skill set of directors, high transparency and effective accountability system in order to enhance shareholders' value. In the opinion of the Board, the Company had complied with the applicable provisions of the Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) during the Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as the Company's code of conduct regarding securities transactions by its Directors. Specific enquiry has been made to all directors, who have confirmed that they had complied with the required standard set out in the Model Code during the Period.

DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Since the date of publication of the latest annual report of the Company, there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

除上文所披露者外，於二零二一年六月三十日，本公司並不知悉任何人士（本公司董事或最高行政人員除外）於本公司普通股或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的規定須向本公司及聯交所披露或記錄於本公司根據證券及期貨條例第336條須存置登記冊內的權益或淡倉。

企業管治

遵守企業管治守則（「守則」）

本公司董事會致力維持並確保企業管治常規處於高水平。

董事會強調維持董事會的質素，各董事須具備不同的專長，透明度高而問責制度有效，務求提升股東價值。董事會認為，本公司於期內符合聯交所證券上市規則（「上市規則」）附錄十四所載的適用守則條文。

遵守上市發行人董事進行證券交易的標準守則

本公司已採用上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易的操守守則。經向全體董事作出特定查詢後，各董事確認在期內已遵守標準守則的規定標準。

根據上市規則第13.51B(1)條進行的披露

自本公司刊發最近期年報以來，概無資料須根據上市規則第13.51B(1)條予以披露。

買賣或贖回本公司上市證券

於截至二零二一年六月三十日止六個月，本公司或其任何附屬公司均概無買賣或贖回本公司任何上市證券。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

THE BOARD DIVERSITY POLICY

The Company recognises the importance of diversity to corporate governance and an effective Board. The Board Diversity Policy aims to set out the approach to achieve Board diversity, so as to ensure that the Board members possess appropriate skills, experience and diverse views necessary for the business of the Company. To realise Board diversity, all appointments of the Board members will be made based on merit, and measurable objectives will be discussed and negotiated on an annual basis. Such measurable objectives shall include, but are not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and/or terms of service, etc. The ultimate decision will be based on merits and contributions that the selected candidates will bring to the Board. The Board has confirmed the arrangement of skilled and experienced senior management, as they will facilitate a more comprehensive and diversified development. Having considered the business needs of the Company, the Nomination Committee considers that the current Board is sufficiently diversified in terms of its skills, experience, knowledge and independence. Moreover, the skills they are equipped with will prepare them prior to participating in senior management and commencing their roles as directors.

AUDIT COMMITTEE

The audit committee consists of three independent non-executive directors and two non-executive directors. A meeting was convened by the Company's audit committee on 27 August 2021 to review the accounting policies and practices adopted by the Group and to discuss auditing, internal control, risk management and financial reporting matters (including reviewing the financial statements for the Period) before recommending them to the Board for approval.

The audit committee has reviewed the unaudited results of the Group for the six months ended 30 June 2021.

INTERIM DIVIDEND

The Board does not recommend the distribution of interim dividend for the period (for six months ended 30 June 2020: Nil).

董事會多元化政策

本公司認同董事會成員多元化對企業管治及董事會行之有效的重要性，董事會成員多元化政策旨在列載為達致董事會成員多元化而採取的方針，以確保董事會根據本公司業務所需具備適當的技能、經驗及多元化觀點。董事會所有委任均以用人唯才為原則，將按年討論及協議可計量目標，以落實董事會多元化。這些可計量目標應包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及／或服務年期等，最終決定將基於人選的長處及可為董事會帶來的貢獻。本公司已確認及執行將協助發展更全面及更多樣化的熟練和經驗豐富的高級管理人員的安排，經考慮本公司業務需求，提名委員會認為現任董事會在技能、經驗、知識及獨立性方面充分表現多樣化格局。且屆時彼等之技能將為其加入高級管理層及董事職位做好準備。

審核委員會

審核委員會包括三名獨立非執行董事以及兩名非執行董事。本公司的審核委員會於二零二一年八月二十七日召開會議，審閱本集團採用的會計政策及常規，並討論核數、內部監控、風險管理及財務申報事項（包括審閱期內的財務報表），以向董事會建議批准有關事宜。

審核委員會已審閱本集團截至二零二一年六月三十日止六個月期間的未經審核業績。

中期股息

董事會不建議派付期內之中期股息（截至二零二零年六月三十日止六個月：無）。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

中期簡明合併損益表

FOR THE SIX MONTHS ENDED 30 JUNE 2021 截至二零二一年六月三十日止六個月

		For the six months ended 截至下列日期止六個月	
		30 June 2021 二零二一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	30 June 2020 二零二零年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元
REVENUE 收入	4	44,530,845	31,386,402
Cost of sales 銷售成本		(41,470,175)	(27,286,483)
Gross profit 毛利		3,060,670	4,099,919
Other income and gains 其他收入及收益		324,677	316,959
Government grants and subsidies 政府補助及補貼		458,003	71,730
Research and development expenses 研究及開發費用		(1,490,669)	(1,107,603)
Selling and distribution expenses 銷售及分銷開支		(118,122)	(129,918)
Administrative expenses 行政開支		(409,305)	(275,157)
Impairment losses on financial assets, net 金融資產減值虧損淨值		7,727	(65,310)
Loss on derecognition of financial assets measured at amortised cost 終止確認以攤銷成本計量的金融資產的虧損		(6,919)	(852)
Other expenses 其他開支		(50,503)	(51,531)
Finance costs 融資成本		(29,352)	(27,627)
PROFIT BEFORE TAX 除稅前溢利	5	1,746,207	2,830,610
Income tax expense 所得稅開支	6	(103,125)	(357,856)
PROFIT FOR THE PERIOD 期內溢利		1,643,082	2,472,754
Attributable to owners of the parent 母公司擁有人應佔		1,643,082	2,472,754
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT – Basic and diluted for the period 母公司普通股權益持有人應佔的每股盈利 – 期內基本及攤薄	8	RMB人民幣0.73元	RMB人民幣1.10元

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

中期簡明合併綜合收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2021 截至二零二一年六月三十日止六個月

	For the six months ended 截至下列日期止六個月	
	30 June 2021 二零二一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	30 June 2020 二零二零年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元
PROFIT FOR THE PERIOD 期內溢利	1,643,082	2,472,754
OTHER COMPREHENSIVE LOSS 其他綜合虧損		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods: 其後期間可重新分類至損益的其他綜合虧損：		
Trade receivable financing: 應收款項融資：		
Changes in fair value, net of tax 公允價值變動，扣除稅項	(655)	(253)
Impairment losses, net of tax 減值虧損，扣除稅項	102	268
Exchange differences on translation of foreign operations 換算境外業務產生的匯兌差額	(1,568)	(6,620)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods 其後期間可重新分類至損益的其他綜合虧損淨值	(2,121)	(6,605)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX 期內其他綜合虧損，扣除稅項	(2,121)	(6,605)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD 期內綜合收益總額	1,640,961	2,466,149
Attributable to owners of the parent 母公司擁有人應佔	1,640,961	2,466,149

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

中期簡明合併財務狀況表

AS AT 30 JUNE 2021 於二零二一年六月三十日

		30 June 2021 二零二一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2020 二零二零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
	Notes 附註		
NON-CURRENT ASSETS 非流動資產			
Property, plant and equipment 物業、廠房及設備	9	10,920,284	9,692,721
Right-of-use assets 使用權資產		1,098,378	1,201,507
Prepayments, other receivables and other assets			
預付款項、其他應收賬款及其他資產		583,499	589,473
Other intangible assets 其他無形資產		7,787	8,914
Loans to the ultimate holding company 貸款予最終控股公司		400,000	400,000
Other non-current financial assets 其他非流動金融資產		93,591	14,593
Total non-current assets 非流動資產總值		13,103,539	11,907,208
CURRENT ASSETS 流動資產			
Inventories 存貨		9,825,786	6,891,357
Trade receivables 應收貿易賬款	10	9,728,317	14,391,466
Trade receivable financing 應收款項融資		197,734	88,400
Prepayments, other receivables and other assets			
預付款項、其他應收賬款及其他資產		1,448,899	1,231,281
Pledged deposits 已抵押存款		—	487
Cash and cash equivalents 現金及現金等價物		3,132,106	3,465,889
Total current assets 流動資產總值		24,332,842	26,068,880
Total assets 總資產		37,436,381	37,976,088

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

中期簡明合併財務狀況表

AS AT 30 JUNE 2021 於二零二一年六月三十日

		30 June 2021 二零二一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2020 二零二零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
	Notes 附註		
CURRENT LIABILITIES 流動負債			
Trade and bills payables 應付貿易賬款及應付票據	11	8,106,318	8,145,851
Other payables and accruals 其他應付賬款及應計費用		4,065,445	4,295,401
Lease liabilities 租賃負債		243,399	330,984
Derivative financial instruments 衍生金融工具		1,285	587
Tax payable 應付稅項		28,004	57,459
Dividend payable 應付股息		543,022	—
Interest-bearing bank and other borrowings 計息銀行及其他借款		200,000	2,009,247
Total current liabilities 流動負債總額		13,187,473	14,839,529
NET CURRENT ASSETS 流動資產淨值		11,145,369	11,229,351
TOTAL ASSETS LESS CURRENT LIABILITIES 資產總值減流動負債		24,248,908	23,136,559
NON-CURRENT LIABILITIES 非流動負債			
Deferred tax liabilities 遞延稅項負債		332,862	312,616
Lease liabilities 租賃負債		407,475	404,596
Deferred income 遞延收入		138,339	147,054
Total non-current liabilities 非流動負債總額		878,676	864,266
Net assets 資產淨值		23,370,232	22,272,293
EQUITY 權益			
Share capital 股本	12	4,052,228	4,052,228
Other reserves 其他儲備		19,318,004	18,220,065
Total equity 權益總額		23,370,232	22,272,293

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

中期簡明合併權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2021 截至二零二一年六月三十日止六個月

	Share capital 股本 (unaudited) (未經審核) RMB'000 人民幣千元 (note 12) (附註12)	Fair value reserve of financial assets at fair value through other comprehensive income 按公允價 值計量 並計入其他 綜合收益的 金融資產的 公允價值 儲備 (unaudited) (未經審核) RMB'000 人民幣千元	Contributed surplus reserve 實繳盈餘 儲備 (unaudited) (未經審核) RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘 儲備 (unaudited) (未經審核) RMB'000 人民幣千元	Exchange fluctuation reserve 外匯波動 儲備 (unaudited) (未經審核) RMB'000 人民幣千元	Retained profits 留存溢利 (unaudited) (未經審核) RMB'000 人民幣千元	Total equity 權益總額 (unaudited) (未經審核) RMB'000 人民幣千元
At 1 January 2020 於二零二零年一月一日	4,052,228	(154)	(46,323)	964,484	(175,944)	12,195,182	16,989,473
Profit for the period 期內溢利	-	-	-	-	-	2,472,754	2,472,754
Changes in fair value of trade receivable financing 應收款項融資的公允價值變動	-	15	-	-	-	-	15
Exchange differences on translation of foreign operations 換算境外業務產生的匯兌差額	-	-	-	-	(6,620)	-	(6,620)
Total comprehensive income for the period 期內綜合收益總額	-	15	-	-	(6,620)	2,472,754	2,466,149
2019 Final dividend declared 已宣派二零一九年末期股息	-	-	-	-	-	(159,978)	(159,978)
At 30 June 2020 於二零二零年六月三十日	4,052,228	(139)	(46,323)	964,484	(182,564)	14,507,958	19,295,644
At 1 January 2021 於二零二一年一月一日	4,052,228	(204)*	(46,323)*	981,445*	(174,467)*	17,459,614*	22,272,293
Profit for the period 期內溢利	-	-	-	-	-	1,643,082	1,643,082
Changes in fair value of trade receivable financing 應收款項融資的公允價值變動	-	(553)	-	-	-	-	(553)
Exchange differences on translation of foreign operations 換算境外業務產生的匯兌差額	-	-	-	-	(1,568)	-	(1,568)
Total comprehensive income for the period 期內綜合收益總額	-	(553)	-	-	(1,568)	1,643,082	1,640,961
2020 Final dividend declared 已宣派二零二零年末期股息	-	-	-	-	-	(543,022)	(543,022)
At 30 June 2021 於二零二一年六月三十日	4,052,228	(757)*	(46,323)*	981,445*	(176,035)*	18,559,674*	23,370,232

* These reserve accounts comprise the consolidated reserves of RMB19,318,004,000 (31 December 2020: RMB18,220,065,000) in the interim condensed consolidated statement of financial position as at 30 June 2021.

