

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).

**A further 60,000,000 European Style Cash Settled Short Certificates relating to
the ordinary shares of Geely Automobile Holdings Limited
with a Daily Leverage of -5x**

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Société Générale

Issue Price: S\$1.20 per Certificate

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

The Certificates shall be consolidated and form a single series with an existing issue of 5,000,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Geely Automobile Holdings Limited (Geely 5xShortSG230126 (DDEW)) issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 29 January 2021 and details of which are contained in the Supplemental Listing Document dated 28 January 2021.

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 an inverse 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 29 November 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.

26 November 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 risen 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 31 to 35 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Short 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 Inverse Strategy (as described below) including the Stock Borrowing 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 an inverse 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 inverse 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 Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall 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 increase 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 increase 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 51 to 52 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 37 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 rise. 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 Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse 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 Inverse 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:	A further 60,000,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Geely Automobile Holdings Limited (the “ Underlying Stock ”) The Certificates shall be consolidated and form a single series with an existing issue of 5,000,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Geely Automobile Holdings Limited issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 29 January 2021.
ISIN:	LU2184317043
Company:	Geely Automobile Holdings Limited (RIC: 0175.HK)
Underlying Price ³ and Source:	HK\$29.50 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	-5x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 1.20
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	6.90%, is a hedging cost against extreme market movements overnight.
Stock Borrowing Cost ⁶ :	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost ⁶ :	The transaction costs (if applicable), computed as a function of

³ These figures are calculated as at, and based on information available to the Issuer on 28 January 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 28 January 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 Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days' notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

leverage and daily inverse performance of the Underlying Stock.

Launch Date:	24 November 2021
Closing Date:	26 November 2021
Expected Listing Date:	29 November 2021
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 17 January 2023
Expiry Date:	26 January 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:	20 January 2023 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	<p>The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.</p>
Cash Settlement Amount:	<p>In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:</p> <p>Closing Level multiplied by the Notional Amount per Certificate</p> <p>Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 42 to 57 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.</p>

Hedging Fee Factor: 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:

“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 29 January 2021 to the Valuation Date; and
 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 Inverse 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 Short Certificates on Single Equities” section on pages 42 to 57 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 Inverse Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Inverse Strategy is set out in the “Specific Definitions relating to the Leverage Inverse Strategy” section on pages 20 to 25 below.

Initial Exchange Rate³:

0.172

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 Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents approximately 75% loss after a 5 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall 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 Inverse 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 25 below and the “Description of Air Bag Mechanism” section on pages 48 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 SGX-ST

the Certificates:

Relevant Stock Exchange for HKEX
the Underlying Stock:

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: 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.

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 Inverse Strategy including the Stock Borrowing 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.

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 Inverse Strategy

Description of the Leverage Inverse Strategy

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

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 5 times the inverse 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 Inverse 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 Inverse Strategy Formula

LSL_t means, for any Observation Date(t), the Leverage Inverse Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the **Leverage Inverse Strategy Closing Level** as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$$LSL_1 = 1000$$

On each subsequent Observation Date(t):

$$LSL_t = \text{Max}[LSL_{t-1} \times (1 + LR_{t-1,t} - FC_{t-1,t} - SB_{t-1,t} - RC_{t-1,t}), 0]$$

LR_{t-1,t} means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

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

FC_{t-1,t} means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

$$FC_{t-1,t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{t-1} \times \text{ACT}(t-1, t)}{\text{DayCountBasisRate}}$$

SB_{t-1,t} means the Stock Borrowing Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

$$SB_{t-1,t} = -\text{Leverage} \times \frac{\text{CB} \times \text{ACT}(t-1, t)}{\text{DayCountBasisRate}}$$

CB means the Cost of Borrowing applicable that is equal to 2%.

RC_{t-1,t} means the Rebalancing Cost of the Leverage Inverse Strategy on Observation Date (t), calculated as follows :

$$RC_{t-1,t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left| \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right| \right) \times \text{TC}$$

TC 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 :
0.13%

“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.

