

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).

**2,700,000 European Style Cash Settled Long Certificates
relating to the ordinary shares of Li Ning 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\$1.50 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 25 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.

22 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:	2,700,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Li Ning Company Limited (the “ Underlying Stock ”)
ISIN:	LU2267112287
Company:	Li Ning Company Limited (RIC: 2331.HK)
Underlying Price ³ and Source:	HK\$92.95 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	5x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 1.50
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	7.50%, 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:	18 October 2021
Closing Date:	22 October 2021
Expected Listing Date:	25 October 2021

³ These figures are calculated as at, and based on information available to the Issuer on or about 22 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 22 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 12 October 2023
Expiry Date:	19 October 2023 (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:	18 October 2023 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
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 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.
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: 0.1729

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).

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

$IRC_{IR(k-1),IR(k)}$	means the Intraday Rebalancing Cost of the Leverage Strategy in respect of $IR(k)$ on a given Intraday Restrike Date, calculated as follows :
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$$IRC_{IR(k-1),IR(k)} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left| \frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right| \right) \times TC$$

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	means in respect of an Intraday Restrike Event, the period starting on and

Observation Period 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:	Li Ning Company Limited
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	2,700,000 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 25 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	$\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}}$	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 Li Ning 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:	1.50 SGD
Notional Amount per Certificate:	1.50 SGD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	7.50%
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):

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

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 7.50\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9792\% \approx 99.9781\%$$

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

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

$$\text{HFF (2)} = 99.9781\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 7.50\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9781\% \times 99.9967\% \times 99.9375\% \approx 99.9122\%$$

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 99.6713% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9781%
5/7/2018	99.9561%
6/7/2018	99.9342%
9/7/2018	99.8684%
10/7/2018	99.8465%
11/7/2018	99.8246%
12/7/2018	99.8027%
13/7/2018	99.7808%
16/7/2018	99.7151%
17/7/2018	99.6932%
18/7/2018	99.6713%

Cash Settlement Amount

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

$$\begin{aligned} \text{Closing Level} &= [(\text{Final Reference Level} \times \text{Final Exchange Rate}) / (\text{Initial Reference Level} \times \text{Initial Exchange Rate}) - \text{Strike Level}] \times \text{Hedging Fee Factor} \\ &= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.6713\% \\ &= 119.61\% \end{aligned}$$

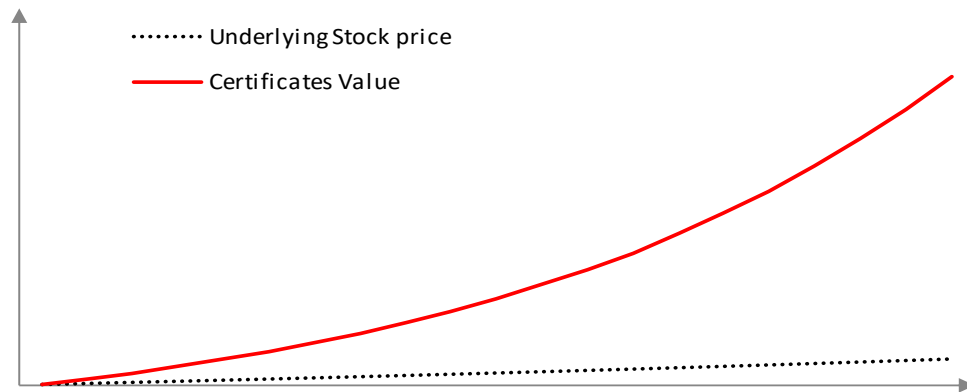
$$\begin{aligned} \text{Cash Settlement Amount} &= \text{Closing Level} \times \text{Notional Amount per Certificate} \\ &= 119.61\% \times 1.50 \text{ SGD} \\ &= \mathbf{1.794 \text{ SGD}} \end{aligned}$$

Illustration on how returns and losses can occur under different scenarios

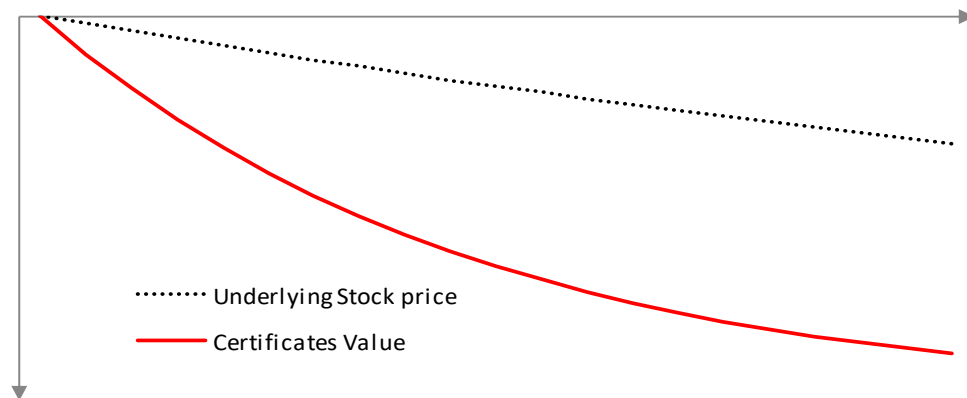
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends,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

1. Illustrative examples

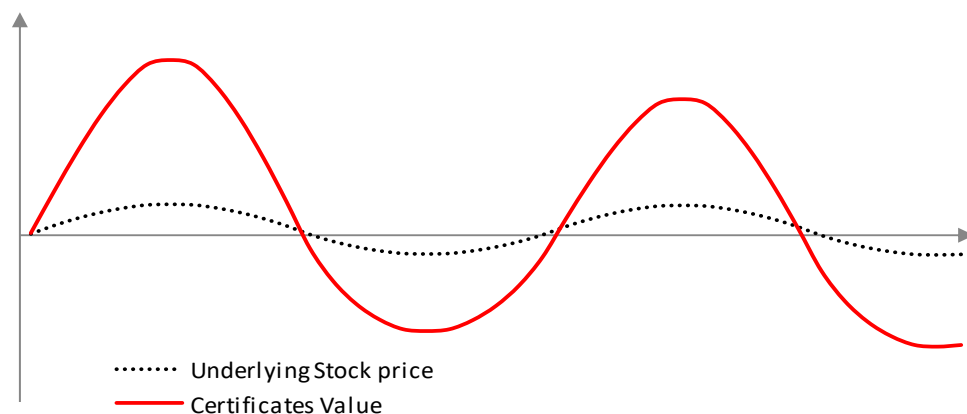
Scenario 1 – Upward Trend



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	1.5	1.65	1.82	2.00	2.20	2.42
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	1.5	1.35	1.22	1.09	0.98	0.89
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	1.5	1.65	1.48	1.63	1.47	1.62
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.

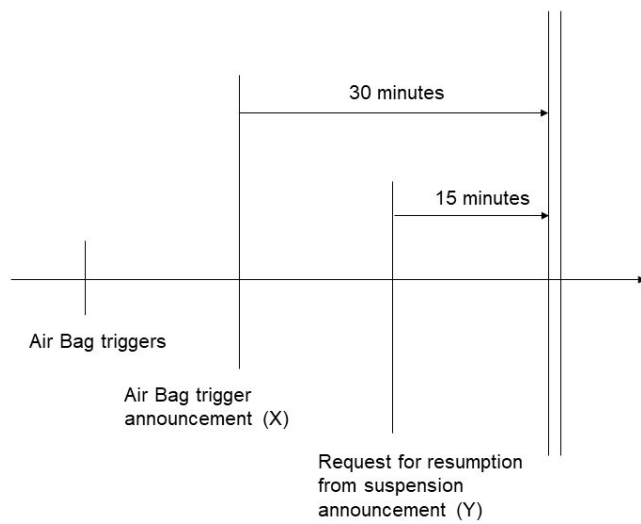
Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. Investors cannot sell or purchase any Certificates during this period.