* 該等儲備賬包括二零二一年六月三十日的中期簡明合併財務狀況表內的合併儲備人民幣19,318,004,000元(二零二零年十二月三十一日：人民幣：18,220,065,000元)。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

中期簡明合併現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2021 截至二零二一年六月三十日止六個月

		For the six months ended 截至下列日期止六個月	
		30 June 2021 二零二一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	30 June 2020 二零二零年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES			
經營活動產生的現金流量			
Profit before tax 除稅前溢利		1,746,207	2,830,610
Adjustments for: 調整：			
Finance costs 融資成本		29,352	27,627
Interest income 利息收入		(35,543)	(24,555)
Government grants and subsidies 政府補助及補貼		(46,107)	(3,355)
Loss on disposal of items of property, plant and equipment 出售物業、廠房及設備項目的虧損	5	7,785	46,372
Depreciation of property, plant and equipment 物業、廠房及設備折舊	5	1,121,825	850,381
Amortisation of other intangible assets 其他無形資產攤銷	5	2,049	2,413
Depreciation of right-of-use assets 使用權資產折舊	5	155,889	121,565
Impairment of trade receivables, net 應收貿易賬款減值淨值	5	(7,809)	65,432
Impairment of trade receivable financing, net 應收款項融資減值淨值	5	102	268
Impairment of other receivables, net 其他應收賬款減值淨值		(20)	(390)
Write-down of inventories to net realisable value 存貨減值至可變現淨值	5	24,778	2,792
Fair value losses/(gains), net: 公允價值虧損/(收益)淨額：			
Derivative instruments 衍生工具		698	(2,991)
Other non-current financial assets 其他非流動金融資產		1,802	(1,411)
		3,001,008	3,914,758

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

中期簡明合併現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2021 截至二零二一年六月三十日止六個月

	Notes 附註	For the six months ended 截至下列日期止六個月	
		30 June 2021 二零二一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	30 June 2020 二零二零年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元
(Increase)/decrease in inventories 存貨(增加)/減少		(2,959,207)	216,085
Decrease/(increase) in trade receivables 應收貿易賬款減少/(增加)		4,670,958	(2,738,597)
Increase in trade receivable financing 應收款項融資增加		(109,989)	(125,259)
Increase in prepayments, other receivables and other assets 預付款項、其他應收賬款及其他資產增加		(217,598)	(137,392)
Increase in trade and bills payables 應付貿易賬款及應付票據增加		19,519	776,088
(Decrease)/increase in other payables 其他應付賬款(減少)/增加		(658,380)	1,586,649
Decrease in amounts due from related parties 應收關聯方款項減少		–	358
Increase in deferred income 遞延收入增加		37,392	4,342
Cash generated from operations 經營產生的現金		3,783,703	3,497,032
Interest received 已收利息		35,543	24,555
Tax paid 已付稅項		(112,334)	(14,016)
Net cash flows from operating activities 經營活動產生的現金流量淨值		3,706,912	3,507,571
CASH FLOWS FROM INVESTING ACTIVITIES 投資活動產生的現金流量			
Purchases of items of property, plant and equipment 購買物業、廠房及設備項目		(2,003,534)	(1,131,383)
Purchases of items of leasehold land included in right-of-use assets 購買計入使用權資產的租賃土地項目		(4,128)	(102,855)
Purchases of other intangible assets 購買其他無形資產		(922)	(101)
Proceeds from disposal of items of property, plant and equipment 出售物業、廠房及設備項目所得款項		11,843	5,031
Decrease in pledged deposits 已抵押存款減少		487	19,896
Purchases of equity investments designated at fair value through profit or loss 購買指定為按公允價值計入損益的股權投資		(80,800)	–
Net cash flows used in investing activities 投資活動所用現金流量淨值		(2,077,054)	(1,209,412)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

中期簡明合併現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2021 截至二零二一年六月三十日止六個月

	Notes 附註	For the six months ended 截至下列日期止六個月	
		30 June 2021 二零二一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	30 June 2020 二零二零年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES 融資活動的現金流量			
New bank loans 新銀行貸款		327,920	2,157,317
Repayment of bank loans 償還銀行貸款		(2,127,107)	(349,055)
Interest paid 已付利息		(13,573)	(10,328)
Lease payments 租賃款項		(142,508)	(107,354)
Net cash flows (used in)/from financing activities 融資活動(所用)/產生現金流量淨值		(1,955,268)	1,690,580
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS 現金及現金等價物(減少)/增加淨值		(325,410)	3,988,739
Cash and cash equivalents at beginning of period 期初現金及現金等價物		3,465,889	1,650,730
Effect of foreign exchange rate changes, net 匯率變動的影響，淨值		(8,373)	805
CASH AND CASH EQUIVALENTS AT END OF PERIOD 期末現金及現金等價物		3,132,106	5,640,274

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

中期簡明合併財務資料附註

30 JUNE 2021 二零二一年六月三十日

1. CORPORATE INFORMATION

The Company was incorporated in Hong Kong with limited liability on 14 June 2007.

The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 20 December 2007.

The registered office of the Company is located at Part of Unit 1712, 17th Floor, Tower 2, Grand Central Plaza, No.138 Shatin Rural Committee Road, Shatin, New Territories, Hong Kong.

The Group provides world renowned customers with new material development, product design and development, parts and components as well as complete machine manufacturing, supply chain management, logistics, after-sales and other one-stop services. Its products cover four major areas including smartphone and PC, new intelligent product, automotive intelligent system and medical and health.

In the opinion of the directors, the immediate holding company of the Company is Golden Link Worldwide Limited, an enterprise incorporated in the British Virgin Islands, and the ultimate holding company of the Company is BYD Company Limited, a company established in the PRC whose H shares are listed on the Stock Exchange and A shares are listed on the Small and Medium Enterprise Board of Shenzhen Stock Exchange.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020.

The financial information relating to the year ended 31 December 2020 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

1. 公司資料

本公司於二零零七年六月十四日在香港註冊成立為有限公司。

本公司股份已於二零零七年十二月二十日在香港聯合交易所有限公司（「聯交所」）上市。

本公司註冊辦事處位於香港新界沙田區沙田鄉事會路138號新城市中央廣場2座17樓1712室一部分。

本集團為全球知名客戶提供新材料開發、產品設計與研發、零組件及整機製造、供應鏈管理、物流及售後等一站式服務，產品覆蓋智能手機及筆電，新型智能產品，汽車智能系統，醫療健康四大領域。

董事認為，本公司的直接控股公司為 Golden Link Worldwide Limited（一間於英屬處女群島註冊成立的企業），本公司的最終控股公司為比亞迪股份有限公司（一家在中國成立的公司，其H股於聯交所上市，其A股於深圳證券交易所中小企業板上市）。

2.1 編製基準

截至二零二一年六月三十日止六個月的中期簡明合併財務資料乃按照《香港會計準則》第34號中期財務報告而編製。中期簡明合併財務資料並未包括年度財務報表所要求的所有信息及披露資料，因而應與本集團截至二零二零年十二月三十一日止年度的年度合併財務報表一併閱讀。

截至二零二零年十二月三十一日止年度的財務資料作為比較資料載入中期簡明合併財務狀況表雖然源於本公司於該年度的財務報表，但不構成本公司於該年度的法定年度合併財務報表。《香港公司條例》第436條要求披露有關該等法定財務報表的進一步資料如下：

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

中期簡明合併財務資料附註

30 JUNE 2021 二零二一年六月三十日

2.1 BASIS OF PREPARATION (Continued)

The Company has delivered the financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditors have reported on the financial statements for the year ended 31 December 2020. The auditor's report was unqualified; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendments to HKFRS 16	<i>COVID-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i>

2.1 編製基準 (續)

按照《香港公司條例》第662(3)條及附表6第3部的要求，本公司已向公司註冊處處長遞交截至二零二零年十二月三十一日止年度的財務報表。本公司核數師已就截至二零二零年十二月三十一日止年度的財務報表作出報告。該核數師報告並無保留意見，亦無載有根據《香港公司條例》第406(2)、407(2)或407(3)條作出的陳述。

2.2 會計政策及披露的變動

編製中期簡明合併財務資料所採用的會計政策與編製本集團截至二零二零年十二月三十一日止年度的年度合併財務報表所應用者一致，惟下列於本期間財務資料首次採用的新訂及經修訂《香港財務報告準則》（「《香港財務報告準則》」）除外。

《香港財務報告準則》第9號、《香港會計準則》第39號、《香港財務報告準則》第7號、《香港財務報告準則》第4號及《香港財務報告準則》第16號的修訂	利率基準改革 – 第2階段
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《香港財務報告準則》第16號的修訂	二零二一年六月三十日後與新型冠狀病毒有關的租金減免（提早採納）
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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

中期簡明合併財務資料附註

30 JUNE 2021 二零二一年六月三十日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

2.2 會計政策及披露的變動（續）

經修訂《香港財務報告準則》的性質及影響說明如下：

- (a) 當現有利率基準被替代無風險利率（「無風險利率」）取代時，《香港財務報告準則》第9號、《香港會計準則》第39號及《香港財務報告準則》第7號、《香港財務報告準則》第4號及《香港財務報告準則》第16號的修訂處理先前影響財務報告之修訂本尚未處理的問題。第2階段之修訂提供對於釐定金融資產及負債之合約現金流量之基準之變動進行會計處理時毋需調整金融資產及負債的賬面值而更新實際利率的可行權宜方法，前提為有關變動為利率基準改革的直接後果，且釐定合約現金流量的新基準於經濟上等同於緊接變動前的先前基準。此外，該等修訂允許就對沖指定項目及對沖文件作出利率基準改革所規定的變動，而毋須終止對沖關係。過渡期間可能產生的任何收益或虧損均透過《香港財務報告準則》第9號的一般規定處理，以計量及確認對沖無效性。該等修訂本亦為實體提供暫時寬免，於無風險利率被指定為風險成份時毋須滿足可單獨識別之規定。該寬免允許實體於指定對沖後假設已滿足可單獨識別之規定，惟實體須合理預期無風險利率風險成份於未來24個月內將成為可單獨識別。此外，該等修訂本規定實體須披露額外資料，令財務報表的使用者得以瞭解利率基準改革對實體的財務工具及風險管理策略的影響。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The Group had certain interest-bearing bank and other borrowings denominated in Hong Kong dollars and foreign currencies based on the Hong Kong Interbank Offered Rate and the London Interbank Offered Rate ("LIBOR") as at 30 June 2021. Since the interest rates of these borrowings were not replaced by RFRs during the period, the amendment did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings provided that the "economically equivalent" criterion is met.

- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 January 2021 and applied the practical expedient during the period ended 30 June 2021 to all rent concessions granted by the lessors that affected only payments originally due on or before 30 June 2022 as a direct consequence of the covid-19 pandemic. The amendment did not have any impact on the financial position performance of the Group.

3. OPERATING SEGMENT INFORMATION

The Group's primary business is the manufacture, assembly and sale of mobile handset components, modules and other products. For management purposes, the Group is organised into one operating segment based on industry practice and management's vertical integration strategy. Management monitors the results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. No further analysis thereof is presented. Segment performance is evaluated based on the revenue and profit before tax which is consistent with the Group's revenue and profit before tax.

2.2 會計政策及披露的變動 (續)

於二零二一年六月三十日，本集團有若干以港元及外幣計值的計息銀行及其他貸款，適用香港銀行同業拆息利率及倫敦銀行同業拆息利率（「倫敦銀行同業拆息利率」）。由於該等借款的利率於期內並未由無風險利率替代，該修訂並未對本集團的財務狀況及表現造成影響。倘該等借款的利率於未來期間由無風險利率代替，本集團將於滿足「經濟上相當」標準修改有關借款時採用此實際權宜方法。

- (b) 二零二一年四月頒佈的《香港財務報告準則》第16號的修訂，將承租人可選擇簡化方法而不採用租賃變更的方法來核算因新冠疫情直接導致的租金減讓延長了12個月。因此，在滿足其他應用簡化方法的條件下，簡化方法適用於租金的減免為二零二二年六月三十日或之前到期的僅影響付款的租賃付款額。該修訂案適用於二零二一年四月一日或之後開始的年度，且應追溯應用，並將首日執行該修訂與現行準則的差異追溯調整本期期初留存收益。該修訂可予提前使用。

本集團於2021年1月1日提前採納該修訂，並於截至2021年6月30日止期間對出租人授出的所有租金減讓應用實際權宜方法，這些租金減讓僅影響因新冠疫情導致的原先於2022年6月30日或之前到期的付款。該修訂不會對本集團的財務狀況表現產生任何影響。

3. 經營分部資料

本集團的主要業務為製造、組裝及銷售手機部件、模組及其他產品。為進行管理，本集團按行業慣例及管理垂直整合策略組成為一個經營分部。管理層監察本集團的整體業績以就資源分配及表現評估作出決策。概無進一步就此呈報分析。分部表現根據收入及除稅前溢利（與本集團的收入及除稅前溢利一致）評估。

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4. REVENUE

DISAGGREGATED REVENUE INFORMATION FOR REVENUE FROM CONTRACTS WITH CUSTOMERS

4. 收入

客戶合同收入之分類收入資料

Segments 分部	For the six months ended 30 June 截至六月三十日止六個月	
	2021 二零二一年 Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
Types of goods or services 貨品或服務類別		
Sale of mobile handset components, modules and other products* 手機部件、模組及其他產品銷售*	44,507,309	31,386,402
Rendering of services 提供服務	23,536	—
Total revenue from contracts with customers 客戶合同收入總額	44,530,845	31,386,402
Geographical markets 地理市場		
The PRC (including Hong Kong, Macau, and Taiwan) 中國 (包括香港、澳門及台灣)	23,644,688	25,284,650
Overseas 境外	20,886,157	6,101,752
Total revenue from contracts with customers 客戶合同收入總額	44,530,845	31,386,402
Timing of revenue recognition 收入確認時間		
Goods transferred at a point in time 按時間點轉讓之貨品	44,507,309	31,386,402
Services transferred over time 於一段時間轉移之服務	23,536	—
Total revenue from contracts with customers 客戶合同收入總額	44,530,845	31,386,402

* The sale of medical protection products is included in the sale of mobile handset components, modules and other products.