Leverage	-5
S_t	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.
$Rate_t$	means, in respect of each Observation Date(t), the Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIKDOND= 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.
$Rfactor_t$	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 : $Rfactor_t = 1 - \frac{Div_t}{S_{t-1}}$ <p>where</p> <p>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 gross of any applicable withholding taxes.</p>
$ACT(t-1,t)$	$ACT(t-1;t)$ means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).
DayCountBasisRate	365
Benchmark Fallback	upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
Reference Rate	means, in respect of the Reference Rate any of the following has occurred or

Event	<p>will occur:</p> <p>(i) a Reference Rate Cessation;</p> <p>(ii) an Administrator/Benchmark Event; or</p> <p>(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.</p>
Reference Rate Cessation	<p>means, for a Reference Rate, the occurrence of one or more of the following events:</p> <p>(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;</p> <p>(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</p> <p>(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;</p>
Administrator/Benchmark Event	<p>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.</p>

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

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

Extraordinary Strategy Adjustment for Performance Reasons

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

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Inverse 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 Inverse Strategy Level in accordance with the following provisions :

(1) for $k = 1$:

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

(2) for $k > 1$:

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

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

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

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

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

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

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

$IS_{IR(k)}$

means the Underlying Stock Price in respect of $IR(k)$ computed as follows :

(1) for $k=0$

$$IS_{IR(0)} = S_{IRD-1} \times Rfactor_{IRD}$$

(2) for $k=1$ to n

means in respect of $IR(k)$, the highest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to IR(C)

$$IS_{IR(C)} = S_{IRD}$$

In each case, subject to the adjustments and provisions of the Conditions.

IR(k)

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;

For k=1 to n, means the kth Intraday Restrike Event on the relevant Intraday Restrike Date.

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

means in respect of an Observation Date(t) :

(1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the increase 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.

(2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the increase 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.

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 Inverse Strategy Level.

TimeReferenceOpening

means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

TimeReferenceClosing

means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

Intraday Restrike Event Observation Period

means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event Time and (2) the TimeReferenceClosing.

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

Intraday Restrike Event Time

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

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

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status and Guarantee, Transfer and Title

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

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

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

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

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

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

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

- (i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force

of the law no. 2016-1691 (the “**Law**”) on 11 December 2016;

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

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

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

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

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

(the “**Statutory Bail-In**”);

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

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

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

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

Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its group.

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

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

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

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

For the purposes of this Condition:

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

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

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

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

2. Certificate Rights and Exercise Expenses

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

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

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

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

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

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

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

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

Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

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

3. **Expiry Date**

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

4. **Exercise of Certificates**

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

SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

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

6. Adjustments

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

securities or otherwise;

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

Once the Issuer determines that its proposed course of action in connection with a

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

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

believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

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

7. Purchases

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

8. Meetings of Certificate Holders; Modification

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

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

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

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

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

- (b) *Modification.* The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any

modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.
- (b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

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

11. Further Issues

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

12. Delisting

- (a) *Delisting.* If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not

materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).

- (b) Issuer's Determination. The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

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

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

For the purposes of this Condition:

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

substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"Change in law" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

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

For the purposes of this Condition:

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

- (c) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(d) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.
- (d) *Termination.* If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in

respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

14. Substitution of the Issuer

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

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

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

15. Governing Law

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

16. Prescription

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

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

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

SUMMARY OF THE ISSUE

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

Issuer:	SG Issuer
Company:	Geely Automobile Holdings Limited
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	<p>A further 60,000,000 Certificates</p> <p>The Certificates shall be consolidated and form a single series with an existing issue of 5,000,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Geely Automobile Holdings Limited issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 29 January 2021.</p>
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:	<p>In respect of each Certificate, is the amount (if positive) equal to:</p> <p>Notional Amount per Certificate x Closing Level</p>
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 29 November 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 SHORT CERTIFICATES ON SINGLE EQUITIES

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

European style cash settled short 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 Inverse 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 decrease and are seeking short-term leveraged inverse 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 Inverse Strategy including the Stock Borrowing 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 – Management Fee x ACT (t-1;t) / 360	
		x	
		Daily Gap Premium Adjustment	
		1 – Gap Premium (t-1) x 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 Inverse Strategy daily performance ⁸ x Daily Fees		Leverage Inverse Strategy daily performance x Daily Fees		Leverage Inverse Strategy Daily performance x Daily Fees