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



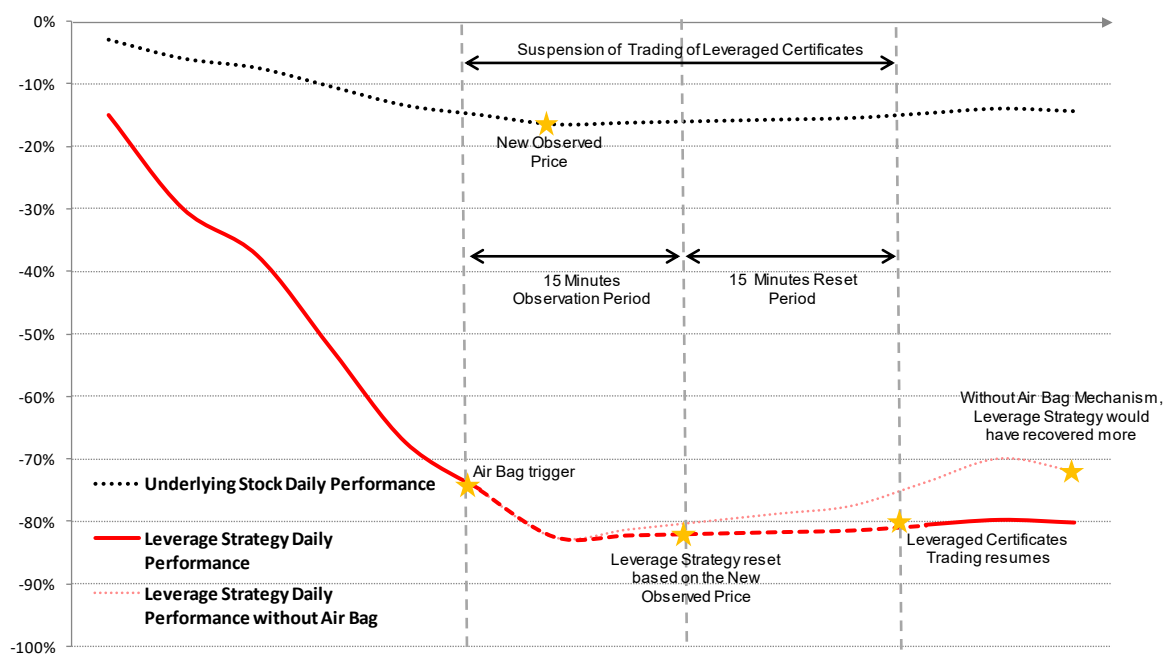
- The later between $X+30$ minutes or $Y+15$ minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates.
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing 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



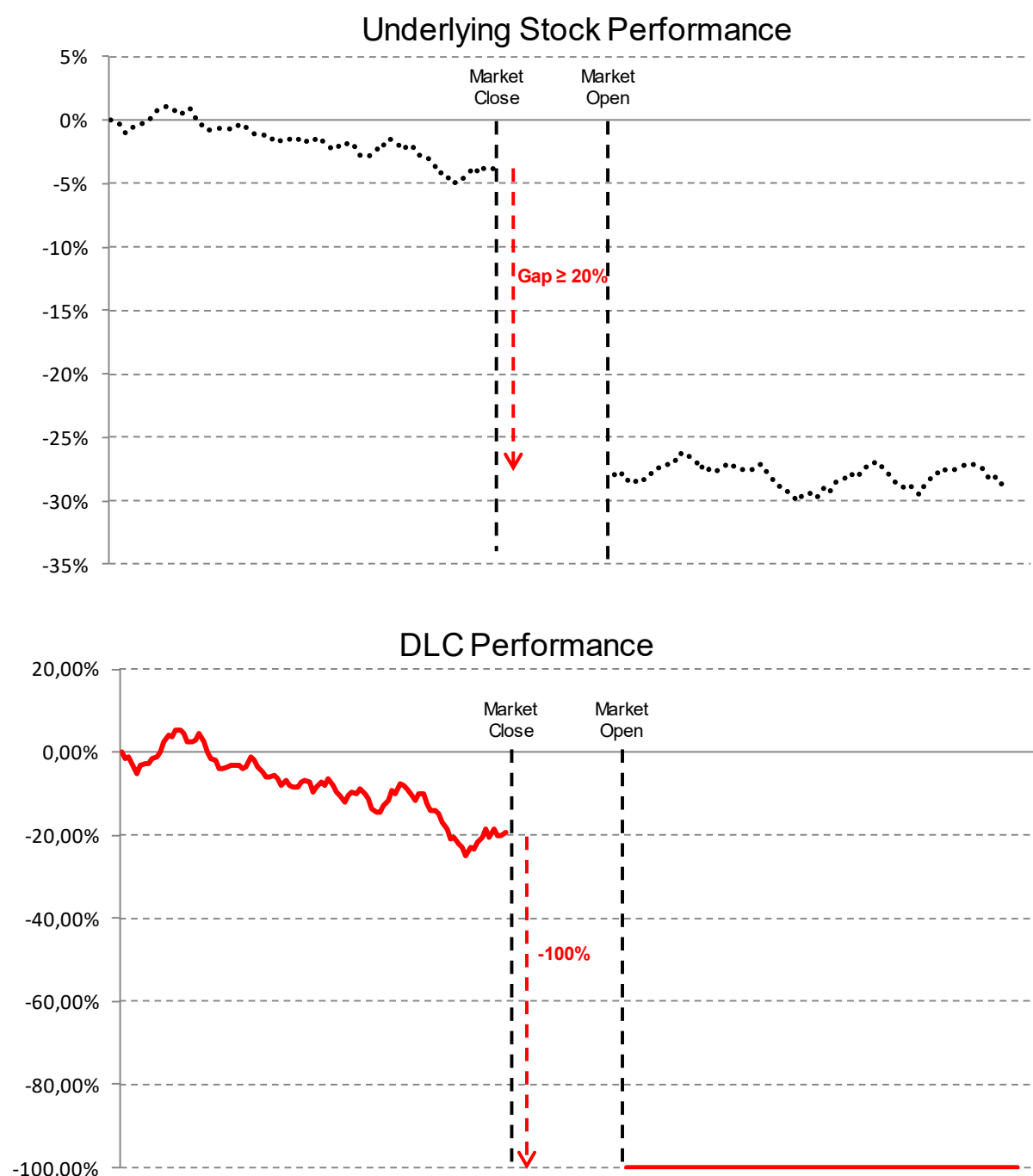
⁹ The illustrative examples are not exhaustive.

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)
1.50	1.65	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)
1.50	1.575	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)
1.50	1.875	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)
1.50	1.65	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)
1.50	1.875	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://ir.lining.com>. The Issuer has not independently verified any of such information.

Li Ning Company Limited (the “**Company**”) is principally engaged in brand development, design, manufacture and sale of sport-related footwear, apparel, equipment and accessories in the People’s Republic of China (the PRC). The Company is also engaged in the manufacture, development, marketing, distribution and sales of sports products under several other brands, including Double Happiness (table tennis), AIGLE (outdoor sports) and Lotto (sports fashion). Through its subsidiaries, the Company is also engaged in the provision of information technology service.