* 醫療防護產品的銷售包含在手機部件、模組及其他產品的銷售中。

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5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

5. 除稅前溢利

本集團除稅前溢利已扣除／(計入)下列各項：

	Notes 附註	For the six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cost of inventories sold# 所出售存貨的成本#		41,445,397	27,283,691
Depreciation of property, plant and equipment 物業、廠房及設備折舊		1,121,825	850,381
Depreciation of right-of-use assets 使用權資產折舊		155,889	121,565
Amortisation of intangible assets## 無形資產攤銷##		2,049	2,413
Impairment of trade receivables, net### 應收貿易賬款減值淨值##		(7,809)	65,432
Write-down of inventories to net realisable value#### 存貨減值至可變現淨值####		24,778	2,792
Loss on disposal of items of property, plant and equipment 出售物業、廠房及設備項目的虧損	9	7,785	46,372

Cost of inventories sold represents "Cost of sales" in the interim condensed consolidated statement of profit or loss after excluding write-down of inventories to net realisable value.

Included in "Administrative expenses" in the interim condensed consolidated statement of profit or loss.

Included in "Impairment losses on financial assets, net" in the interim condensed consolidated statement of profit or loss.

Included in "Cost of sales" in the interim condensed consolidated statement of profit or loss.

所出售存貨的成本指中期簡明合併損益表中「銷售成本」，不包括存貨撇減至可變現淨值。

已計入中期簡明合併損益表的「行政開支」。

已計入中期簡明合併損益表的「金融資產減值虧損淨額」。

已計入中期簡明合併損益表的「銷售成本」。

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6. INCOME TAX

No Hong Kong profits tax has been provided since no assessable profit arose in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the countries in which the Group operates.

The prevailing corporate income tax rate in Mainland China where the Group primarily operates is 25%. Certain subsidiaries operating in Mainland China are approved to be high and new technology enterprises and are entitled to enjoy reduced enterprise income tax rates of 15% of the estimated assessable profits for the period. Certain subsidiaries operating in Mainland China are entitled to enjoy a preferential CIT rate of 15% of the estimated assessable profits for the period pursuant to the Western Development Policy of the PRC.

The major components of the income tax expense for the period are as follows:

6. 所得稅

由於期內並未於香港產生應課稅溢利，因此並無作出香港利得稅撥備。於其他地方應課稅溢利的稅項乃按本集團業務所在國家的現行稅率計算。

本集團主要於中國內地經營，現行企業所得稅稅率為25%。若干於中國內地經營之附屬公司獲批為高新技術企業，可享受按減至期內估計應課稅溢利15%的稅率繳納企業所得稅。根據中國西部大開發政策，於中國內地經營的若干附屬公司可享受期內估計應課稅溢利15%的優惠企業所得稅稅率。

期內所得稅開支的主要組成部分載列如下：

	For the six months ended 30 June 截至六月三十日止六個月	
	2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current – Mainland China 即期 – 中國內地		
Charge for the period 期內支出	82,574	132,950
Current – Elsewhere 即期 – 其他地區		
Charge for the period 期內支出	305	247
Deferred 遞延	20,246	224,659
Total tax charge for the period 期內稅項支出總項	103,125	357,856

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7. DIVIDENDS

7. 股息

	For the six months ended 30 June 截至六月三十日止六個月	
	2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Final declared – RMB0.241 (2020: RMB0.071) per ordinary share 末期宣派 – 每股普通股人民幣0.241元 (二零二零年：人民幣0.071元)	543,022	159,978

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount for the period is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,253,204,500 (2020: 2,253,204,500) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2021 and 2020 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

8. 母公司普通股權益持有人應佔的每股盈利

期內每股基本盈利乃按期內母公司普通股權益持有人應佔溢利及期內已發行普通股加權平均數2,253,204,500股 (二零二零年：2,253,204,500股) 計算。

截至二零二一年及二零二零年六月三十日止六個月，就攤薄而言概無調整呈列之每股基本盈利，乃因本集團於該等期間並無任何具潛在攤薄影響的已發行普通股。

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8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

The calculation of basic earnings per share is based on:

	For the six months ended 30 June 截至六月三十日止六個月	
	2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Earnings 盈利 Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation 用於計算每股基本盈利的母公司普通股權益持有人應佔溢利	1,643,082	2,472,754

	Number of shares 股份數目	
	30 June 2021 二零二一年 六月三十日	30 June 2020 二零二零年 六月三十日
Shares 股份 Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation 用於計算每股基本盈利的期內已發行普通股加權平均數	2,253,204,500	2,253,204,500

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired assets at a cost of RMB2,378,880,000 (30 June 2020: RMB994,577,000).

Assets with a net book value of RMB26,411,000 were disposed of by the Group during the six months ended 30 June 2021 (30 June 2020: RMB51,403,000), resulting in a net loss on disposal of RMB7,785,000 (30 June 2020: loss of RMB46,372,000).

8. 母公司普通股權益持有人應佔的每股盈利(續)

每股基本盈利按以下基準計算：

9. 物業、廠房及設備

截至二零二一年六月三十日止六個月，本集團以人民幣2,378,880,000元(二零二零年六月三十日：人民幣994,577,000元)的成本添置資產。

截至二零二一年六月三十日止六個月，本集團處置賬面淨值為人民幣26,411,000元(二零二零年六月三十日：人民幣51,403,000元)的資產，產生處置虧損淨額人民幣7,785,000(二零二零年六月三十日：虧損人民幣46,372,000元)。

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10. TRADE RECEIVABLES

10. 應收貿易賬款

	30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables 應收貿易賬款	9,831,867	14,502,826
Impairment 減值	(103,550)	(111,360)
	9,728,317	14,391,466

An aging analysis of the trade receivables as at the end of the period, based on the invoice date and net of loss allowance, is as follows:

於報告期末，應收貿易賬款按發票日期及扣除虧損撥備後的賬齡分析如下：

	30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within three months 三個月以內	9,009,883	13,787,063
Four to six months 四個月至六個月	704,348	587,382
Seven months to one year 七個月至一年	14,086	17,021
	9,728,317	14,391,466

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10. TRADE RECEIVABLES (Continued)

The net carrying amount of due from the holding companies and fellow subsidiaries included in the above are as follows:

	30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Due from the ultimate holding company 應收最終控股公司款項	155,612	156,295
Due from the intermediate holding company 應收中介控股公司款項	133,728	132,893
Due from fellow subsidiaries 應收同系附屬公司款項	327,827	3,559,639
Due from other related parties 應收其他關聯方款項	2,423	6,390
	619,590	3,855,217

The balances are unsecured, non-interest-bearing and on credit terms similar to those offered to the major customers of the Group.

10. 應收貿易賬款(續)

上文所載應收控股公司及同系附屬公司之賬面淨值如下：

該等結餘乃無抵押、免息且其信貸條款與向本集團主要客戶提供者相若。

11. TRADE AND BILLS PAYABLES

An aging analysis of the trade and bills payables as at the end of the period, based on the invoice date, is as follows:

	30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within three months 三個月以內	7,859,185	7,461,850
Three to six months 三個月至六個月	211,188	534,718
Six months to one year 六個月至一年	23,052	139,870
One to two years 一至兩年	9,103	6,532
Over two years 兩年以上	3,790	2,881
	8,106,318	8,145,851

The trade payables are non-interest-bearing and are normally settled within terms of 30 to 180 days.

11. 應付貿易賬款及應付票據

於報告期末，應付貿易賬款及應付票據按發票日期的賬齡分析如下：

應收貿易賬款乃不計息，一般按30日至180日限期支付。

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11. TRADE AND BILLS PAYABLES (Continued)

The balances due to the holding companies, fellow subsidiaries and other related companies included in the above are as follows:

	30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Due to the ultimate holding company 應付最終控股公司款項	47,389	57,509
Due to the intermediate holding company 應付中介控股公司款項	3,427,427	3,559,689
Due to fellow subsidiaries 應付同系附屬公司款項	3,245,941	3,131,627
Due to other related parties 應付其他關聯方款項	—	156
	6,720,757	6,748,981

The balances are unsecured, non-interest-bearing and on credit terms similar to those offered to the major customers of the Group.

11. 應付貿易賬款及應付票據 (續)

上文所載應收控股公司、同系附屬公司及其他關聯公司結餘如下：

該等結餘乃無抵押、免息且其信貸條款與向本集團主要客戶提供者相若。

12. SHARE CAPITAL SHARES

	30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Issued and fully paid 已發行及繳足		
2,253,204,500 (2020: 2,253,204,500) ordinary shares		
2,253,204,500股 (二零二零年：2,253,204,500股) 普通股	4,052,228	4,052,228

12. 股本 股份

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13. CONTINGENT LIABILITIES

ACTION AGAINST FOXCONN

On 11 June 2007, a Hong Kong High Court action (the “June 2007 Action”) was commenced by a subsidiary and an affiliate of Foxconn International Holdings Limited (the “Plaintiffs”) against the Company and certain subsidiaries of the Group (the “Defendants”) for using confidential information alleged to have been obtained improperly from the Plaintiffs. The Plaintiffs discontinued the June 2007 Action on 5 October 2007 with the effect that the June 2007 Action has been wholly discontinued against all the Defendants named in the action and this finally disposed of the June 2007 Action without any liability to the Defendants. On the same day, the Plaintiffs initiated a new set of legal proceedings in the Court (the “October 2007 Action”). The Defendants named in the October 2007 Action are the same as the Defendants in the June 2007 Action, and the claims made by the Plaintiffs in the October 2007 Action are based on the same facts and the same grounds in the June 2007 Action. The remedies sought by the Plaintiffs in the October 2007 Action include an injunction restraining the Defendants from using the alleged confidential information, an order for the disgorgement of profit made by the Defendants through the use of the confidential information, damages based on the loss suffered by the Plaintiffs and exemplary damages. The total damages sought by the Plaintiffs in the October 2007 Action have not been quantified.

On 2 October 2009, the Defendants instituted a counter-action against Foxconn International Holdings Limited and certain of its affiliates for their intervention, by means of illegal measures, in the operations involving the Company and certain of its subsidiaries, collusions, written and verbal defamation, and the economic loss as a result of the said activities.

As at the reporting date, the case remains in the process of legal proceedings. After consulting the Company’s legal counsel representing the Company for the case, the board is of the view that the estimate of ultimate outcome and amount to settle the obligation, if any, of the litigation cannot be made reliably up to date.