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

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

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

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

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

⁷ “ t^7 ” 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 Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Closing Level on Business Day (t) divided by the Leverage Inverse 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 Geely Automobile Holdings Limited
Expected Listing Date:	03/07/2018
Expiry Date:	18/07/2018
Initial Reference Level:	1,000
Initial Exchange Rate:	1
Final Reference Level:	1,200
Final Exchange Rate:	1
Issue Price:	1.20 SGD
Notional Amount per Certificate:	1.20 SGD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	6.90%
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):

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

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 6.90\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9808\% \approx 99.9797\%$$

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

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

$$\text{HFF (2)} = 99.9797\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 6.90\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9797\% \times 99.9967\% \times 99.9425\% \approx 99.9189\%$$

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 99.6962% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9797%
5/7/2018	99.9594%
6/7/2018	99.9392%
9/7/2018	99.8784%
10/7/2018	99.8581%
11/7/2018	99.8379%
12/7/2018	99.8176%
13/7/2018	99.7974%
16/7/2018	99.7367%
17/7/2018	99.7165%
18/7/2018	99.6962%

Cash Settlement Amount

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

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

$$= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.6962\%$$

$$= 119.64\%$$

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

$$= 119.64\% \times 1.20 \text{ SGD}$$

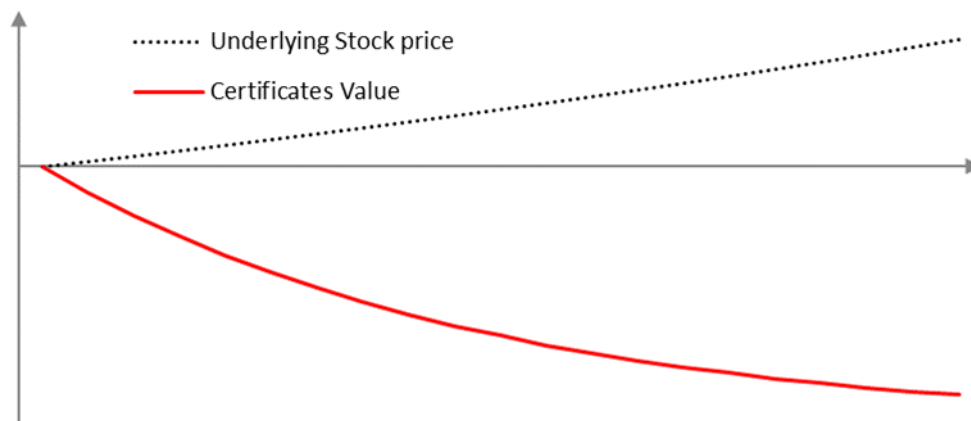
$$= \mathbf{1.436 \text{ SGD}}$$

Illustration on how returns and losses can occur under different scenarios

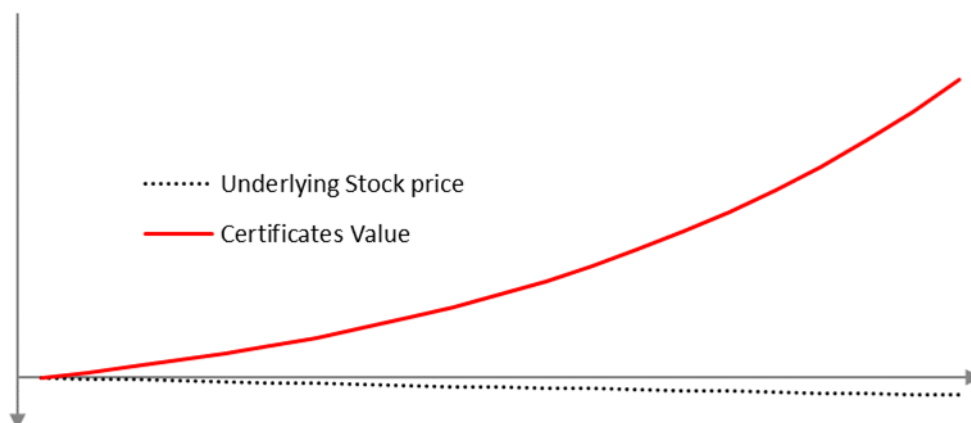
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends,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