The information set out in Appendix I of this document relates to the unaudited condensed consolidated financial statements of the Company and its subsidiaries for the six months ended 30 June 2021 and has been extracted and reproduced from an announcement by the Company dated 30 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021 OF LI NING COMPANY LIMITED AND ITS SUBSIDIARIES

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

Condensed Consolidated Interim Financial Information

Interim Condensed Consolidated Balance Sheet

	Note	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	1,217,045	1,065,058
Right-of-use assets	8	978,793	1,065,979
Investment properties	9	1,790,520	115,200
Land use rights	10	164,478	166,377
Intangible assets	11	180,216	190,746
Deferred income tax assets		638,777	590,635
Other assets	14	–	138,518
Investments accounted for using the equity method	12	1,222,015	1,101,116
Investments measured at fair value through profit or loss		130,100	–
Other receivables	16	140,754	128,714
Long-term bank deposits		2,103,488	254,966
Total non-current assets		8,566,186	4,817,309
Current assets			
Inventories	13	1,307,280	1,345,539
Other assets – current portion	14	705,523	518,902
Trade receivables	15	800,679	658,796
Other receivables – current portion	16	66,503	65,196
Restricted bank deposits		1,076	1,084
Short-term bank deposits		100,216	–
Cash and cash equivalents		6,108,102	7,187,039
Total current assets		9,089,379	9,776,556
Total assets		17,655,565	14,593,865

Condensed Consolidated Interim Financial Information (Continued)

Interim Condensed Consolidated Balance Sheet (Continued)

	Note	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Ordinary shares	17	228,717	228,285
Share premium	17	4,050,617	4,037,767
Shares held for Restricted Share Award Scheme	17	(47,471)	(148,995)
Other reserves	18	959,940	874,574
Retained earnings	18	5,142,253	3,695,232
		10,334,056	8,686,863
Non-controlling interests in equity		2,554	2,554
Total equity		10,336,610	8,689,417
LIABILITIES			
Non-current liabilities			
License fees payable	21	22,249	23,395
Derivative financial instruments		-	10,181
Lease liabilities		636,530	688,642
Deferred income tax liabilities		435,537	102,738
Deferred income	22	69,908	64,435
Total non-current liabilities		1,164,224	889,391
Current liabilities			
Trade payables	19	1,377,468	1,227,129
Contract liabilities		337,951	286,134
Lease liabilities - current portion		342,430	360,895
Other payables and accruals	20	3,296,404	2,500,991
License fees payable - current portion	21	74,552	39,494
Current income tax liabilities		716,184	591,860
Derivative financial instruments - current portion		9,742	8,554
Total current liabilities		6,154,731	5,015,057
Total liabilities		7,318,955	5,904,448
Total equity and liabilities		17,655,565	14,593,865

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

Condensed Consolidated Interim Financial Information (Continued)

Interim Condensed Consolidated Income Statement

	Note	Unaudited Six months ended 30 June 2021 RMB'000	2020 RMB'000
Revenue	6	10,196,584	6,180,935
Cost of sales	23	(4,497,520)	(3,124,144)
Gross profit		5,699,064	3,056,791
Distribution expenses	23	(2,857,021)	(1,948,689)
Administrative expenses	23	(437,460)	(346,276)
Provision for expected credit loss allowance for financial assets – net		(6,622)	(24,420)
Other income and other gains – net	24	140,452	160,502
Operating profit		2,538,413	897,908
Finance income	25	45,388	19,394
Finance expenses	25	(37,925)	(31,888)
Finance income/(expenses) – net	25	7,463	(12,494)
Share of profit of investments accounted for using the equity method	12	79,571	21,767
Profit before income tax		2,625,447	907,181
Income tax expense	26	(663,224)	(223,910)
Profit for the period		1,962,223	683,271
Profit is attributable to:			
Equity holders of the Company		1,962,223	683,271
Non-controlling interests		–	–
		1,962,223	683,271
Earnings per share attributable to equity holders of the Company for the period (expressed in RMB cents per share)			
Basic earnings per share	27	79.04	27.98
Diluted earnings per share	27	77.96	27.30

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes.

Condensed Consolidated Interim Financial Information (Continued)

Interim Condensed Consolidated Statement of Comprehensive Income

	Note	Unaudited Six months ended 30 June 2021 RMB'000	2020 RMB'000
Profit for the period		1,962,223	683,271
Other comprehensive (loss)/income:			
Items that may be reclassified to profit or loss			
Currency translation differences		(1,568)	2,737
Total comprehensive income for the period		1,960,655	686,008
Attributable to:			
Equity holders of the Company		1,960,655	686,008
Non-controlling interests		–	–
Total comprehensive income for the period		1,960,655	686,008

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Interim Financial Information (Continued)

Interim Condensed Consolidated Statement of Changes in Equity

	Unaudited							
	Ordinary shares RMB'000 (Note 17)	Share premium RMB'000 (Note 17)	Shares held for Restricted Share Award Scheme RMB'000 (Note 17)	Other reserves RMB'000 (Note 18)	Retained earnings RMB'000 (Note 18)	Subtotal RMB'000	Non- controlling interests in equity RMB'000	Total equity RMB'000
As at 1 January 2021	228,285	4,037,767	(148,995)	874,574	3,695,232	8,686,863	2,554	8,689,417
Total comprehensive income for the period	–	–	–	(1,568)	1,962,223	1,960,655	–	1,960,655
Transactions with owners:								
Net proceeds from share issuance pursuant to share option schemes	431	27,036	–	–	–	27,467	–	27,467
Value of services provided under share option schemes and Restricted Share Award Scheme	–	–	–	18,937	–	18,937	–	18,937
Transfer of fair value of share options exercised and Restricted Share Award Scheme vested to share premium	–	(14,210)	–	14,210	–	–	–	–
Shares vested under Restricted Share Award Scheme	–	–	101,524	(101,524)	–	–	–	–
Shares converted from convertible securities	1	24	–	(25)	–	–	–	–
Dividends (Note 28)	–	–	–	–	(515,202)	(515,202)	–	(515,202)
Tax impact of employee share-based compensation scheme	–	–	–	155,336	–	155,336	–	155,336
As at 30 June 2021	228,717	4,050,617	(47,471)	959,940	5,142,253	10,334,056	2,554	10,336,610

Condensed Consolidated Interim Financial Information (Continued)

Interim Condensed Consolidated Statement of Changes in Equity (Continued)

	Unaudited							
	Ordinary	Share	Shares	Other	Retained		Non-	Total
	shares	premium	held for	reserves	earnings	Subtotal	controlling	equity
	RMB'000	RMB'000	Reward	RMB'000	RMB'000	RMB'000	interests in	RMB'000
	(Note 17)	(Note 17)	Scheme	(Note 18)	(Note 18)		equity	
As at 1 January 2020	214,300	3,547,682	(276,664)	1,153,645	2,482,676	7,121,639	2,554	7,124,193
Total comprehensive income for the period	–	–	–	2,737	683,271	686,008	–	686,008
Transactions with owners:								
Net proceeds from share issuance pursuant to share option schemes	1,858	103,317	–	–	–	105,175	–	105,175
Value of services provided under share option schemes and Restricted Share Award Scheme	–	–	–	51,508	–	51,508	–	51,508
Transfer of fair value of share options exercised and Restricted Share Award Scheme vested to share premium	–	(10,499)	–	10,499	–	–	–	–
Shares vested under Restricted Share Award Scheme	–	–	106,627	(106,627)	–	–	–	–
Shares converted from convertible securities	10,785	294,912	–	(305,697)	–	–	–	–
Dividends (Note 28)	–	–	–	–	(377,821)	(377,821)	–	(377,821)
As at 30 June 2020	226,943	3,935,412	(170,037)	806,065	2,788,126	7,586,509	2,554	7,589,063

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Interim Financial Information (Continued)

Interim Condensed Consolidated Statement of Cash Flows

	Note	Unaudited Six months ended 30 June 2021 RMB'000	2020 RMB'000
Cash flows from operating activities:			
Cash generated from operations		3,761,843	1,058,050
Income tax paid		(437,300)	(579,064)
Net cash generated from operating activities		3,324,543	478,986
Cash flows from investing activities:			
– acquisition of subsidiaries, net of cash acquired	30	(1,294,246)	–
– payments for investments in joint ventures and an associate		(50,148)	(19,581)
– purchases of property, plant and equipment		(405,130)	(205,973)
– purchases of investment properties		(42,401)	–
– purchases of intangible assets		(10,080)	(17,494)
– purchases of land use rights		–	(98,713)
– proceeds on disposal of property, plant and equipment		455	1,715
– purchases of wealth management products		(4,775,000)	(4,944,000)
– redemption of the principal amounts of wealth management products		4,775,000	4,944,000
– purchases of long-term bank deposits		(1,870,000)	–
– purchases of short-term bank deposits		(100,000)	–
– redemption of bank deposits		34,966	–
– interest received from wealth management products	24	41,851	48,460
– interest received from bank deposits		31,212	17,407
– loans granted to a joint venture	31	–	(5,000)
– loan repayments from a joint venture	31	15,000	–
– payments for an investment measured at fair value through profit or loss		(39,486)	–
– payments for financial assets at fair value through other comprehensive income		–	(200,000)
– dividends from an associate		113	–
Net cash used in investing activities		(3,687,894)	(479,179)