13. 或然負債

富士康訴訟案件

於二零零七年六月十一日，富士康國際控股有限公司旗下一間附屬公司及一間聯屬公司（「原告」）向香港高等法院展開訴訟（「二零零七年六月訴訟」），指控本公司及本集團若干附屬公司（「被告」）使用指稱自原告處非法獲得的機密資料。隨著針對被告的二零零七年六月訴訟被全面撤銷以及該訴訟未判令被告承擔任何責任，原告已於二零零七年十月五日停止二零零七年六月訴訟。同日，原告向法院提起新一輪的法律程序（「二零零七年十月訴訟」）。二零零七年十月訴訟的被告與二零零七年六月訴訟的被告相同，且原告在二零零七年十月訴訟中提出的申索均基於二零零七年六月訴訟中的相同事實及理由。原告在二零零七年十月訴訟中提出的補救方法包括強令禁止被告使用有關機密資料、強令被告交出因使用機密資料所獲得的利潤以及賠償原告遭受的損失及支付懲罰性賠償金。原告在二零零七年十月訴訟中主張的全部賠償金數額尚未確定。

於二零零九年十月二日，被告對富士康國際控股有限公司及其若干聯屬公司利用不合法手段干涉本公司及其若干附屬公司的經營、共謀行為、書面及口頭誹謗，導致經濟損失的行為提起反訴。

於本報告日期，該訴訟案仍處於法律訴訟階段。經諮詢於案件中代表本公司的本公司法律顧問，董事會認為直至目前為止尚難以可靠估計該訴訟的最終結果及了結訴訟須支付的有關款項金額（如有）。

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14. COMMITMENTS

The Group had the following capital commitments at the end of the period:

14. 承擔

於報告期末，本集團擁有以下資本承擔：

	30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Contracted, but not provided for: 已訂約，但未計提撥備：		
Plant and machinery 廠房及機器	441,229	365,686
Buildings 建築物	107,736	174,498
	548,965	540,184

15. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period:

15. 關聯方交易

(a) 除該等財務報表其他部分詳述的交易外，本集團與關聯方於期內進行以下重大交易：

Nature of transactions 交易性質	Notes 附註	Related parties 關聯方	For the six months ended 30 June 截至六月三十日止六個月	
			2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Sales of plant and machinery 出售廠房及機器	(i)	Ultimate holding company 最終控股公司	595	2,195
		Fellow subsidiaries 同系附屬公司	5,061	493
Purchases of plant and machinery 購買廠房及機器	(i)	Ultimate holding company 最終控股公司	14,499	9,151
		Fellow subsidiaries 同系附屬公司	54,765	22,431

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15. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued):

15. 關聯方交易（續）

(a) （續）：

Nature of transactions 交易性質	Notes 附註	Related parties 關聯方	For the six months ended 30 June 截至六月三十日止六個月	
			2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Purchases of inventories 購買存貨	(ii)	Ultimate holding company 最終控股公司	4,938	135,316
		Fellow subsidiaries 同系附屬公司	112,978	694,879
Sales of inventories 出售存貨	(ii)	Ultimate holding company 最終控股公司	12,229	49,305
		Fellow subsidiaries 同系附屬公司	1,706,994	8,587,991
Lease and ancillary services payments 租賃及輔助服務付款	(iii)	Ultimate holding company 最終控股公司	62,194	47,119
		Fellow subsidiaries 同系附屬公司	394,276	366,665
Exclusive processing services received 獲提供獨家加工服務	(iv)	Ultimate holding company 最終控股公司	82,322	82,093
		Fellow subsidiaries 同系附屬公司	115,615	400,649
Exclusive processing services provided 提供獨家加工服務	(iv)	Ultimate holding company 最終控股公司	6,042	8,476
		Fellow subsidiaries 同系附屬公司	12,794	73,651

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15. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued):

15. 關聯方交易（續）

(a) （續）：

Nature of transactions 交易性質	Notes 附註	Related parties 關聯方	For the six months ended 30 June 截至六月三十日止六個月	
			2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Agent fee for procurement service 採購服務的代理費	(v)	Intermediate holding company 中介控股公司	19,428	8,893
		Fellow subsidiaries 同系附屬公司	9,680	7,260
Sales of glass casing products 銷售玻璃機殼產品	(vi)	Fellow subsidiaries 同系附屬公司	12,872	25,052
Purchases automotive core components and special purpose electric vehicles 採購汽車核心零部件及電動專用車	(vii)	Fellow subsidiaries 同系附屬公司	34,147	5,620
Electricity fee received 收取電費	(viii)	Ultimate holding company 最終控股公司	609	1,281
		Fellow subsidiaries 同系附屬公司	39,385	30,777
Purchases of batteries 購買電池	(ix)	Fellow subsidiaries 同系附屬公司	717,012	–

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15. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued):

Notes:

- (i) The sales and purchases of plant and machinery were made at net book values.
- (ii) The sales and purchases of inventories were conducted in accordance with prices and terms mutually agreed between the parties. In the opinion of the directors, the transactions were conducted in the ordinary and usual course of business.
- (iii) The payments were charged on an actually incurred basis or in accordance with terms mutually agreed between the parties. In the opinion of the directors, the transactions were conducted in the ordinary and usual course of business.
- (iv) The processing service fees and revenue were charged and received for the depreciation of the relevant machinery and equipment during the year ended 30 June 2021.
- (v) The agent fee for the procurement service was charged on a certain percentage of the total amount of procurement provided by the fellow subsidiaries on behalf of the Group.
- (vi) The sales of glass casing products were conducted in accordance with prices and terms mutually agreed between the parties. In the opinion of the directors, the transactions were conducted in the ordinary and usual course of business.
- (vii) The purchases of automotive core components and special purpose electric vehicles were conducted in accordance with prices and terms mutually agreed between the parties. In the opinion of the directors, the transactions were conducted in the ordinary and usual course of business.
- (viii) The sales of power supply services were conducted in accordance with prices and terms mutually agreed between the parties. In the opinion of the directors, the transactions were conducted in the ordinary and usual course of business.
- (ix) The purchases of batteries were conducted in accordance with prices and terms mutually agreed between the parties. In the opinion of the directors, the transactions were conducted in the ordinary and usual course of business.

15. 關聯方交易 (續)

(a) (續):

附註:

- (i) 出售及購買廠房及機器按賬面淨值進行。
- (ii) 出售及購買存貨乃按各方一致同意的價格及條款進行。董事認為，該等交易均屬日常業務過程中進行的交易。
- (iii) 付款按實際產生金額或按各方一致同意的條款支付。董事認為，該等交易均屬日常業務過程中進行的交易。
- (iv) 於截至二零二一年六月三十日止年度內就有關機器及設備的折舊而支付及收取的加工服務費及收入。
- (v) 採購服務代理費乃按同系附屬公司代表本集團提供的採購總金額之若干百分比收取。
- (vi) 銷售玻璃機殼產品乃按各方一致同意的價格及條款進行。董事認為，該等交易均屬日常業務過程中進行的交易。
- (vii) 採購汽車核心零部件及電動專用車乃按各方一致同意的價格及條款進行。董事認為，該等交易均屬日常業務過程中進行的交易。
- (viii) 銷售供電服務乃按各方一致同意的價格及條款進行。董事認為，該等交易均屬日常業務過程中進行的交易。
- (ix) 購買電池乃根據各方共同協定的價格及條款進行。董事認為，該等交易乃於日常業務過程中進行。

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15. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties:

BYD Precision, a wholly-owned subsidiary of the Company, provided entrusted loans of RMB400,000,000 to BYD Co., Ltd. ("BYD"), the ultimate holding company of the Company, through China Merchants Bank. The loans were unsecured, bear a fixed interest rate of 3.5% and due in 2023.

Except for the entrusted loan to the ultimate holding company, the balances with related parties are unsecured, interest-free and have no fixed terms of repayment.

Details of the Group's trade balances with the holding shareholder, fellow subsidiaries and other related companies as at the end of the period are disclosed in notes 10 and 11 to the financial statements.

As at 30 June 2021, the Group had total lease liabilities with these related companies under non-cancellable leases falling due as follows:

	30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元	31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元
Lease liabilities – current 租賃負債 – 流動		
Ultimate holding company 最終控股公司	70,765	94,528
Fellow subsidiaries 同系附屬公司	162,583	228,128
Lease liabilities – non-current 租賃負債 – 非流動		
Ultimate holding company 最終控股公司	5,816	14,371
Fellow subsidiaries 同系附屬公司	60,437	47,221
	299,601	384,248

As at 30 June 2021, the net carrying amount of right-of use assets relating to such rental contracts amounted to RMB228,777,000 (31 December 2020: 314,112,000).

15. 關聯方交易 (續)

(b) 與關聯方的結餘：

本公司全資附屬公司比亞迪精密通過中國招商銀行向本公司最終控股公司比亞迪股份有限公司(「比亞迪」)提供委託貸款人民幣400,000,000元。該貸款為無抵押、固定利率為3.5%並於二零二三年到期。

除最終控股公司的委託貸款外，與關聯方的結餘為無抵押、不計息及無固定還款期。

本集團於報告期末與控股股東、同系附屬公司及其他關聯公司的貿易結餘之詳情披露於財務報表附註10及附註11。

於二零二一年六月三十日，本集團根據不可撤銷租賃與該等關聯公司的到期應付租賃負債總額如下：

於二零二一年六月三十日，有關該等租金合約的使用權資產賬面淨值為人民幣228,777,000元(二零二零年十二月三十一日：314,112,000元)。

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15. RELATED PARTY TRANSACTIONS (Continued)

(c) Compensation of key management personnel of the Group:

	For the six months ended 30 June 截至六月三十日止六個月	
	2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Short-term employee benefits 短期僱員福利	4,852	7,876
Pension scheme contributions 退休金計劃供款	28	34
	4,880	7,910

The related party transactions in respect of items set out in (a) and (b) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

與上文(a)和(b)所載項目有關的關聯方交易亦構成上市規則第14A章所界定的關連交易或持續關連交易。

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

There are no significant differences between the carrying amounts and the fair values of the Group's financial instruments.

Management has assessed that the fair values of short-term deposits, cash and cash equivalents, pledged deposits, trade receivables, trade receivable financing, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables, amounts due from/to subsidiaries, amounts due from/to the ultimate holding company and the immediate holding company approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

16. 金融工具的公允價值及公允價值層級

本集團金融工具賬面值及公允價值之間並無重大差額。

管理層已評估短期存款、現金及現金等價物、已抵押存款、應收貿易賬款、應收款項融資、應付貿易賬款及應付票據、計入預付款項、按金及其他應收賬款的金融資產、計入其他應付賬款的金融負債、應收／應付附屬公司款項、應收／應付最終控股公司及直接控股公司款項公允價值與其賬面值相若，此乃主要由於該等工具屬於短期性質。

財務經理領導的本集團公司財務團隊負責制定金融工具公允價值計量的政策及程序。公司財務團隊直接向財務總監及審計委員會報告。於各報告日期，公司財務團隊分析金融工具價值的變動，並確定在估值中應用的主要輸入值。估值由財務總監審核及批准。審計委員會每年兩次討論估值流程及結果，以編製中期及年度財務報告。

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16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of listed equity investments are based on quoted market prices.

The fair values of the interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2021 were assessed to be insignificant.

The Group enters into derivative financial instruments and trade receivable financing with various counterparties. The carrying amounts of these derivative financial instruments and trade receivable financing are the same as their fair values. The derivative financial instruments and trade receivable financing are measured using valuation techniques similar to forward pricing, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties and foreign exchange spot and forward rates. The carrying amounts of derivative financial instruments and trade receivable financing are the same as their fair values.

16. 金融工具的公允價值及公允價值層級 (續)

金融資產及負債的公允價值以該工具於自願交易方（而非強迫或清盤銷售）當前交易下的可交易金額入賬。下述方法及假設用於評估公允價值：

上市股本投資的公允價值乃按市場報價釐定。

計息銀行及其他借款的公允價值是通過使用具有類似條款、信貸風險和剩餘到期日的工具的當前可得利率折現預期未來現金流量來計算。於二零二一年六月三十日，由於本集團對計息銀行及其他借款的非履約風險而導致的公允價值變動評估為並不重大。

本集團與多個對手方訂立衍生金融工具及應收款項融資。該等衍生金融工具及應收款項融資的賬面值與彼等的公允價值相同。衍生金融工具及應收款項融資以現值計算並按遠期價格相似之估值技巧計量。此等模式計入不同市場可觀察輸入數據，包括對手方信貸質素，以及外匯即期及遠期匯率。該等衍生金融工具及應收款項融資的賬面值與其公允價值相同。

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16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

FAIR VALUE HIERARCHY

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2021

16. 金融工具的公允價值及公允價值層級 (續)

公允價值層級

下表說明本集團金融工具的公允價值計量層級：

以公允價值計量的資產：

於二零二一年六月三十日

	Fair value measurement using 公允價值計量使用的輸入值			
	Quoted prices in active markets 活躍市場的 報價 (Level 1) (第一級) RMB'000 人民幣千元 (Unaudited) (未經審核)	Significant observable inputs 重大可觀察 的輸入值 (Level 2) (第二級) RMB'000 人民幣千元 (Unaudited) (未經審核)	Significant unobservable inputs 重大不可觀察 的輸入值 (Level 3) (第三級) RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
Trade receivable financing 應收款項融資	–	197,734	–	197,734
Financial assets included in prepayments, other receivables and other assets 計入預付款項、其他應收款項及 其他資產的金融資產	–	100,000	–	100,000
Other non-current financial assets 其他非流動金融資產	12,791	–	80,800	93,591
	12,791	297,734	80,800	391,325

As at 31 December 2020

於二零二零年十二月三十一日

	Fair value measurement using 公允價值計量使用的輸入值			
	Quoted prices in active markets 活躍市場的 報價 (Level 1) (第一級) RMB'000 人民幣千元 (Audited) (經審核)	Significant observable inputs 重大可觀察 的輸入值 (Level 2) (第二級) RMB'000 人民幣千元 (Audited) (經審核)	Significant unobservable inputs 重大不可觀察 的輸入值 (Level 3) (第三級) RMB'000 人民幣千元 (Audited) (經審核)	Total 總計 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivable financing 應收款項融資	–	88,400	–	88,400
Financial assets included in prepayments, other receivables and other assets 計入預 付款項、其他應收賬款及其他資產的金融資產	–	100,000	–	100,000
Other non-current financial assets 其他非流動 金融資產	14,593	–	–	14,593
	14,593	188,400	–	202,993

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

中期簡明合併財務資料附註

30 JUNE 2021 二零二一年六月三十日

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

FAIR VALUE HIERARCHY (Continued)

Liabilities measured at fair value:

As at 30 June 2021

16. 金融工具的公允價值及公允價值層級 (續)

公允價值層級 (續)

以公允價值計量的負債：

於二零二一年六月三十日

	Fair value measurement using 公允價值計量使用的輸入值			
	Quoted prices in active markets 活躍市場 的報價 (Level 1) (第一級) RMB'000 人民幣千元 (Unaudited) (未經審核)	Significant observable inputs 重大可觀察 的輸入值 (Level 2) (第二級) RMB'000 人民幣千元 (Unaudited) (未經審核)	Significant unobservable inputs 重大不可觀察 的輸入值 (Level 3) (第三級) RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
Derivative financial instruments 衍生金融工具	—	1,285	—	1,285
	—	1,285	—	1,285

As at 31 December 2020

於二零二零年十二月三十一日

	Fair value measurement using 公允價值計量使用的輸入值			
	Quoted prices in active markets 活躍市場 的報價 (Level 1) (第一級) RMB'000 人民幣千元	Significant observable inputs 重大可觀察 的輸入值 (Level 2) (第二級) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察 的輸入值 (Level 3) (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Derivative financial instruments 衍生金融工具	—	587	—	587
	—	587	—	587

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2020: Nil).