1. Illustrative examples

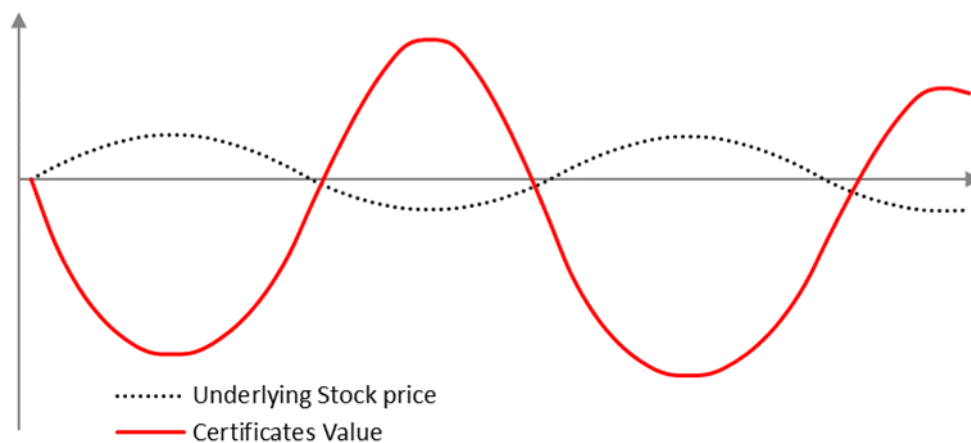
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

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

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

Scenario 2 – Downward Trend

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

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

Scenario 3 – Volatile Market

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

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	10.0%	-10.0%	10.0%	-10.0%
Price at end of day	1.2	1.08	1.19	1.07	1.18	1.06
Accumulated Return		-10.00%	-1.00%	-10.90%	-1.99%	-11.79%

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 maximum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Inverse Strategy is reset using the maximum 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 Inverse 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.

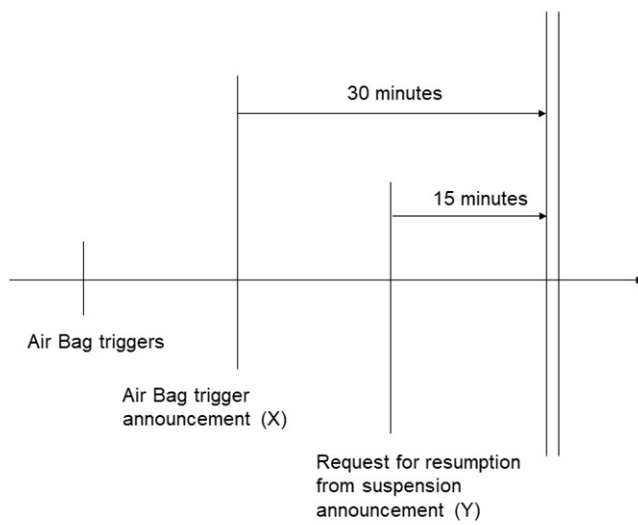
The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

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		
Less than 15 minutes before Market Close	From Air Bag Trigger to Market Close	

With **Market Close** defined as:

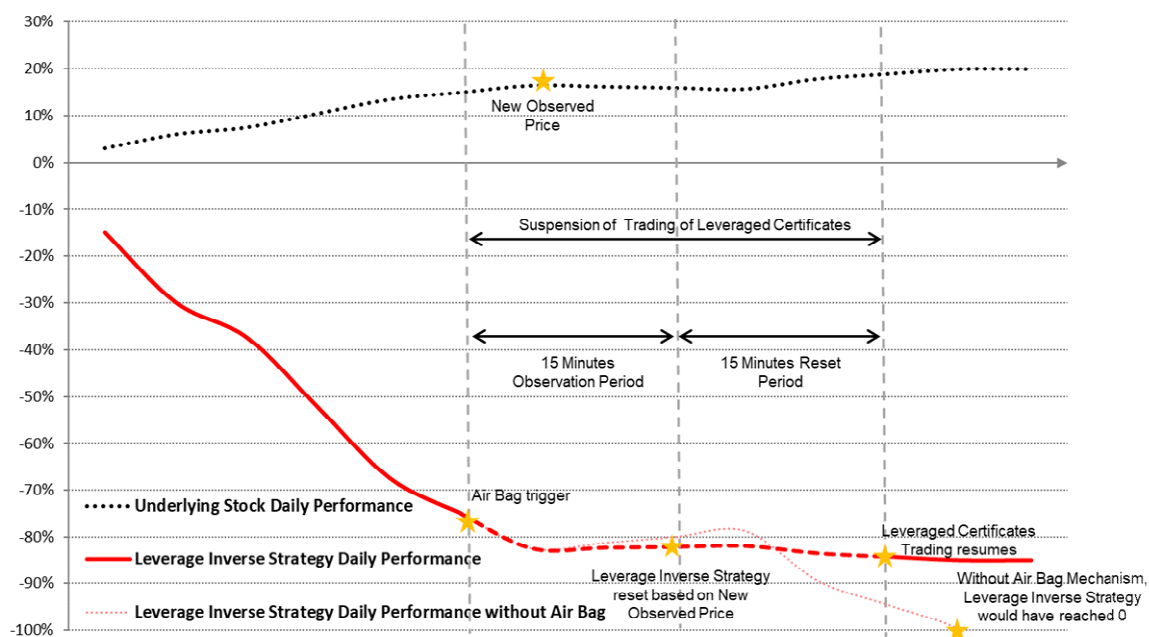
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading



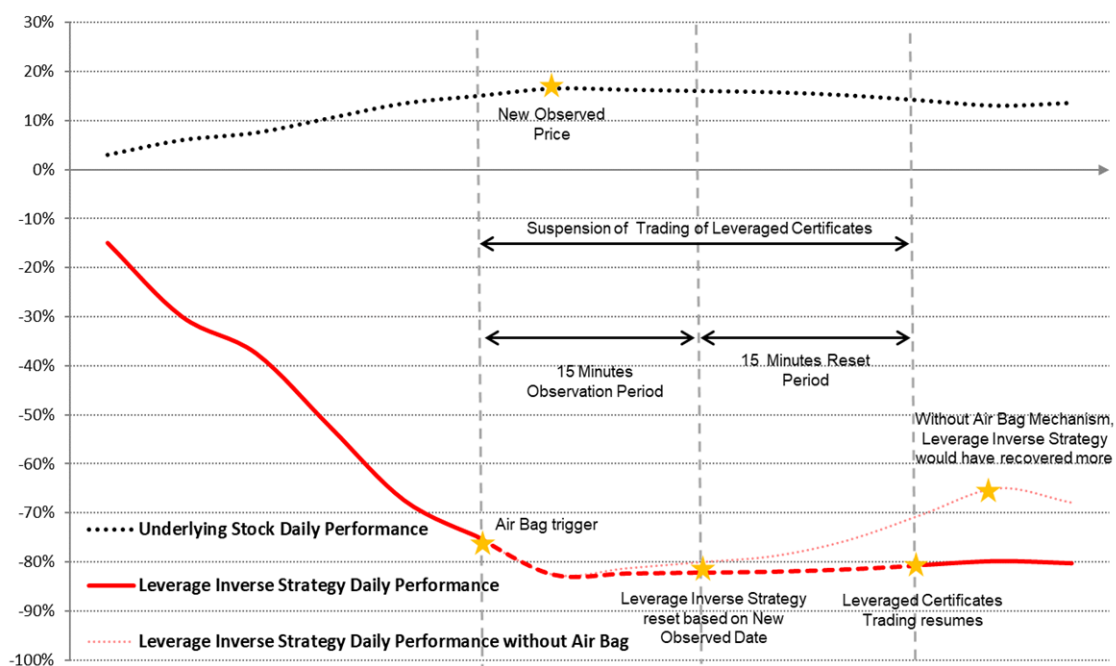
- The later between X+30 minutes or Y+15 minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates.
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing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



Scenario 2 – Downward Trend after Air Bag trigger



⁹ The illustrative examples are not exhaustive.