Condensed Consolidated Interim Financial Information (Continued)

Interim Condensed Consolidated Statement of Cash Flows (Continued)

	Note	Unaudited Six months ended 30 June 2021 RMB'000	2020 RMB'000
Cash flows from financing activities:			
– dividends paid	18	(515,202)	(377,821)
– proceeds from issuance of ordinary shares	17	27,467	105,175
– payment of lease liabilities		(226,165)	(133,959)
Net cash used in financing activities		(713,900)	(406,605)
Net decrease in cash and cash equivalents		(1,077,251)	(406,798)
Cash and cash equivalents at beginning of period		7,187,039	5,961,445
Exchange (losses)/gains on cash and cash equivalents		(1,686)	5,959
Cash and cash equivalents at end of period		6,108,102	5,560,606

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to Condensed Consolidated Interim Financial Information

1. General information

Li Ning Company Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in brand development, design, manufacture, sale and distribution of sport-related footwear, apparel, equipment and accessories in the People’s Republic of China (the “PRC”).

The Company was incorporated on 26 February 2004 in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information is presented in Renminbi (“RMB”), unless otherwise stated. This condensed consolidated interim financial information was approved for issue by the Board of Directors (the “Board”) on 12 August 2021.

This condensed consolidated interim financial information has not been audited.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2021 has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

3. Accounting policies

The accounting policies applied to the preparation of this condensed consolidated interim financial information are consistent with those applied in the annual financial statements for the year ended 31 December 2020, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings.

Impact of standards issued but not yet applied by the Group

Certain new accounting standards and interpretations have been published but are not mandatory for reporting period commencing 1 January 2021 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Notes to Condensed Consolidated Interim Financial Information (Continued)

4. Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

5. Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow/fair value interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2020.

There have been no changes in the risk management department since year end or in any risk management policies.

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

Notes to Condensed Consolidated Interim Financial Information (Continued)

5. Financial risk management (Continued)

5.3 Fair value estimation

(a) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2021 and 31 December 2020 on a recurring basis:

At 30 June 2021	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Private equity fund investments, measured at fair value through profit or loss	–	–	130,100	130,100
Financial liabilities				
Derivative financial instruments	–	–	9,742	9,742
At 31 December 2020	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial liabilities				
Derivative financial instruments	–	–	18,735	18,735

There were no transfers between each levels for recurring fair value measurements during the period.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted marked price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on Group specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for private equity fund investments and derivative financial instruments.

Notes to Condensed Consolidated Interim Financial Information (Continued)

5. Financial risk management (Continued)

5.3 Fair value estimation (Continued)

(b) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the six months ended 30 June 2021:

	Wealth management products RMB'000	Investments measured at fair value through profit or loss RMB'000	Derivative financial instruments RMB'000	Total RMB'000
Opening balance				
31 December 2020	–	–	(18,735)	(18,735)
Additions	4,775,000	130,100	–	4,905,100
Settlements	(4,816,851)	–	8,820	(4,808,031)
Changes in fair value	41,851	–	173	42,024
Closing balance 30 June 2021	–	130,100	(9,742)	120,358
Changes in unrealised gains or losses for the period included in profit or loss for assets or liabilities as at the end of the six months ended 30 June 2021	–	–	173	173

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

Notes to Condensed Consolidated Interim Financial Information (Continued)

5. Financial risk management (Continued)

5.3 Fair value estimation (Continued)

(c) Valuation techniques used to determine fair values

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value at 30 June 2021 RMB'000	Valuation Technique	Significant unobservable inputs*	Value of inputs	Relationship of unobservable inputs to fair value
Financial assets					
Private equity fund investments (Note)	130,100	Net asset value	N/A as quantitative unobservable inputs are not developed by the Group	N/A	N/A
Financial liabilities					
Derivative financial instruments	9,742	Binomial model	Volatility rate	55.48%	The higher the volatility rate, the higher the fair value of the derivative financial liability
			Risk-free rate	0.02%	The higher the risk-free rate, the lower the fair value of the derivative financial liability
			Dividend yield	3.53%	The higher the dividend yield, the higher the fair value of the derivative financial liability

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Note:

The Group determines the fair value of its private equity fund investments as at the reporting date based on the net asset values of the private equity funds with underlying assets and liabilities measured at fair value as reported by the general partners of the funds.

Notes to Condensed Consolidated Interim Financial Information (Continued)

6. Segment information and revenue

The management of the Company ("Management") is the Group's chief operating decision-maker. Management reviews the Group's internal reports periodically in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group was principally engaged in a single line of business of sporting goods. Management reviewed the performance of the Group as a whole, thus there was only one reportable segment and no segment information was presented.

The Group derives revenue in the following major product lines and geographical regions:

	Unaudited Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Footwear	4,594,177	2,924,956
Apparel	5,061,494	2,941,172
Equipment and accessories	540,913	314,807
Total	10,196,584	6,180,935

Geographical information of revenue

	Unaudited Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
The PRC (including the Hong Kong Special Administrative Region and the Macau Special Administrative Region)	10,074,827	6,112,666
Other regions	121,757	68,269
Total	10,196,584	6,180,935

Revenue by geographical location is determined on the basis of destination of shipment/delivery.

The Group has a large number of customers. For the six months ended 30 June 2021 and 2020, no revenue derived from transactions with a single external customer represented 10% or more of the Group's total revenue.

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

7. Property, plant and equipment

	Unaudited						Total RMB'000
	Buildings RMB'000	Leasehold improvement RMB'000	Mould RMB'000	Machinery RMB'000	Office equipment and motor vehicles RMB'000	Construction- in-progress RMB'000	
Six months ended 30 June 2021							
As at 1 January 2021	311,636	565,396	53,725	43,695	47,428	43,178	1,065,058
Additions	9,868	176,159	27,293	5,588	5,510	109,850	334,268
Transfers	142,794	–	–	–	–	(142,794)	–
Acquisition of subsidiaries (Note 30)	–	–	–	–	16	–	16
Transfers from investment properties upon change of use (Note 9)	113,316	–	–	–	–	–	113,316
Disposals	–	(15,906)	–	(27)	(653)	–	(16,586)
Depreciation charge	(7,867)	(231,530)	(26,762)	(5,372)	(7,496)	–	(279,027)
As at 30 June 2021	569,747	494,119	54,256	43,884	44,805	10,234	1,217,045
Six months ended 30 June 2020							
As at 1 January 2020	326,865	549,678	59,841	49,822	52,116	266	1,038,588
Additions	–	171,681	143	2,395	4,133	1,426	179,778
Transfers	–	–	–	267	–	(267)	–
Disposals	–	(9,315)	–	(639)	(690)	–	(10,644)
Depreciation charge	(7,623)	(209,757)	(19,470)	(5,887)	(7,959)	–	(250,696)
As at 30 June 2020	319,242	502,287	40,514	45,958	47,600	1,425	957,026

Depreciation expenses of RMB32,158,000 (30 June 2020: RMB22,021,000) has been charged to cost of sales, RMB237,151,000 (30 June 2020: RMB219,789,000) to distribution expenses and RMB9,718,000 (30 June 2020: RMB8,886,000) to administrative expenses.

Notes to Condensed Consolidated Interim Financial Information (Continued)

8. Leases

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the condensed consolidated balance sheet

The condensed consolidated balance sheet shows the following amounts relating to leases:

Right-of-use assets	Unaudited Properties RMB'000
Six months ended 30 June 2021	
As at 1 January 2021	1,065,979
Additions	181,107
Disposal	(48,384)
Depreciation charge	(219,909)
As at 30 June 2021	978,793
Six months ended 30 June 2020	
As at 1 January 2020	981,422
Additions	174,707
Disposal	(50,022)
Depreciation charge	(217,560)
As at 30 June 2020	888,547

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

8. Leases (Continued)

(ii) Amounts recognised in the condensed consolidated income statement

The condensed consolidated income statement shows the following amounts relating to leases:

	Note	Unaudited Six months ended 30 June 2021 RMB'000	2020 RMB'000
Depreciation on right-of-use assets	23	219,909	217,560
Amortisation of discount – lease liabilities (included in finance expenses)	25	29,375	25,506
Expense relating to short-term leases (included in distribution expenses and administrative expenses)	23	102,435	60,314
Expense relating to variable lease payments not included in lease liabilities (included in distribution expenses)	23	244,854	130,647

The total cash outflow for leases for the six months ended 30 June 2021 was RMB566,175,000.