期內，第一級與第二級之間並無公允價值計量轉撥，亦無自第三級轉入或轉出（二零二零年：無）。

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 August 2021.

17. 審批財務報表

財務報表已由董事會於二零二一年八月二十七日審批並授權刊發。

APPENDIX II

REPRODUCTION OF THE PRESS RELEASE DATED 3 AUGUST 2021 CONTAINING THE GUARANTOR'S CONSOLIDATED FINANCIAL RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

The information set out below is a reproduction of the press release dated 3 August 2021 containing the Guarantor's consolidated financial results for the second quarter ended 30 June 2021.

RESULTS AT JUNE 30TH 2021

Press release

Paris, August 3rd 2021

EXCELLENT PERFORMANCE IN ALL THE BUSINESSES IN Q2 21 AND H1 21

In Q2 21, revenues up +18.2% vs. Q2 20 (+20.5%*), with a strong quarter in Global Banking & Investor Solutions, substantial growth in Financial Services and a rebound in Retail Banking

Strong positive jaws effect in all the businesses

Underlying gross operating income of EUR 2 billion⁽¹⁾, up 55%⁽¹⁾ vs. Q2 20

Low cost of risk at 11 basis points in Q2 21; continued prudent approach in terms of provisioning

Underlying Group net income of EUR 1.35 billion⁽¹⁾, reported Group net income (including IFRIC 21 charges and exceptional items) of EUR 1.44 billion in Q2 21

Profitability (ROTE) at 10.4%⁽¹⁾ and 11.2% in Q2 21

In H1 21, underlying gross operating income of EUR 4.2 billion⁽¹⁾, up +83.4%⁽¹⁾ vs. H1 20

Revenues strongly up +19.5% (22.8%*) and costs contained up 1.7%⁽¹⁾ (3.6%^{(1)*})

Underlying Group net income of EUR 2.65 billion⁽¹⁾, up +13.5%⁽¹⁾ vs. H1 19, reported Group net income of EUR 2.25 billion

Profitability (ROTE) at 10.2%⁽¹⁾ and 8.6% in H1 21

IMPROVEMENT IN THE OUTLOOK FOR 2021

Expected increase in revenues in all the businesses

Increase of the positive jaws effect with continued disciplined management of costs

Downward revision, **between 20 and 25 basis points**, in the full-year forecast for the **net cost of risk**

STRONG CAPITAL POSITION

Solid CET 1 level at 13.4%⁽²⁾ at end-June 2021, well above the target, due to **strong organic capital generation of 44 basis points** in H1 21 after dividend provision

Attractive shareholder return

- **Confirmation of the launch, in Q4, of a share buyback programme**, for an amount of around EUR 470m⁽³⁾
- **H1 21 dividend per share provision of EUR 1.2**, consistent with a payout ratio of 50% of underlying Group net income⁽⁴⁾

Frédéric Oudéa, the Group's Chief Executive Officer, commented:

"Once again, Société Générale enjoyed an excellent quarter, with a solid commercial and financial performance by all its businesses. Q2 was marked by the strong revenue momentum, continued cost discipline and a very low cost of risk resulting from very few loan defaults. The results for H1 2021 are the best for 5 years, illustrating the strength of the business model and the Group's capacity to rebound. On these bases, the Group is raising its full-year forecasts for 2021. These results are the fruit of extensive work undertaken for several years to enhance the intrinsic quality of the franchises by effectively anticipating the needs of customers, improve the operational efficiency of the Group and maintain the excellent robustness of the loan portfolio and risk management. Thanks to the exceptional commitment of its teams and a very solid balance sheet, the Société Générale Group will continue the far-reaching transformation of its businesses related to ESG issues and the growing use of the new digital technologies, in a constant effort to support its customers and provide them with added value."

⁽¹⁾ Underlying data (see methodology note No. 5 for the transition from accounting data to underlying data)

⁽²⁾ Phased-in ratio; fully-loaded ratio of 13.2%

⁽³⁾ It should be noted that, pursuant to Regulation (EU) 2019/876 (CRR2), share buyback is subject to the ECB approval

⁽⁴⁾ After deducting interest on deeply subordinated notes and undated subordinated notes

The footnote * in this document corresponds to data adjusted for changes in Group Structure and at constant exchange rates

1. GROUP CONSOLIDATED RESULTS

In EURm	Q2 21	Q2 20	Change		H1 21	H1 20	Change	
Net banking income	6,261	5,296	+18.2%	+20.5%*	12,506	10,466	+19.5%	+22.8%*
Operating expenses	(4,107)	(3,860)	+6.4%	+7.9%*	(8,855)	(8,538)	+3.7%	+5.6%*
<i>Underlying operating expenses(1)</i>	<i>(4,225)</i>	<i>(3,984)</i>	+6.1%	+7.5%*	<i>(8,322)</i>	<i>(8,185)</i>	+1.7%	+3.6%*
Gross operating income	2,154	1,436	+50.0%	+55.2%*	3,651	1,928	+89.4%	x 2.0*
<i>Underlying gross operating income(1)</i>	<i>2,036</i>	<i>1,312</i>	+55.1%	+61.0%*	<i>4,184</i>	<i>2,281</i>	+83.4%	+94.8%*
Net cost of risk	(142)	(1,279)	-88.9%	-88.6%*	(418)	(2,099)	-80.1%	-79.4%*
Operating income	2,012	157	x 12.8	x 13.6*	3,233	(171)	n/s	n/s
<i>Underlying operating income(1)</i>	<i>1,894</i>	<i>33</i>	x 57.2	x 80.4*	<i>3,766</i>	<i>182</i>	x 20.7	x 31.0*
Net profits or losses from other assets	5	4	+25.0%	+26.4%*	11	84	-86.9%	-86.9%*
Impairment losses on goodwill	0	(684)	n/s	n/s	0	(684)	n/s	n/s
Income tax	(404)	(658)	-38.6%	-38.3%*	(687)	(612)	+12.3%	+15.4%*
Net income	1,615	(1,180)	n/s	n/s	2,562	(1,378)	n/s	n/s
O.w. non-controlling interests	(176)	(84)	x 2.1	x 2.1*	(309)	(212)	+45.8%	+45.6%*
Reported Group net income	1,439	(1,264)	n/s	n/s	2,253	(1,590)	n/s	n/s
<i>Underlying Group net income(1)</i>	<i>1,349</i>	<i>8</i>	x 163.1	n/s	<i>2,647</i>	<i>0</i>	n/s	n/s
ROE	9.8%	-10.9%			7.5%	-7.2%		
ROTE	11.2%	-6.5%			8.6%	-5.3%		
<i>Underlying ROTE(1)</i>	<i>10.4%</i>	<i>-1.3%</i>			<i>10.2%</i>	<i>-1.3%</i>		

(1) Adjusted for exceptional items and linearisation of IFRIC 21

Societe Generale's Board of Directors, which met on August 2nd, 2021 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q2 and H1 2021.

The various restatements enabling the transition from underlying data to published data are presented in the methodology notes (section 10.5).

Net banking income

The rebound in the Group's activity continued in Q2 21, with net banking income increasing by +18.2% (+20.5%*) vs. Q2 20 and all the businesses contributing to this strong momentum.

French Retail Banking experienced a significant improvement in Q2 21, with net banking income (excluding PEL/CEL provision) increasing by +8.0% vs. Q2 20 driven by the recovery in net interest income and commissions, which were considerably affected by lockdown measures in Q2 20.

International Retail Banking & Financial Services enjoyed strong revenue growth of +17%* vs. Q2 20, underpinned by the excellent momentum of Financial Services (+49%* vs. Q2 20) and Insurance (+13%* vs. Q2 20). International Retail Banking saw a rebound in activity of +7.9%* vs. Q2 20.

Global Banking & Investor Solutions also turned in an excellent performance, with revenues up +28%* vs. Q2 20, driven by Global Markets and Financing & Advisory.

In H1, the Group posted strong growth of +19.5% (+22.8%*) vs. H1 20, with a positive contribution from all the businesses, and returned to a revenue level close to that of H1 19 (EUR 12.5 billion).

In 2021, the Group is aiming for positive revenue growth in all the businesses.

Operating expenses

In Q2 21, operating expenses totalled EUR 4,107 million on a reported basis and EUR 4,225 million on an underlying basis (restated for the linearisation of IFRIC 21 and transformation costs), representing an increase of +6.1% vs. Q2 20.

The Group therefore generated a very positive jaws effect in all its businesses, resulting in an increase in underlying gross operating income of +55% to EUR 2,036 million and an improvement in the underlying cost to income ratio of nearly 8 points (67% vs. 75% in Q2 20).

In H1, costs amounted to EUR 8,855 million on a reported basis and EUR 8,322 million on an underlying basis, up +1.7% vs. H1 20. This limited growth can be explained primarily by the rise in variable costs linked to the growth in revenues and the increase in the IFRIC 21 charge (EUR +44 million).

Thanks to this good performance in H1, the **Group plans to increase its positive jaws effect** in 2021 while maintaining disciplined cost management.

Cost of risk

In Q2 21, the commercial cost of risk stood at a low level of 11 basis points (EUR 142 million), lower than in Q1 21 (21 basis points) and Q2 20 (97 basis points). It breaks down into a provision on non-performing loans of EUR 164 million, a decline compared to recent quarters, and a provision write-back on performing loans of EUR 22 million.

The Group's provisions on performing loans currently amount to EUR 3,548 million.

As part of the support provided to its customers during the crisis, the Group granted repayment moratoriums and State Guaranteed Loans. At June 30th 2021, the residual amount of repayment moratoriums still in force represented around EUR 0.5 billion and State Guaranteed Loans, around EUR 18 billion. In France, the total amount of State Guaranteed Loans ("PGE") is around EUR 16 billion and net exposure amounts to around EUR 2 billion.

The gross doubtful outstandings ratio amounted to 3.1%⁽²⁾ at June 30th 2021, an improvement vs. end-March 2021 (3.3%⁽²⁾). The Group's gross coverage ratio for doubtful outstandings stood at 52%⁽³⁾ at June 30th 2021 (51% at March 31st 2021).

With a commercial cost of risk of 16 basis points in H1, **the Group has revised its full-year forecast downwards** and therefore anticipates a cost of risk of between 20 and 25 basis points in 2021 (vs. 30 to 35 basis points initially).

⁽²⁾ NPL ratio calculated according to the EBA methodology published on July 16th, 2019

⁽³⁾ Ratio between the amount of provisions on doubtful outstandings and the amount of these same outstandings

Group net income

In EURm	Q2 21	Q2 20	H1 21	H1 20
Reported Group net income	1,439	(1,264)	2,253	(1,590)
Underlying Group net income(1)	1,349	8	2,647	0

In %	Q2 21	Q2 20	H1 21	H1 20
Reported ROTE	11.2%	-6.5%	8.6%	-5.3%
Underlying ROTE(1)	10.4%	-1.3%	10.2%	-1.3%

Earnings per share amounts to EUR 2.29 in H1 21 (EUR -2.25 in H1 20). Underlying earnings per share amounts to EUR 2.40⁽²⁾ over the same period (EUR -0.59⁽²⁾ in H1 20).