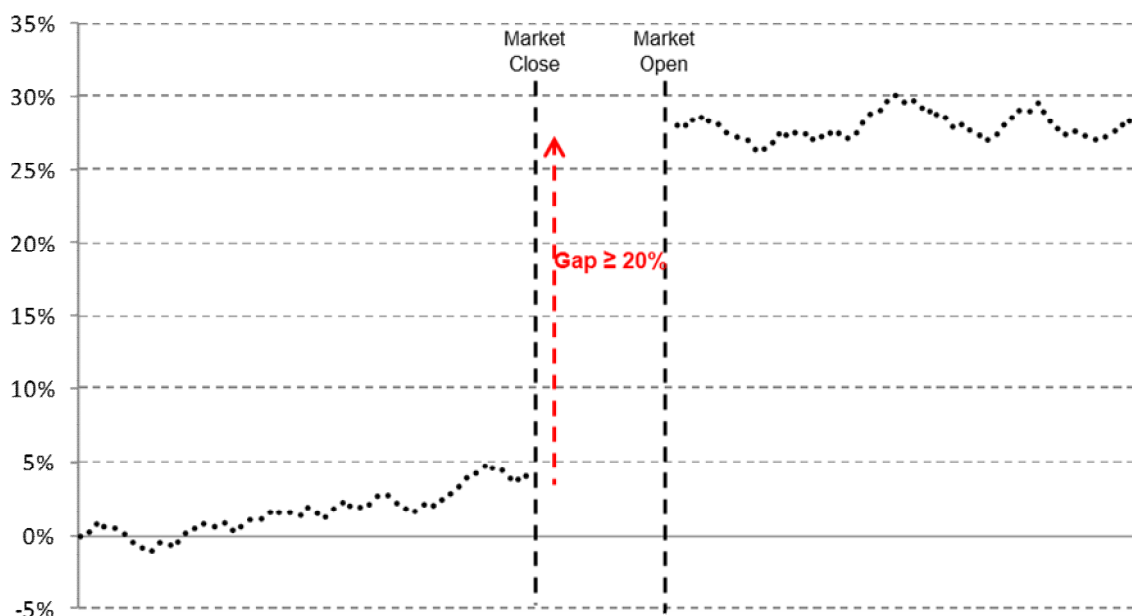
Scenarios where the investor may lose the entire value of the investment

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.

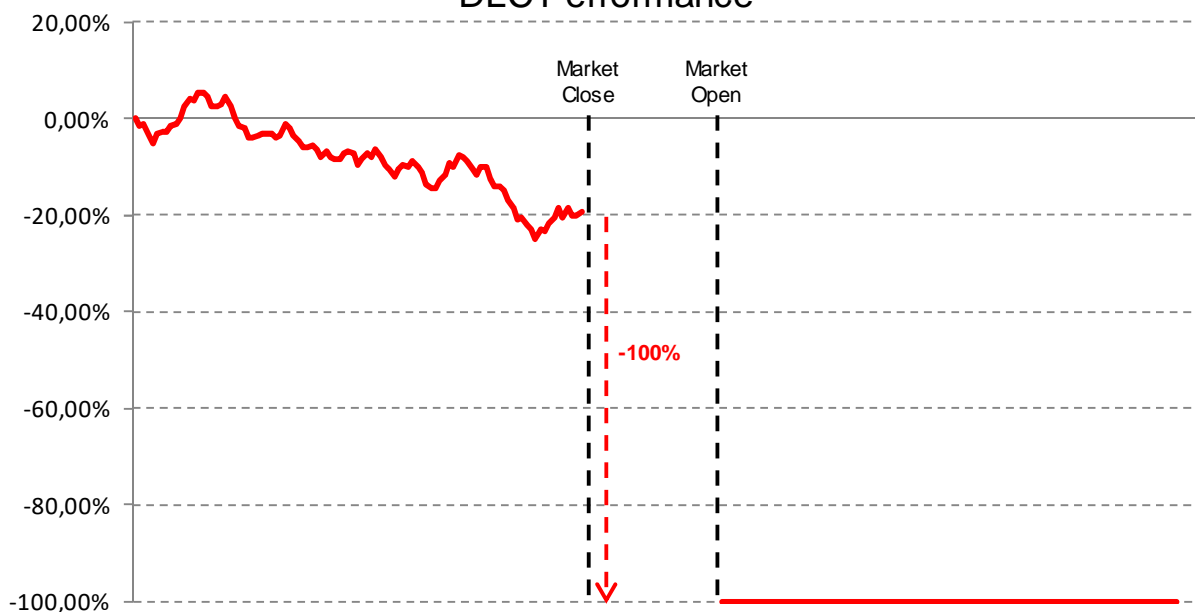
Scenario 1 – Overnight rise of the Underlying Stock