9. Investment properties

	Construction in progress RMB'000	Buildings RMB'000	Total RMB'000
Six months ended 30 June 2021			
As at 1 January 2021	–	115,200	115,200
Acquisition of subsidiaries (Note 30)	158,197	1,640,113	1,798,310
Additions	13,328	–	13,328
Depreciation charge	–	(23,002)	(23,002)
Transfers to property, plant and equipment upon change of use (Note)	–	(113,316)	(113,316)
As at 30 June 2021	171,525	1,618,995	1,790,520
Six months ended 30 June 2020			
As at 1 January 2020	–	119,278	119,278
Depreciation charge	–	(2,195)	(2,195)
As at 30 June 2020	–	117,083	117,083

Note:

In June 2021, the Group changed the use of certain properties to owner-occupied properties, and such properties were transferred from investment properties to property, plant and equipment at the carrying amount of RMB113,316,000 (Note 7).

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

10. Land use rights

	Unaudited RMB'000
Six months ended 30 June 2021	
As at 1 January 2021	166,377
Amortisation charge	(1,899)
As at 30 June 2021	164,478
Six months ended 30 June 2020	
As at 1 January 2020	72,233
Additions	98,713
Amortisation charge	(1,422)
As at 30 June 2020	169,524

All the Group's land use rights are located in the PRC and are held under leases for periods varying from 20 to 50 years.

Amortisation of RMB1,899,000 (30 June 2020: RMB1,422,000) has been charged to administrative expenses.

11. Intangible assets

	Goodwill RMB'000	Trademarks and patents RMB'000	Computer software RMB'000	License rights RMB'000	Total RMB'000
Six months ended 30 June 2021					
As at 1 January 2021	103,080	10,414	65,253	11,999	190,746
Additions	–	–	2,906	–	2,906
Acquisition of subsidiaries (Note 30)	4,304	–	–	–	4,304
Disposal	–	–	(15)	–	(15)
Amortisation charge	–	(734)	(10,991)	(6,000)	(17,725)
As at 30 June 2021	107,384	9,680	57,153	5,999	180,216
Six months ended 30 June 2020					
As at 1 January 2020	103,080	11,018	61,272	17,891	193,261
Additions	–	128	3,505	24,000	27,633
Amortisation charge	–	(684)	(10,109)	(7,491)	(18,284)
As at 30 June 2020	103,080	10,462	54,668	34,400	202,610

Amortisation of RMB6,000,000 (30 June 2020: RMB7,491,000) has been charged to distribution expenses and RMB11,725,000 (30 June 2020: RMB10,793,000) to administrative expenses.

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

12. Investments accounted for using the equity method

The amounts recognised in the condensed consolidated balance sheet are as follows:

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Associates	1,035,236	965,295
Joint ventures	186,779	135,821
	1,222,015	1,101,116

Share of profit/(loss) recognised in the condensed consolidated income statement are as follows:

	Unaudited Six months ended 30 June 2021 RMB'000	2020 RMB'000
Associates	67,113	36,870
Joint ventures	12,458	(15,103)
	79,571	21,767

Notes to Condensed Consolidated Interim Financial Information (Continued)

12. Investments accounted for using the equity method (Continued)

Except the investment in Shanghai Double Happiness Co., Ltd. ("Double Happiness"), an associate of the Group, none of the investments in associates or joint ventures is material to the Group.

On 31 December 2016, the Group completed the disposal of 10% equity interest in Double Happiness, which is accounted for as an associate of the Group since then. The cost of the Group's investment in Double Happiness is RMB587,335,000, which represents the fair value of the remaining 47.5% equity interest held by the Group on 31 December 2016 (the date of disposal).

During the six months ended 30 June 2021 and 2020, reconciliation of the net assets of Double Happiness to the carrying amount of the Group's investment is as follows:

	Unaudited	
	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Opening net assets as at 1 January	1,508,623	1,473,847
Profit for the period	135,857	77,341
Non-controlling interests	(2,476)	(1,095)
Dividends paid	—	—
Net assets of Double Happiness as at 30 June	1,642,004	1,550,093
Interest in an associate (47.5%)	779,952	736,294
Goodwill	216,882	216,882
Carrying value as at 30 June	996,834	953,176

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

13. Inventories

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Raw materials	13,820	8,078
Work in progress	17,621	9,345
Finished goods	1,361,096	1,441,249
	1,392,537	1,458,672
Less: provision for write-down of inventories to net realisable value	(85,257)	(113,133)
	1,307,280	1,345,539

The cost of inventories recognised as expenses and included in cost of sales amounted to RMB4,374,285,000 for the six months ended 30 June 2021 (30 June 2020: RMB3,026,834,000). Inventory provision and the amount of reversal have been included in cost of sales in the interim condensed consolidated income statement for the six months ended 30 June 2021 and 2020.

14. Other assets

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Other assets in relation to refunds (Note 20(a))	419,538	354,633
Advances to suppliers	95,911	20,694
Prepayment for advertising expenses	74,718	62,250
Input value-added tax to be certified	62,664	39,358
Prepaid rentals and other deposits	44,007	36,441
Prepayment for an investment measured at fair value through profit or loss	–	90,614
Prepayment for consideration for acquisition of subsidiaries (Note 30(b))	–	47,904
Others	8,685	5,526
	705,523	657,420
Less: non-current portion	–	(138,518)
Current portion	705,523	518,902

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

15. Trade receivables

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Accounts receivable	1,089,228	939,233
Less: expected credit loss allowance for trade receivables	(288,549)	(280,437)
	800,679	658,796

Customers are normally granted credit terms within 90 days. As at 30 June 2021 and 31 December 2020, ageing analysis of trade receivables based on invoice date is as follows:

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
0 – 30 days	738,724	437,604
31 – 60 days	29,425	193,041
61 – 90 days	49,392	44,213
91 – 180 days	44,782	35,026
Over 180 days	226,905	229,349
	1,089,228	939,233

The movement in the expected credit loss allowances for trade receivables is shown as follows:

	Unaudited Six months ended 30 June 2021 RMB'000	2020 RMB'000
Opening balance	280,437	258,193
Provision for expected credit loss allowance for trade receivables	9,925	25,976
Trade receivables written off during the period as uncollectible and exchange rate impact	(1,813)	(563)
Closing balance	288,549	283,606

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

16. Other receivables

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Rental deposits	159,546	152,180
Loans to a joint venture (Note 31)	10,167	25,167
Staff advances and other payments for employees	656	612
Others	40,354	22,858
Less: expected credit loss allowance for other receivables	(3,466)	(6,907)
	207,257	193,910
Less: non-current portion	(140,754)	(128,714)
Current portion	66,503	65,196

Other receivables are measured at amortised cost and do not contain impaired assets. Non-current portion mainly comprises rental deposits.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of other receivables mentioned above. The Group does not hold any collateral as security.