(1) Adjusted for exceptional items and linearisation of IFRIC 21

(2) Underlying EPS calculated based on an underlying Group net income excluding IFRIC 21 linearisation. EUR 2.75 including IFRIC 21 linearisation in H1 21 and EUR -0.38 in H1 20.

2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 63.1 billion at June 30th, 2021 (EUR 61.7 billion at December 31st, 2020). Net asset value per share was EUR 63.6 and tangible net asset value per share was EUR 56.0.

The **consolidated balance sheet** totalled EUR 1,493 billion at June 30th, 2021 (EUR 1,462 billion at December 31st, 2020). The net amount of customer loan outstandings at June 30th, 2021, including lease financing, was EUR 455 billion (EUR 440 billion at December 31st, 2020) – excluding assets and securities purchased under resale agreements. At the same time, customer deposits amounted to EUR 470 billion, vs. EUR 451 billion at December 31st, 2020 (excluding assets and securities sold under repurchase agreements).

At July 16th, 2021, the parent company had issued EUR 26.1 billion of medium/long-term debt, having an average maturity of 5.5 years and an average spread of 42 basis points (vs. the 6-month midswap, excluding subordinated debt). The subsidiaries had issued EUR 1.4 billion. In total, the Group had issued EUR 27.5 billion of medium/long-term debt. Excluding structured issuances, the parent company had completed its annual financing programme.

The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 133% at end-June 2021, vs. 149% at end-December 2020, and at 136% on average in Q2 2021, vs. 153% on average in Q4 2020. At the same time, the NSFR (Net Stable Funding Ratio) was over 100% at end-June 2021.

The Group's **risk-weighted assets** (RWA) amounted to EUR 361.5 billion at June 30th, 2021 (vs. EUR 351.9 billion at end-December 2020) according to CRR2/CRD5 rules. Risk-weighted assets in respect of credit risk represent 82.5% of the total, at EUR 298.2 billion, up 3.8% vs. December 31st, 2020.

At June 30th, 2021, the Group's **Common Equity Tier 1** ratio stood at 13.4%, or around 430 basis points above the regulatory requirement. The CET1 ratio at June 30th, 2021 includes an effect of +20 basis points for phasing of the IFRS 9 impact. Excluding this effect, the fully-loaded ratio amounts to 13.2%. The Tier 1 ratio stood at 15.8% at end-June 2021 (16.0% at end-December 2020) and the total capital ratio amounted to 19.2% (19.2% at end-December 2020).

The **leverage ratio** stood at 4.6% at June 30th, 2021 (4.8% at end-December 2020).

With a level of 30.5% of RWA and 8.9% of leveraged exposure at end-June 2021, the Group's TLAC ratio is above the FSB's requirements for 2021. At June 30th, 2021, the Group was also above its 2022 MREL requirements of 25.2% of RWA and 5.91% of leveraged exposure.

The Group is rated by four rating agencies: (i) Fitch Ratings - long-term rating "A-", stable rating, senior preferred debt rating "A", short-term rating "F1" (ii) Moody's - long-term rating (senior preferred debt) "A1", stable outlook, short-term rating "P-1" (iii) R&I - long-term rating (senior preferred debt) "A", stable outlook; and (iv) S&P Global Ratings - long-term rating (senior preferred debt) "A", stable outlook, short-term rating "A-1".

3. FRENCH RETAIL BANKING

<i>In EURm</i>	Q2 21	Q2 20	Change	H1 21	H1 20	Change
Net banking income	1,906	1,754	+8.7%	3,753	3,634	+3.3%
<i>Net banking income excl. PEL/CEL</i>	1,889	1,749	+8.0%	3,748	3,654	+2.6%
Operating expenses	(1,297)	(1,233)	+5.2%	(2,750)	(2,683)	+2.5%
Gross operating income	609	521	+16.9%	1,003	951	+5.5%
<i>Gross operating income excl. PEL/CEL</i>	592	516	+14.7%	998	971	+2.8%
Net cost of risk	(6)	(442)	-98.6%	(129)	(691)	-81.3%
Operating income	603	79	x 7.6	874	260	x 3,4
Reported Group net income	438	60	x 7.3	641	279	x 2,3
<i>Underlying Group net income (1)</i>	398	40	x 9.9	693	339	x 2
RONE	15.6%	2.1%		11.4%	4.9%	
<i>Underlying RONE(1)</i>	14.2%	1.4%		12.3%	6.0%	

(1) Adjusted for the linearisation of IFRIC 21 and PEL/CEL provision

Societe Generale and Crédit du Nord networks:

Average loan outstandings rose +1% vs. Q2 20 to EUR 208 billion. Average medium/long-term outstanding loans to corporate and professional customers climbed 8%, bolstered by the 20% growth in loan production excluding State Guaranteed Loans vs. Q2 20. Home loan production was up +34% vs. Q2 20.

Average outstanding balance sheet deposits⁽²⁾ increased by +9% vs. Q2 20 to EUR 234 billion, still driven by sight deposits, whose rate of growth decelerated.

As a result, the average loan/deposit ratio stood at 89% in Q2 21 vs. 96% in Q2 20.

Insurance assets under management totalled EUR 92 billion at end-June 2021. Gross life insurance inflow amounted to EUR 2.2 billion in Q2 21, with the unit-linked share accounting for 38%.

Private Banking's assets under management totalled EUR 75 billion at end-June 2021. Net inflow remained buoyant at EUR 1.3 billion in Q2 21.

The number of protection policies was up +4%, while property and casualty premiums were 3% higher than in Q2 20.

Boursorama:

The bank consolidated its position as the leading online bank in France, with more than 2.9 million clients at end-June 2021, thanks to the onboarding of 168,000 new clients in Q2 21 (+40% vs. Q2 20).

This quarter, the bank distinguished itself by being classified No. 1 in France in the "World's best Banks 2021" rankings established by Forbes & Statista. Boursorama was also classified No. 1 bank in France in terms of customer recognition by Isoskèle in 2021. The bank was classified No. 1 in the rankings for best banking application in France (Selectra 2021). Finally, Boursorama was classified No. 1 in the 2021 rankings of cheapest banks according to the Capital-Panorabanques study.

⁽²⁾ Including BMTN (negotiable medium-term notes)

Outstanding loans rose +24% vs. Q2 20 to EUR 12 billion. Home loan and consumer loan production reached a record level of EUR 1.4 billion. Home loan outstandings were up +26% vs. Q2 20.

Outstanding savings including deposits and financial savings were 30% higher than in Q2 20 at EUR 33 billion, while outstanding deposits were up +29% vs. Q2 20. The number of stock market orders increased by +7% vs. H1 20 and x3.3 vs. H1 19.

Net banking income excluding PEL/CEL

Q2 21: revenues (excluding PEL/CEL) totalled EUR 1,889 million, up +8% vs. Q2 20. Net interest income (excluding PEL/CEL) was up +1.6% vs. Q2 20, still impacted by the increase in deposits in a low interest rate environment. Commissions were 9.7% higher than in Q2 20 owing particularly to an increase in financial commissions against the backdrop of an exit from the lockdown.

H1 21: revenues (excluding PEL/CEL) totalled EUR 3,748 million, up +2.6% vs. H1 20. Net interest income (excluding PEL/CEL) was down -2.1% vs. H1 20. Commissions were 5.1% higher than in H1 20, benefiting from the strong increase in financial commissions.

Operating expenses

Q2 21: operating expenses totalled EUR 1,297 million (+5.2% vs. Q2 20). The cost to income ratio (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 70.7%, an improvement of 1.2 points vs. Q2 20.

H1 21: operating expenses totalled EUR 2,750 million (+2.5% vs. H1 20). The cost to income ratio (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 71.3%, an improvement of 0.3 points vs. H1 20.

Cost of risk

Q2 21: the commercial cost of risk amounted to EUR 6 million or 1 basis point, substantially lower than in Q2 20 (85 basis points), impacted by the crisis, and Q1 21 (23 basis points).

H1 21: the commercial cost of risk amounted to EUR 129 million or 12 basis points, a substantial decline compared to H1 20 (68 basis points).

Contribution to Group net income

Q2 21: the contribution to Group net income was EUR 438 million vs. EUR 60 million in Q2 20. RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 14.2% in Q2 21 (1.4% in Q2 20) and 15.1% excluding Boursorama.

H1 21: the contribution to Group net income was EUR 641 million (x2.3 vs. H1 20). RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 12.3% in H1 21 (6.0% in H1 20).

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

In EURm	Q2 21	Q2 20	Change		H1 21	H1 20	Change	
Net banking income	1,989	1,750	+13.7%	+17.0%*	3,851	3,714	+3.7%	+8.2%*
Operating expenses	(1,011)	(979)	+3.3%	+6.0%*	(2,100)	(2,125)	-1.2%	+2.8%*
Gross operating income	978	771	+26.8%	+30.9%*	1,751	1,589	+10.2%	+15.4%*
Net cost of risk	(121)	(418)	-71.1%	-69.6%*	(263)	(647)	-59.4%	-57.1%*
Operating income	857	353	x 2.4	x 2.5*	1,488	942	+58.0%	+64.6%*
Reported Group net income	522	226	x 2.3	x 2.4*	914	591	+54.7%	+63.4%*
Underlying Group net income (1)	508	213	x 2.4	x 2.4*	942	619	+52.1%	+60.3%*
RONE	20.6%	8.4%			18.2%	11.0%		
Underlying RONE(1)	20.0%	7.9%			18.7%	11.6%		

(1) Adjusted for the linearisation of IFRIC 21

International Retail Banking's outstanding loans totalled EUR 89.3 billion. They rose +3.8%* vs. end-June 2020 when adjusted for changes in Group structure and at constant exchange rates, illustrating the healthy commercial momentum in all the regions. Outstanding deposits were 8.6%* higher than in June 2020, at EUR 87.5 billion.

For the Europe scope, outstanding loans were up +4.3%* vs. June 2020 at EUR 57.1 billion, driven by all the regions: +3.5%* in Western Europe, +4.0%* in the Czech Republic and +8.6%* in Romania. Outstanding deposits were substantially higher (+10.8%*), with a healthy momentum in the Czech Republic (+10.7%*) and Romania (+11.0%*).

In Russia, outstanding loans rose +2.7%* at constant exchange rates, with a robust performance in car and home loans, up +11%* and +19%* respectively vs. Q2 20. Outstanding deposits increased by +1.6%*.

In Africa, Mediterranean Basin and French Overseas Territories, activity was buoyant, both in the individual and corporate customers segments. Outstanding loans were 2.8%* higher than in June 2020. Outstanding deposits, up +7.4%*, also enjoyed a healthy momentum.

In the Insurance business, the life insurance savings business posted a very good performance, with outstandings increasing +7%* vs. June 2020. The share of unit-linked products in outstandings was 35% at end-June 2021, an increase of 5 points vs. June 2020. Protection insurance rose +8%* vs. Q2 20, with an increase in property/casualty premiums (+11%*) and personal protection premiums (+7%*).

Financial Services to Corporates enjoyed a healthy momentum. Operational Vehicle Leasing and Fleet Management's vehicle fleet was stable vs. end-June 2020, with 1.8 million vehicles. Equipment Finance's new leasing business was up +24% vs. Q2 20, while outstanding loans were stable* vs. end-June 2020, at EUR 14.3 billion (excluding factoring).

Net banking income

Net banking income amounted to EUR 1,989 million in Q2 21, up +17.0%* vs. Q2 20. Revenues amounted to EUR 3,851 million in H1 21, up +8.2%* vs. H1 20.

International Retail Banking's net banking income totalled EUR 1,231 million, an increase of +7.9%* vs. Q2 20. Net banking income totalled EUR 2,418 million in H1 21, an increase of +1.9%* vs. H1 20.

Thanks to a healthy commercial momentum and an increase in commissions (+15%* vs. Q2 20), revenues in Europe were 3.3%* higher, despite net interest income pressure in an environment of lower interest rates than in Q2 20 (the effects of recent rate increases in the Czech Republic and Russia not yet being fully reflected in the revenues). Specialised consumer finance benefited from a strong momentum

(+5.0%* vs. Q2 20). Revenues were also higher (+4.0%*) for the SG Russia⁽¹⁾ scope, benefiting from robust activity in the individual customers segment (car and home loans). The Africa, Mediterranean Basin and French Overseas Territories scope posted revenues up +16.5%* vs. Q2 20, benefiting from a healthy commercial momentum in all regions and a rebound in the Mediterranean Basin. When restated for the impact of repayment moratoriums in Tunisia, revenue growth for the Africa, Mediterranean Basin and French Overseas Territories scope was 8.2%*.

The **Insurance** business posted net banking income of EUR 238 million, up +12.8%* vs. Q2 20. Net banking income was 8.0%* higher in H1 21 than in H1 20 at EUR 474 million.

Financial Services to Corporates' net banking income was higher (+49.1%*) and amounted to EUR 520 million, driven in particular by ALD which posted an increase in leasing margins (+17%*⁽²⁾ vs. Q2 20) and the used car sale result (EUR 740 per unit in H1). Financial Services to Corporates' net banking income was EUR 959 million in H1 21, up +28.5%*.

Operating expenses

Operating expenses totalled EUR 1,011 million, an increase of +6.0%* on a reported basis and +6.1%* on an underlying basis vs. Q2 20, in conjunction with the recovery in activity. As a result, the quarter generated a significant positive jaws effect. The cost to income ratio stood at 50.8% in Q2 21. H1 reflected the good cost discipline. At EUR 2,100 million, costs were 2.8%* higher than in H1 20.

In **International Retail Banking**, operating expenses were up +4.0%* vs. Q2 20 and up +1.4%* vs. H1 20.

In the **Insurance** business, operating expenses were in line with the commercial expansion ambitions and rose +6.5%* vs. Q2 20 and +4.2%* vs. H1 20.

In **Financial Services to Corporates**, operating expenses increased by +7.7%* vs. Q2 20 and increased by +5.1%* vs. H1 20.

Cost of risk

Q2 21: the cost of risk amounted to 37 basis points vs. 125 basis points in Q2 20.

H1 21: the cost of risk amounted to 40 basis points vs. 96 basis points in H1 20.

Contribution to Group net income

The contribution to Group net income totalled EUR 522 million (x2.4* vs. Q2 20), and EUR 914 million in H1 21 (+63.4%* vs. H1 20).

Underlying RONE stood at 20.0% in Q2 21, vs. 7.9% in Q2 20, and 18.7% in H1 21 vs. 11.6% in H1 20.

In International Retail Banking and in Insurance and Financial Services to Corporates, underlying RONE stood at 16.8% and 24.1% respectively in Q2 21.

⁽¹⁾ SG Russia encompasses the entities Rosbank, Rusfinance Bank, Societe Generale Insurance, ALD Automotive and their consolidated subsidiaries

⁽²⁾ Based on ALD local data

5. GLOBAL BANKING & INVESTOR SOLUTIONS

<i>In EURm</i>	Q2 21	Q2 20	Change		H1 21	H1 20	Change	
Net banking income	2,340	1,880	+24.5%	+27.7%*	4,849	3,507	+38.3%	+42.8%*
Operating expenses	(1,648)	(1,570)	+5.0%	+6.9%*	(3,699)	(3,547)	+4.3%	+6.3%*
Gross operating income	692	310	x 2.2	x 2.4*	1,150	(40)	n/s	n/s
Net cost of risk	(17)	(419)	-95.9%	-95.8%*	(26)	(761)	-96.6%	-96.4%*
Operating income	675	(109)	n/s	n/s	1,124	(801)	n/s	n/s
Group net income	522	(67)	n/s	n/s	878	(604)	n/s	n/s
Underlying Group net income (1)	424	(120)	n/s	n/s	1,070	(433)	n/s	n/s
RONE	14.4%	-1.9%			12.2%	-8.6%		
Underlying RONE(1)	11.7%	-3.3%			14.9%	-6.2%		

(1) Adjusted for the linearisation of IFRIC 21

Net banking income

In Q2 21, **Global Banking & Investor Solutions** posted a very good performance, with revenues of EUR 2,340 million, substantially higher (+24.5%) than in Q2 20 (+27.7%* when adjusted for changes in Group structure and at constant exchange rates), with a strong momentum in the Equity businesses and in Financing & Advisory activities.

In H1 21, revenues rose +38.3% vs. H1 20 (EUR 4,849 million vs. EUR 3,507 million, +42.8%*), to a higher level than in H1 19.

In **Global Markets & Investor Services**, net banking income totalled EUR 1,388 million, +40.1% vs. a Q2 20 impacted by the health crisis (+44.3%*). It amounted to EUR 3,039 million in H1 21, +72.8% vs. H1 20 (+80.7%*).

Market conditions in the Equity businesses remain favourable, in an environment in a normalisation phase versus Q1 21. Accordingly, the business posted revenues of EUR 758 million in Q2 21, up +21% vs. the average level in 2019. This good performance is reflected in each of the regions. Commercial activity was very buoyant, especially in Investment Solutions products (and more particularly in listed products) and in the retail and large corporates segments. Structured products also performed well. Revenues were higher at EUR 1,609 million in H1 21.

Fixed Income & Currency activities posted a performance down -33% vs. a strong Q2 20, driven by very dynamic fixed income markets. At EUR 470 million, these Q2 revenues were 6% lower than the average level in 2019. Commercial activity was buoyant in Rate activities and average in Credit and Currency activities.

Revenues were 16% lower in H1 21 than in H1 20 and 10% higher than the average level in 2019.

Securities Services' revenues were also substantially higher (+7.4% vs. Q2 20), at EUR 160 million. They were up +12.0% in H1 21 vs. H1 20, at EUR 335 million.

Securities Services' assets under custody amounted to EUR 4,446 billion at end-June 2021, an increase of +2.4% vs. end-March 2021. Over the same period, assets under administration were up +3.4% at EUR 661 billion.

Financing & Advisory revenues totalled EUR 720 million in Q2 21, up +12.9%* vs. Q2 20 (+9.6% at current structure and exchange rates). They amounted to EUR 1,353 million in H1 21, significantly higher (+7.9%*) than in H1 20.

Asset and Natural Resources and Infrastructure Financing activities enjoyed a good quarter, benefiting from a healthy commercial momentum. The expansion of the Asset-Backed Products platform continued in Q2, with in particular an acceleration in Asia.

Investment Banking revenues were lower compared to the very high level in Q2 20 due to a record level of issues last year. While debt capital markets are returning to normal, equity capital markets and Leveraged Buyout markets are more active.

Global Transaction and Payment Services continued to deliver strong growth, up +25%* vs. Q2 20.

Asset and Wealth Management's net banking income totalled EUR 232 million in Q2 21, stable* vs. Q2 20. It was down -0.9%* (-1.1% at current change and perimeter) in H1 21.

Private Banking posted a performance down -8.8%* vs. Q2 20 (at EUR 171 million) and up +8%* when Q2 20 is restated for an exceptional impact of EUR +29 million related to an insurance payout. The business benefited from strong commercial activity combined with net inflow amounting to EUR +2.1 billion. Assets under management were up +4.2% vs. end-March 2021, at EUR 126 billion.

Private Banking posted net inflow of EUR 4.5 billion in H1 21, positive in all the regions. Net banking income amounted to EUR 344 million, down -5.1%* vs. H1 20.

Lyxor's net banking income amounted to EUR 57 million, an increase of EUR 17 million vs. Q2 20. Lyxor's assets under management were higher (+7.1%) than at end-March 2021, at EUR 165 billion. Net inflow was EUR +5.3 billion in Q2 21.

Revenues were up +16.1%* in H1 21 vs. H1 20, with net inflow of EUR +11.5 billion.

Operating expenses

Q2 21: operating expenses totalled EUR 1,648 million and EUR 1,777 million on an underlying basis. Higher underlying costs (+10.5%* vs. Q2 20) can be explained by the rise in variable costs related to the increase in revenues and the IFRIC 21 charge, generating a very positive jaws effect. There was an improvement in the cost to income ratio of 13 points (70.4% vs. 83.5% in Q2 20).

H1 21: operating expenses were up +6.3%* on a reported basis and +5.7%* on an underlying basis.

Net cost of risk

Q2 21: the commercial cost of risk amounted to 4 basis points (or EUR 17 million), well below the level of 95 basis points in Q2 20, which was adversely affected by the health crisis.

H1 21: it was at a low level of 3 basis points.

Contribution to Group net income

The contribution to Group net income was EUR 522 million on a reported basis and EUR 424 million on an underlying basis (after linearisation of IFRIC 21) in Q2 21 and EUR 878 million and EUR 1,070 million respectively in H1 21.

Global Banking & Investor Solutions posted a significant underlying RONE of 11.7% in Q2 21 and 14.9% in H1 21.

6. CORPORATE CENTRE

<i>In EURm</i>	Q2 21	Q2 20	H1 21	H1 20
Net banking income	26	(88)	53	(389)
Operating expenses	(151)	(78)	(306)	(183)
<i>Underlying operating expenses (1)</i>	(78)	(90)	(149)	(158)
Gross operating income	(125)	(166)	(253)	(572)
<i>Underlying gross operating income (1)</i>	(52)	(178)	(96)	(547)
Net cost of risk	2	-	-	-
Impairment losses on goodwill	-	(684)	-	(684)
Income tax	124	(598)	160	(450)
Reported Group net income	(43)	(1,483)	(180)	(1,856)
<i>Underlying Group net income (1)</i>	7	(129)	(62)	(510)

(1) Adjusted for the linearisation of IFRIC 21

The Corporate Centre includes:

- the property management of the Group's head office,
- the Group's equity portfolio,
- the Treasury function for the Group,
- certain costs related to cross-functional projects as well as certain costs incurred by the Group and not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR +26 million in Q2 21 vs. EUR -88 million in Q2 20 and EUR +53 million in H1 21 vs. EUR -389 million in H1 20.

Operating expenses totalled EUR 151 million in Q2 21 vs. EUR 78 million in Q2 20. They include the Group's transformation costs for a total amount of EUR 85 million relating to the activities of French Retail Banking (EUR 38 million), Global Banking & Investor Solutions (EUR 26 million) and the Corporate Centre (EUR 21 million). Underlying costs came to EUR 78 million in Q2 21 compared to EUR 90 million in Q2 20.

Operating expenses totalled EUR 306 million in H1 21 vs. EUR 183 million in H1 20. Transformation costs totalled EUR 135 million (EUR 60 million related to the activities of French Retail Banking, EUR 43 million related to Global Banking & Investor Solutions and EUR 32 million related to the Corporate Centre). Underlying costs came to EUR 149 million in H1 21 compared to EUR 158 million in H1 20.

Gross operating income totalled EUR -125 million in Q2 21 vs. EUR -166 million in Q2 20 and EUR -253 million in H1 21 vs. EUR -572 million in H1 20. Underlying gross operating income came to EUR 96 million in H1 21.

In Q2 20, the review of the financial trajectory of Global Markets & Investor Services led to the impairment of the associated goodwill for EUR -684 million and deferred tax assets for EUR -650 million.

The Corporate Centre's contribution to Group net income was EUR -43 million in Q2 21 vs. EUR -1,483 million in Q2 20 and EUR -180 million in H1 21 vs. EUR -1,856 million in H1 20.

7. CONCLUSION

The Group enjoyed an excellent H1 2021, combining a very good performance by all the businesses with a significant improvement in their cost to income ratio, while maintaining disciplined management of its costs, risk policy and capital position.

On the strength of H1, the Group has improved its full-year targets, now anticipating an increase in revenues in all its businesses and a cost of risk revised downwards in a still uncertain environment but with an improving economic outlook.

The Group also remains fully committed to the execution of its strategic initiatives, the integration of the CSR dimension in all its regions and businesses and the expansion of its growth drivers.

8. 2021 FINANCIAL CALENDAR

2021 Financial communication calendar

November 4 th , 2021	Third quarter and nine-month 2021 results
February 10 th , 2022	Fourth quarter and FY 2021 results
May 5 th , 2022	First quarter 2022 results
August 3 rd , 2022	Second quarter and first half 2022 results
November 4 th , 2022	Third quarter and nine-month 2022 results

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, (commercial) cost of risk in basis points, ROE, ROTE, RONE, net assets, tangible net assets, and the amounts serving as a basis for the different restatements carried out (in particular the transition from published data to underlying data) are presented in the methodology notes, as are the principles for the presentation of prudential ratios.

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.

These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:

- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the section "Risk Factors" in our Universal Registration Document filed with the French *Autorité des Marchés Financiers* (which is available on <https://investors.societegenerale.com/en>).