17. Ordinary shares, share premium and shares held for Restricted Share Award Scheme

	Number of shares (Thousands)	Approximate amount HK\$'000
Authorised at HK\$0.10 each		
As at 30 June 2021 and 31 December 2020	10,000,000	1,000,000

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

17. Ordinary shares, share premium and shares held for Restricted Share Award Scheme (Continued)

Issued and fully paid

	Number of share of HK\$0.10 each (Thousands)	Ordinary shares RMB'000	Share premium RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Total RMB'000
As at 1 January 2021	2,473,959	228,285	4,037,767	(148,995)	4,117,057
Net proceeds from shares issued pursuant to share option schemes (Note a)	5,196	431	27,036	–	27,467
Shares converted from convertible securities (Note 18)	11	1	24	–	25
Transfer of fair value of share options exercised and Restricted Share Award Scheme vested to share premium	–	–	(14,210)	–	(14,210)
Shares vested under Restricted Share Award Scheme	10,282	–	–	101,524	101,524
As at 30 June 2021	2,489,448	228,717	4,050,617	(47,471)	4,231,863
As at 1 January 2020	2,289,659	214,300	3,547,682	(276,664)	3,485,318
Net proceeds from shares issued pursuant to share option schemes (Note a)	20,354	1,858	103,317	–	105,175
Shares converted from convertible securities (Note 18)	137,799	10,785	294,912	–	305,697
Transfer of fair value of share options exercised and Restricted Share Award Scheme vested to share premium	–	–	(10,499)	–	(10,499)
Shares vested under Restricted Share Award Scheme	10,513	–	–	106,627	106,627
Shares purchased for Restricted Share Award Scheme	(379)	–	–	–	–
As at 30 June 2020	2,457,946	226,943	3,935,412	(170,037)	3,992,318

- (a) During the six months ended 30 June 2021, the Company issued 5,196,000 shares (2020: 20,354,000 shares) to one director and certain employees of the Group at weighted-average issue price of HK\$6.36 (2020: HK\$5.66) per share pursuant to the Company's 2004 and 2014 Share Option Scheme (see Note 29).

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

18. Reserves

	Unaudited							
	Capital reserves RMB'000	Statutory reserve funds RMB'000	Share-based compensation reserve RMB'000	Convertible securities (Notes) RMB'000	Currency translation difference RMB'000	Subtotal RMB'000	Retained earnings RMB'000	Total RMB'000
As at 1 January 2021	144,517	593,595	154,238	2,750	(20,526)	874,574	3,695,232	4,569,806
Profit for the period	-	-	-	-	-	-	1,962,223	1,962,223
Value of services provided under share option schemes and Restricted Share Award Scheme	-	-	18,937	-	-	18,937	-	18,937
Transfer of fair value of share options exercised and Restricted Share Award Scheme vested to share premium	-	-	14,210	-	-	14,210	-	14,210
Shares converted from convertible securities (Note)	-	-	-	(25)	-	(25)	-	(25)
Shares vested under Restricted Share Award Scheme	-	-	(101,524)	-	-	(101,524)	-	(101,524)
Translation difference of foreign currency financial statements	-	-	-	-	(1,568)	(1,568)	-	(1,568)
Dividends (Note 28)	-	-	-	-	-	-	(515,202)	(515,202)
Tax impact of employee share-based compensation scheme	155,336	-	-	-	-	155,336	-	155,336
As at 30 June 2021	299,853	593,595	85,861	2,725	(22,094)	959,940	5,142,253	6,102,193
As at 1 January 2020	142,955	485,488	211,990	308,465	4,747	1,153,645	2,482,676	3,636,321
Profit for the period	-	-	-	-	-	-	683,271	683,271
Value of services provided under share option schemes and Restricted Share Award Scheme	-	-	51,508	-	-	51,508	-	51,508
Transfer of fair value of share options exercised and Restricted Share Award Scheme vested to share premium	-	-	10,499	-	-	10,499	-	10,499
Shares converted from convertible securities (Note)	-	-	-	(305,697)	-	(305,697)	-	(305,697)
Shares vested under Restricted Share Award Scheme	-	-	(106,627)	-	-	(106,627)	-	(106,627)
Translation difference of foreign currency financial statements	-	-	-	-	2,737	2,737	-	2,737
Dividends (Note 28)	-	-	-	-	-	-	(377,821)	(377,821)
As at 30 June 2020	142,955	485,488	167,370	2,768	7,484	806,065	2,788,126	3,594,191

Notes to Condensed Consolidated Interim Financial Information (Continued)

18. Reserves (Continued)

Notes:

The amounts represent the effects of convertible securities issued by the Company, which include:

- (a) In April 2013, the Company issued convertible securities (the "2013 CS") in the aggregate principal amount of approximately HK\$1,847,838,000 (equivalent to approximately RMB1,480,488,000). The 2013 CS are non-interest bearing and convertible at any time after issuance with an initial conversion price of HK\$3.5 per ordinary share of the Company (subject to standard anti-dilution adjustments). Upon issuance, the 2013 CS can be converted into 527,953,814 ordinary shares of the Company.
- (b) In January 2015, the Company issued offer securities (qualifying shareholders can select either of subscribing ordinary shares or convertible securities collectively; referred to as "Offer Securities") in the aggregate principal amount of approximately HK\$1,553,530,000 (equivalent to approximately RMB1,229,930,000), under which 450,630,034 ordinary shares and 146,881,496 convertible securities (the "2015 CS") were issued. The 2015 CS are non-interest bearing and convertible at any time after issuance with an initial conversion price of HK\$2.6 per ordinary share of the Company (subject to standard anti-dilution adjustments). Upon issuance, the 2015 CS can be converted into 146,881,496 ordinary shares of the Company.
- (c) The 2013 CS and 2015 CS (collectively referred to as "CS") cannot be redeemed unless the Company exercises the pre-emption right (but shall not be obliged) to redeem (or procure the purchase of) all or part of the principal amount of the CS.

The CS do not meet the definition of financial liabilities under International Accounting Standards 32 "Financial Instruments: Presentation", as (1) the Company has no contractual obligation to settle the CS in cash, it is the Company's own choice to redeem all or part of the principal amount of the CS, the CS holder has no right to receive and the Company has no obligation to deliver cash (i.e. there will be no exchange of cash for shares when the holders exercise the conversion right) or any financial assets; and (2) both the principal amount and the conversion price of the CS are denominated in HK\$, the number of shares to be issued upon conversion is therefore fixed. As a result, all of the CS are classified as equity upon initial recognition.

- (d) During the six months ended 30 June 2021, CS with carrying value of HK\$31,000 (equivalent to approximate RMB25,000) were converted into 11,000 ordinary shares of the Company (Note 17).
- (e) Up to 30 June 2021, CS with an aggregate carrying value of HK\$2,167,784,000 (equivalent to approximately RMB1,732,195,000) had been converted into ordinary shares of the Company. As at 30 June 2021, CS with carrying value of HK\$3,482,000 (equivalent to approximately RMB2,725,000) were outstanding, which could be converted into 1,228,000 ordinary shares of the Company upon conversion.

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

19. Trade payables

The normal credit period for trade payables generally ranges from 30 to 60 days. Ageing analysis of trade payables based on invoice date at the respective balance sheet dates is as follows:

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
0 – 30 days	1,308,241	967,798
31 – 60 days	59,791	241,063
61 – 90 days	2,411	9,253
91 – 180 days	1,285	3,048
181 – 365 days	1,466	1,374
Over 365 days	4,274	4,593
	1,377,468	1,227,129

20. Other payables and accruals

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Accrued sales and marketing expenses	894,985	542,839
Refunds liabilities (a)	866,204	719,543
Sales rebates	483,686	356,043
Wages and welfare payables	343,830	305,350
Payable for property, plant and equipment	272,772	252,234
Other tax payables	187,516	141,290
Others	247,411	183,692
	3,296,404	2,500,991

- (a) When a customer has a right to return product within a given period, the Group recognises a refund liability for the amount of consideration received for which it does not expect to be entitled (30 June 2021: RMB866,204,000; 31 December 2020: RMB719,543,000). The Group also recognises a right to the goods expected to be returned measured by reference to the former carrying amount of the goods (30 June 2021: RMB419,538,000; 31 December 2020: RMB354,633,000; see Note 14). The costs to recover the products are not material because the customers usually return the product in a saleable condition.

Notes to Condensed Consolidated Interim Financial Information (Continued)

21. License fees payable

The Group entered into several license agreements with entities and athletes to obtain exclusive product development and marketing rights. Pursuant to the agreements, consideration shall be paid by the Group in tranches during the lives of the licenses.