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

9. APPENDIX 1: FINANCIAL DATA

GROUP NET INCOME BY CORE BUSINESS

In EURm	Q2 21	Q2 20	Change	H1 21	H1 20	Change
French Retail Banking	438	60	x 7.3	641	279	x 2.3
International Retail Banking and Financial Services	522	226	x 2.3	914	591	54.7%
Global Banking and Investor Solutions	522	(67)	n/s	878	(604)	n/s
Core Businesses	1,482	219	x 6.8	2,433	266	x 9.1
Corporate Centre	(43)	(1,483)	n/s	(180)	(1,856)	n/s
Group	1,439	(1,264)	n/s	2,253	(1,590)	n/s

CONSOLIDATED BALANCE SHEET

	30.06.2021	31.12.2020
Cash, due from central banks	160,801	168,179
Financial assets at fair value through profit or loss	440,774	429,458
Hedging derivatives	15,306	20,667
Financial assets measured at fair value through other comprehensive income	49,068	52,060
Securities at amortised cost	18,922	15,635
Due from banks at amortised cost	61,733	53,380
Customer loans at amortised cost	464,622	448,761
Revaluation differences on portfolios hedged against interest rate risk	222	378
Investment of insurance activities	172,016	166,854
Tax assets	4,601	5,001
Other assets	69,473	67,341
Non-current assets held for sale	368	6
Investments accounted for using the equity method	96	100
Tangible and intangible assets	30,786	30,088
Goodwill	3,821	4,044
Total	1,492,609	1,461,952

	30.06.2021	31.12.2020
Central banks	5,515	1,489
Financial liabilities at fair value through profit or loss	376,762	390,247
Hedging derivatives	10,170	12,461
Debt securities issued	137,938	138,957
Due to banks	147,938	135,571
Customer deposits	478,774	456,059
Revaluation differences on portfolios hedged against interest rate risk	5,214	7,696
Tax liabilities	1,365	1,223
Other liabilities	87,805	84,937
Non-current liabilities held for sale	104	-
Liabilities related to insurance activities contracts	151,119	146,126
Provisions	4,595	4,775
Subordinated debts	16,673	15,432
Total liabilities	1,423,972	1,394,973
SHAREHOLDERS' EQUITY		
Shareholders' equity, Group share		
Issued common stocks and capital reserves	22,354	22,333
Other equity instruments	8,930	9,295
Retained earnings	30,962	32,076
Net income	2,253	(258)
Sub-total	64,499	63,446
Unrealised or deferred capital gains and losses	(1,363)	(1,762)
Sub-total equity, Group share	63,136	61,684
Non-controlling interests	5,501	5,295
Total equity	68,637	66,979
Total	1,492,609	1,461,952

10. APPENDIX 2: METHODOLOGY

1 – The financial information presented in respect of Q2 and H1 2021 was examined by the Board of Directors on August 2nd, 2021 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. The limited review procedures carried out by the Statutory Auditors are in progress on the condensed interim consolidated financial statements as at June 30th, 2021.

2 – Net banking income

The pillars' net banking income is defined on page 41 of Societe Generale's 2021 Universal Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

3 – Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in note 8.1 to the Group's consolidated financial statements as at December 31st, 2020 (pages 466 et seq. of Societe Generale's 2021 Universal Registration Document). The term "costs" is also used to refer to Operating Expenses. The Cost/Income Ratio is defined on page 41 of Societe Generale's 2021 Universal Registration Document.

4 - IFRIC 21 adjustment

The IFRIC 21 adjustment corrects the result of the charges recognised in the accounts in their entirety when they are due (generating event) so as to recognise only the portion relating to the current quarter, i.e. a quarter of the total. It consists in smoothing the charge recognised accordingly over the financial year in order to provide a more economic idea of the costs actually attributable to the activity over the period analysed.

5 – Exceptional items – Transition from accounting data to underlying data

It may be necessary for the Group to present underlying indicators in order to facilitate the understanding of its actual performance. The transition from published data to underlying data is obtained by restating published data for exceptional items and the IFRIC 21 adjustment.

Moreover, the Group restates the revenues and earnings of the French Retail Banking pillar for PEL/CEL provision allocations or write-backs. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.

The reconciliation enabling the transition from published accounting data to underlying data is set out in the table below:

Q2 21 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(4,107)	5	0	(404)	1,439	
(+) IFRIC 21 linearisation	(203)			49	(151)	
(+) Transformation charges*	85			(24)	61	Corporate Center ⁽¹⁾
Underlying	(4,225)	5	0	(379)	1,349	

Q2 20 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(3,860)	4	(684)	(658)	(1,264)	
(+) IFRIC 21 linearisation	(124)			58	(62)	
(-) Goodwill impairment*			(684)		(684)	Corporate center
(-) DTA impairment*				(650)	(650)	Corporate center
Underlying	(3,984)	4	0	50	8	

(1) Transformation and/or restructuring charges in Q2 21 related to RBDF (EUR 38m), GBIS (EUR 26m) and Corporate Center (EUR 21m)
*exceptionals items

H1 21 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(8,855)	11	0	(687)	2,253	
(+) IFRIC 21 linearisation	398			(92)	297	
(+) Transformation charges*	135			(38)	97	Corporate Center ⁽²⁾
Underlying	(8,322)	11	0	(817)	2,647	

H1 20 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(8,538)	84	(684)	(612)	(1,590)	
(+) IFRIC 21 linearisation	353			(166)	179	
(-) Group refocusing plan		(77)		0	(77)	Corporate center
(-) Goodwill impairment*			(684)		(684)	Corporate center
(-) DTA impairment*				(650)	(650)	Corporate center
Underlying	(8,185)	161	0	(128)	0	

(2) Transformation and/or restructuring charges in H1 21 related to RBDF (EUR 60m), GBIS (EUR 43m) and Corporate Center (EUR 32m)
*exceptionals items

6 - Cost of risk in basis points, coverage ratio for doubtful outstandings

The cost of risk or commercial cost of risk is defined on pages 43 and 635 of Societe Generale's 2021 Universal Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

	(In EUR m)	Q2 21	Q2 20	H1 21	H1 20
French Retail Banking	Net Cost Of Risk	6	442	129	691
	Gross loans Outstanding	217,710	207,517	217,658	204,328
	Cost of Risk in bp	1	85	12	68
International Retail Banking and Financial Services	Net Cost Of Risk	121	418	263	647
	Gross loans Outstanding	131,344	133,475	130,770	134,941
	Cost of Risk in bp	37	125	40	96
Global Banking and Investor Solutions	Net Cost Of Risk	17	419	26	761
	Gross loans Outstanding	162,235	175,673	158,443	166,868
	Cost of Risk in bp	4	95	3	91
Corporate Centre	Net Cost Of Risk	(2)	0	0	0
	Gross loans Outstanding	13,561	10,292	13,262	10,001
	Cost of Risk in bp	(4)	3	0	3
Societe Generale Group	Net Cost Of Risk	142	1,279	418	2,099
	Gross loans Outstanding	524,849	526,958	520,133	516,138
	Cost of Risk in bp	11	97	16	81

The **gross coverage ratio for doubtful outstandings** is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("doubtful").

7 - ROE, ROTE, RONE

The notions of ROE (Return on Equity) and ROTE (Return on Tangible Equity), as well as their calculation methodology, are specified on page 43 and 44 of Societe Generale's 2021 Universal Registration Document. This measure makes it possible to assess Societe Generale's return on equity and return on tangible equity.

RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 44 of Societe Generale's 2021 Universal Registration Document.

Group net income used for the ratio numerator is book Group net income adjusted for "interest net of tax payable on deeply subordinated notes and undated subordinated notes, interest paid to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisations" and "unrealised gains/losses booked under shareholders' equity, excluding conversion reserves" (see methodology note No. 9). For ROTE, income is also restated for goodwill impairment.

Details of the corrections made to book equity in order to calculate ROE and ROTE for the period are given in the table below:

ROTE calculation: calculation methodology

End of period	Q2 21	Q2 20	H1 21	H1 20
Shareholders' equity Group share	63,136	60,659	63,136	60,659
Deeply subordinated notes	(8,905)	(8,159)	(8,905)	(8,159)
Undated subordinated notes	(62)	(283)	(62)	(283)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(1)	20	(1)	20
OCI excluding conversion reserves	(699)	(834)	(699)	(834)
Dividend provision	(1,021)		(1,021)	
ROE equity end-of-period	52,448	51,403	52,448	51,403
Average ROE equity	52,161	52,388	51,849	52,830
Average Goodwill	(3,927)	(4,270)	(3,928)	(4,416)
Average Intangible Assets	(2,542)	(2,417)	(2,524)	(2,393)
Average ROTE equity	45,692	45,701	45,397	46,021
Group net Income (a)	1,439	(1,264)	2,253	(1,590)
Underlying Group net income (b)	1,349	8	2,647	
Interest on deeply subordinated notes and undated subordinated notes (c)	(165)	(161)	(309)	(321)
Cancellation of goodwill impairment (d)		684		684
Ajusted Group net Income (e) = (a)+ (c)+(d)	1,274	(741)	1,944	(1,227)
Ajusted Underlying Group net Income (f)=(b)+(c)	1,184	(153)	2,338	(321)
Average ROTE equity (g)	45,692	45,701	45,397	46,021
ROTE [quarter: (4*e/g), 6M: (2*e/g)]	11.2%	-6.5%	8.6%	-5.3%
Underlying ROTE	45,602	46,973	45,791	47,611
Underlying ROTE [quarter: (4*f/h), 6M: (2*f/h)]	10.4%	-1.3%	10.2%	-1.3%

RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EURm	Q2 21	Q2 20	Change	H1 21	H1 20	Change
French Retail Banking	11,237	11,460	-1.9%	11,289	11,321	-0.3%
International Retail Banking and Financial Services	10,158	10,820	-6.1%	10,058	10,708	-6.1%
Global Banking and Investor Solutions	14,462	14,453	0.1%	14,366	14,024	2.4%
Core Businesses	35,857	36,733	-2.4%	35,713	36,053	-0.9%
Corporate Center	16,304	15,655	4.1%	16,136	16,777	-3.8%
Group	52,161	52,388	-0.4%	51,849	52,830	-1.9%

8 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 46 of the Group's 2021 Universal Registration Document. The items used to calculate them are presented below:

End of period	H1 21	Q1 21	2020
Shareholders' equity Group share	63,136	62,920	61,684
Deeply subordinated notes	(8,905)	(9,179)	(8,830)
Undated subordinated notes	(62)	(273)	(264)
Interest, net of tax, payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(1)	(51)	19
Bookvalue of own shares in trading portfolio	(46)	(25)	301
Net Asset Value	54,122	53,391	52,910
Goodwill	(3,927)	(3,927)	(3,928)
Intangible Assets	(2,556)	(2,527)	(2,484)
Net Tangible Asset Value	47,639	46,937	46,498
Number of shares used to calculate NAPS**	850,429	850,427	848,859
Net Asset Value per Share	63.6	62.8	62.3
Net Tangible Asset Value per Share	56.0	55.2	54.8

**** The number of shares considered is the number of ordinary shares outstanding as at June 30th, 2021, excluding treasury shares and buybacks, but including the trading shares held by the Group.**
In accordance with IAS 33, historical data per share prior to the date of detachment of a preferential subscription right are restated by the adjustment coefficient for the transaction.

9 - Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 45 of Societe Generale's 2021 Universal Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE and ROTE. As specified on page 45 of Societe Generale's 2021 Universal Registration Document, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items presented in methodology note No. 5 (underlying EPS).

The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands)	H1 21	Q1 21	2020
Existing shares	853,371	853,371	853,371
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	3,466	3,728	2,987
Other own shares and treasury shares			
Number of shares used to calculate EPS**	849,905	849,643	850,385
Group net Income	2,253	814	(258)
Interest on deeply subordinated notes and undated subordinated notes	(309)	(144)	(611)
Adjusted Group net income	1,944	670	(869)
EPS (in EUR)	2.29	0.79	(1.02)
Underlying EPS* (in EUR)	2.40	0.83	0.97

(*) Calculated on the basis of underlying Group net income excluding linearisation of IFRIC 21. Or EUR 2.75 taking into account the linearisation of IFRIC 21 in H1 21.

(**) The number of shares considered is the number of ordinary shares outstanding as at June 30th, 2021, excluding treasury shares and buybacks, but including the trading shares held by the Group.

10 – The Societe Generale Group's Common Equity Tier 1 capital is calculated in accordance with applicable CRR2/CRD5 rules. The fully-loaded solvency ratios are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is also calculated according to applicable CRR2/CRD5 rules including the phased-in follows the same rationale as solvency ratios.

NB (1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.

(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale's website www.societegenerale.com in the "Investor" section.

Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth, aiming to be the trusted partner for its clients, committed to the positive transformations of society and the economy.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 133,000 members of staff in 61 countries and supports on a daily basis 30 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking** which encompasses the Societe Generale, Crédit du Nord and Boursorama brands. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services to Corporates**, with networks in Africa, Russia, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions**, which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (World and Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes and MSCI Low Carbon Leaders Index (World and Europe).

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REGISTERED OFFICE OF THE ISSUER

SG Issuer
16, Boulevard Royal
L-2449 Luxembourg
Luxembourg

REGISTERED OFFICE OF THE GUARANTOR

Société Générale
29, boulevard Haussmann
75009 Paris
France

ISSUER'S AUDITORS

Ernst & Young Société Anonyme
35E, avenue John F. Kennedy
L-1855 Luxembourg
Luxembourg

**Ernst & Young et
Autres**
Tour First
TSA 14444
92037 Paris-La
Défense Cedex
France

Deloitte & Associés
6, place de la Pyramide
92908 Paris-La Défense
Cedex
France

GUARANTOR'S AUDITORS

WARRANT AGENT

THE CENTRAL DEPOSITORY (PTE) LIMITED

11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589

LEGAL ADVISERS TO THE ISSUER

(as to Singapore law)

ALLEN & GLEDHILL LLP
One Marina Boulevard #28-00
Singapore 018989