Movement in license fees payable during the period is analysed as follows:

	Unaudited RMB'000	
Six months ended 30 June 2021		
As at 1 January 2021		62,889
Additions		71,780
Payment of license fees		(38,958)
Amortisation of discount (Note 25)		1,300
Adjustment for exchange difference		(210)
As at 30 June 2021		96,801
Six months ended 30 June 2020		
As at 1 January 2020		55,930
Additions		32,651
Payment of license fees		(24,892)
Amortisation of discount (Note 25)		1,409
Adjustment for exchange difference		114
As at 30 June 2020		65,212
	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Analysis of license fees payable:		
Non-current		
– the second to fifth year	22,249	23,395
Current	74,552	39,494
	96,801	62,889

The license fees payable is mainly denominated in RMB and US\$.

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

21. License fees payable (Continued)

The maturity profile of the Group's license fees based on contractual undiscounted cash flows is as follows:

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Less than 1 year	74,890	39,779
Between 1 and 5 years	29,500	32,000
	104,390	71,779

22. Deferred income

	Unaudited Government grants RMB'000
Six months ended 30 June 2021	
As at 1 January 2021	64,435
Addition	17,905
Credited to income statement	(12,432)
As at 30 June 2021	69,908
Six months ended 30 June 2020	
As at 1 January 2020	53,821
Addition	250
Credited to income statement	(655)
As at 30 June 2020	53,416

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

23. Expenses by nature

	Unaudited	
	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Cost of inventories recognised as expenses included in cost of sales	4,374,285	3,026,834
Depreciation on property, plant and equipment (Note a)	279,027	250,696
Amortisation of land use rights and intangible assets	19,624	19,706
Depreciation on right-of-use assets	219,909	217,560
Advertising and marketing expenses	746,551	555,709
Commission and trade fair related expenses	307,744	144,286
Staff costs, including directors' emoluments (Note a)	838,660	622,981
Short-term lease rentals and variable lease payments not included in lease liabilities and rental related expenses	347,289	190,961
Research and product development expenses (Note a)	187,549	139,007
Transportation and logistics expenses	376,240	225,563
Auditor's remuneration		
– Audit services	3,110	2,800
– Non-audit services	398	600
Management consulting expenses	38,099	30,775

Note:

- (a) Research and product development expenses include depreciation on property, plant and equipment and staff costs in Research & Development Department, which are also included in depreciation expense and staff costs as disclosed above.

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

24. Other income and other gains – net

	Unaudited Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Government grants	64,652	92,384
License fees income	26,258	19,429
Interest income from wealth management products measured at fair value through profit or loss	41,851	48,460
Rental income	28,572	–
Depreciation on investment properties under operating leases	(21,054)	–
Fair value gains on derivative financial instruments measured at fair value through profit or loss	173	229
	140,452	160,502

25. Finance income and expenses

	Unaudited Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Finance income		
– Interest income on bank balances and deposits	44,916	17,407
– Net foreign currency exchange gain	472	1,987
	45,388	19,394
Finance expenses		
– Amortisation of discount – license fees payable (Note 21)	(1,300)	(1,409)
– Amortisation of discount – lease liabilities (Note 8)	(29,375)	(25,506)
– Others	(7,250)	(4,973)
	(37,925)	(31,888)
Finance income/(expenses)– net	7,463	(12,494)

Notes to Condensed Consolidated Interim Financial Information (Continued)

26. Income tax expense

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Current income tax		
– Corporate income tax	730,393	329,745
Deferred income tax credit	(67,169)	(105,835)
Income tax expense	663,224	223,910

27. Earnings per share

Basic

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares in issue less shares held for Restricted Share Award Scheme during the period. Such weighted average number of shares outstanding shall be adjusted for events such as bonus issue and stock dividend.

In April 2013, the Company completed the issuance of the 2013 CS. In January 2015, the Company completed the issuance of Offer Securities which included the issuance of both ordinary shares and the 2015 CS. The below market subscription price of these two events had effectively resulted in 282,000 ordinary shares (30 June 2020: 286,000 ordinary shares) to be issued upon conversion for nil consideration (i.e. the bonus element), and such impact has been taken into account in calculating the weighted average number of shares for the purpose of basic earnings per share. The shares issued for nil consideration arising from the issuance of the CS have been adjusted retrospectively and treated as outstanding as if the issuance had occurred at the beginning of 2020.

	Unaudited Six months ended 30 June	
	2021	2020
Profit attributable to equity holders of the Company (RMB'000)	1,962,223	683,271
Deemed weighted average number of shares and convertible securities after adjustment for related bonus element for basic earnings per share (in thousands)	2,482,621	2,441,780
Basic earnings per share (RMB cents)	79.04	27.98

Notes to Condensed Consolidated Interim Financial Information (Continued)

27. Earnings per share (Continued)

Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of shares in issue to assume conversion of all dilutive potential shares. The Company's dilutive potential shares comprise shares to be issued under share option schemes and Restricted Share Award Scheme. In relation to shares issued under share option schemes, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Unaudited Six months ended 30 June	
	2021	2020
Profit attributable to equity holders of the Company, used to determine diluted earnings per share (RMB'000)	1,962,223	683,271
Deemed weighted average number of shares and convertible securities after adjustment for related bonus element for basic earnings per share (in thousands)	2,482,621	2,441,780
Adjustment for the restricted shares (in thousands)	10,034	21,023
Adjustment for the share option schemes (in thousands)	24,222	39,615
Deemed weighted average number of shares for diluted earnings per share (in thousands)	2,516,877	2,502,418
Diluted earnings per share (RMB cents)	77.96	27.30

As at 30 June 2021, there were no share options that could potentially have a dilutive impact in the future but were anti-dilutive during the six months ended 30 June 2021. As at 30 June 2020, there were 3,156,000 share options that could potentially have a dilutive impact in the future but were anti-dilutive during the six months ended 30 June 2020.

Notes to Condensed Consolidated Interim Financial Information (Continued)

28. Dividends

On 11 June 2021, the shareholders of the Company approved to declare a final dividend of RMB20.46 cents per ordinary share of the Company issued or to be issued upon conversion of convertible securities for the year ended 31 December 2020. The final dividend was paid in June 2021.

On 12 June 2020, the shareholders of the Company approved to declare a final dividend of RMB15.47 cents per ordinary share of the Company issued or to be issued upon conversion of convertible securities for the year ended 31 December 2019. The final dividend was paid in June 2020.

The Board did not propose interim dividend for the six months ended 30 June 2021 (30 June 2020: nil).

29. Share-based compensation

(a) 2004 Share Option Scheme

Movements in the number of share options outstanding under this scheme and their weighted average exercise prices are as follows:

	Unaudited Six months ended 30 June			
	2021		2020	
	Weighted average exercise price (per share) HK\$	Outstanding options (Thousands)	Weighted average exercise price (per share) HK\$	Outstanding options (Thousands)
As at 1 January	–	–	6.088	358
Exercised	–	–	6.056	(320)
As at 30 June	–	–	6.350	38
Exercisable as at 30 June	–	–	6.350	38

As at 30 June 2021 and 31 December 2020, there were no share options outstanding under this scheme.

During the six months ended 30 June 2021 and 2020, no expenses in relation to this scheme were charged to the condensed consolidated income statement.

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

29. Share-based compensation (Continued)

(b) 2014 Share Option Scheme

Movements in the number of share options outstanding under this scheme and their weighted average exercise prices are as follows:

	Unaudited Six months ended 30 June			
	2021		2020	
	Weighted average exercise price (per share) HK\$	Outstanding options (Thousands)	Weighted average exercise price (per share) HK\$	Outstanding options (Thousands)
As at 1 January	7.766	31,134	6.782	67,060
Exercised	6.363	(5,196)	5.654	(20,034)
Lapsed	6.120	(883)	–	–
As at 30 June	8.115	25,055	7.262	47,026
Exercisable as at 30 June	6.148	21,814	5.833	20,927

Share options outstanding under this scheme as at 30 June 2021 and 31 December 2020 have the following expiry date and exercise price:

Expiry date	Unaudited 30 June 2021		Audited 31 December 2020	
	Exercise price (per share) HK\$	Share options (Thousands)	Exercise price (per share) HK\$	Share options (Thousands)
7 June 2026	3.300	2,600	3.300	2,600
31 December 2022	6.120	18,021	6.120	23,531
31 December 2023	9.090	136	9.090	193
31 December 2023	7.070	–	7.070	412
31 December 2024	13.360	407	13.360	407
16 May 2029	13.160	1,050	13.160	1,150
31 December 2027	22.520	2,841	22.520	2,841
		25,055		31,134

The fair value of the 2014 Share Option Scheme is charged to the consolidated income statement over the vesting period of the option. The amount charged to the condensed consolidated income statement during the six months ended 30 June 2021 was RMB5,590,000 (30 June 2020: RMB19,689,000).

Notes to Condensed Consolidated Interim Financial Information (Continued)

29. Share-based compensation (Continued)

(c) 2016 Restricted Share Award Scheme

Movements in the number of Restricted Shares granted and related fair value are as follows:

	Unaudited			
	Six months ended 30 June			
	2021		2020	
	Weighted average fair value (per share) HK\$	Number of Restricted Shares granted (Thousands)	Weighted average fair value (per share) HK\$	Number of Restricted Shares granted (Thousands)
As at 1 January	9.386	12,735	8.088	24,050
Granted	50.500	77	–	–
Vested	6.387	(10,282)	6.249	(10,513)
Lapsed	6.031	(303)	–	–
As at 30 June	25.110	2,227	9.517	13,537

The fair value of the 2016 Restricted Share Award Scheme is charged to the consolidated income statement over the vesting period of the awarded shares. The fair value of Restricted Shares charged to the condensed consolidated income statement was RMB13,347,000 during the six months ended 30 June 2021 (30 June 2020: RMB31,819,000).

Notes to Condensed Consolidated Interim Financial Information (Continued)

30. Business combination

(a) Summary of acquisition

On 31 December 2020, the Group entered into an equity and creditor's rights transfer agreement (the "Transfer Agreement") with two independent third parties (collectively, the "Transferors"), pursuant to which the Group has conditionally agreed to acquire (1) the entire share capital of Matsunichi Communications (Hong Kong) Limited (the "Target Company", a company incorporated under the laws of Hong Kong with limited liability) (the "Target Shares") and (2) the rights of the Transferors in the loans extended to the Target Company and its subsidiary (collectively, the "Target Group") respectively (collectively, the "Transferred Creditor's Rights"). The Target Company is an investment holding company and its principal asset is the entire equity interest in its subsidiary, which owns certain investment properties located in the Greater Bay Area of the PRC.

The above acquisition of the Target Shares and the Transferred Creditor's Rights was completed on 28 January 2021. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	RMB'000
Cash consideration for the Target Shares	495,497
Cash consideration for the Transferred Creditor's Rights	730,770
Provisional total purchase consideration (which is subject to adjustment as agreed in the Transfer Agreement)	1,226,267

Notes to Condensed Consolidated Interim Financial Information (Continued)

30. Business combination (Continued)

(a) Summary of acquisition (Continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

	Unaudited Provisional fair value RMB'000
Current assets	
Cash and cash equivalents	47,587
Other receivables – current portion	389
Other assets – current portion	9,325
Non-current assets	
Property, plant and equipment (Note 7)	16
Investment properties (Note 9)	1,798,310
Current liabilities	
Other payables and accruals	(281,836)
Non-current liabilities	
Deferred tax liabilities	(351,828)
Net identifiable assets acquired	1,221,963
Add: goodwill	4,304
	1,226,267

Notes to Condensed Consolidated Interim Financial Information (Continued)

30. Business combination (Continued)

(a) Summary of acquisition (Continued)

(i) Acquisition-related costs

Acquisition-related costs of RMB2,319,000 are included in administrative expenses in profit or loss.

(ii) Revenue and profit contribution

The acquired business contributed revenues and net profit of nil and RMB1,735,000 respectively to the Group for the period from 29 January 2021 to 30 June 2021. If the acquisition had occurred on 1 January 2021, consolidated revenue and consolidated profit after tax for the half-year ended 30 June 2021 would have been RMB10,196,584,000 and RMB1,896,622,000 (taking into consideration the one-off expense of RMB70,659,000 incurred by the Target Group in relation to the acquisition) respectively, which are calculated by aggregating the consolidated financial information of the Target Group and the Group.

(b) Purchase consideration – cash outflow

	Unaudited Six months ended 30 June 2021 RMB'000
Outflow of cash to acquire subsidiaries, net of cash acquired	
Cash consideration	1,226,267
Cash paid to settle the payables of the Target Group in relation to the business combination (which were included in other payables and accruals as at the date of acquisition)	153,978
Refundable consideration due from the Transferors	9,492
Less: Cash acquired	(47,587)
Prepayment for consideration for acquisition of subsidiaries	(47,904)
	1,294,246

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

31. Related-party transactions

Besides as disclosed elsewhere in this condensed consolidated interim financial information, the Group has the following related-party transactions during the period:

(a) Sales of goods to:

	Unaudited Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Subsidiaries of Viva China Holdings Limited ("Viva China"), being controlled by a substantial shareholder of the Company	5,147	2,251
Others	1	–
	5,148	2,251

(b) Purchases of goods from:

	Unaudited Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Hubei Dong Neng Sports Goods Co., Ltd. ("Hubei Dong Neng") (an associate of the Group)	157,870	93,082
Guangxi Ning Tai Garment Co., Ltd. ("Guangxi Ning Tai") (a joint venture of the Group)	115,247	6,009
Subsidiaries of Viva China	10,581	1,195
Guangxi Ning Zhan Sports Technology Co., Ltd. ("Guangxi Ning Zhan", formerly known as Laibin Cheng Xin Materials Co., Ltd.) (a joint venture of the Group)	8,673	4,540
Subsidiary of Li-Ning Aigle Ventures Company Limited ("Li Ning Aigle Ventures"), being controlled by a joint venture of the Group	120	–
	292,491	104,826

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

31. Related-party transactions (Continued)

(c) Sales of services to:

	Unaudited Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Subsidiaries of Viva China	687	650
Subsidiary of Li-Ning Aigle Ventures	327	287
Guangxi Ning Tai	17	–
	1,031	937

(d) Purchases of services from:

	Unaudited Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Subsidiaries of Viva China	113,536	110,125
Shanghai Double Happiness Co., Ltd. (an associate of the Group)	3,766	3,289
	117,302	113,414

In the opinion of the directors, these transactions were entered into at terms as agreed with the related parties in the ordinary course of business.

Condensed Consolidated Interim Financial Information (Continued)

Notes to Condensed Consolidated Interim Financial Information (Continued)

31. Related-party transactions (Continued)

(e) Other transactions

	Unaudited Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Loans to:		
Guangxi Ning Zhan (a joint venture of the Group)	–	5,000
Repayment of loans from:		
Guangxi Ning Zhan (a joint venture of the Group)	15,000	–

(f) Key management compensation

Details of compensation paid or payable to key management of the Group are as follows:

	Unaudited Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Salaries and other benefits	18,382	18,649
Employee share schemes for value of services provided	14,672	34,165
Contribution to retirement benefit scheme	1,170	1,352
	34,224	54,166

Notes to Condensed Consolidated Interim Financial Information (Continued)

31. Related-party transactions (Continued)

(g) Period-end/year-end balances

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Prepayments to related parties:		
Subsidiaries of Viva China	–	20,589
Guangxi Ning Tai	–	5,292
	–	25,881
Trade receivables from related parties:		
Subsidiaries of Viva China	2,460	2,188
Guangxi Ning Tai	18	–
Others	1	–
	2,479	2,188
Other receivables from related parties:		
Guangxi Ning Zhan	10,167	25,167
Payables to related parties:		
Subsidiaries of Viva China	96,136	2,676
Hubei Dong Neng	30,828	49,794
Guangxi Ning Zhan	9,352	5,091
Guangxi Ning Tai	169	–
	136,485	57,561

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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