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 above 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.

Underlying Stock Performance

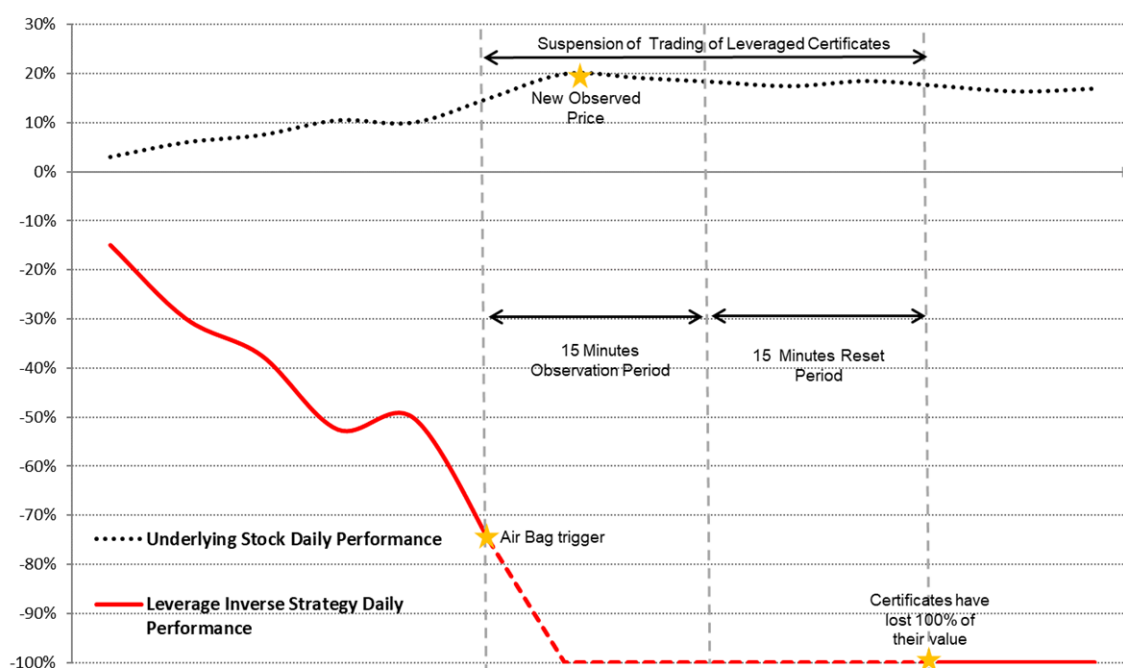


DLC Performance



Scenario 2 – Sharp intraday rise 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 rises 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 rises 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):

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

$$S_t = \$51$$

$$Div_t = \$0$$

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

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

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

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.08	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$57.5, which is 15% above \$50, the Underlying Stock Reference Price.

2. Share Consolidation

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

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

$$S_t = \$202$$

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

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

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

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

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.14	-5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$230, which is 15% above \$200, the Underlying Stock Reference Price.

3. Rights Issues

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

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

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

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

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

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	0.90	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$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:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.08	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$95.83, which is 15% above \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

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

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

$$S_t = \$84$$

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

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

$$R = \$0$$

$$M = 0$$

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	0.90	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

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

Geely Automobile Holdings Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) (SEHK stock code: 175) is an automobile manufacturer, focusing on development, manufacturing and sales of passenger vehicles. The Company sells most of its products in the China market and has also expanded its sales through export to other developing countries in the past few years.

The Company’s shares are listed on the main board of The Stock Exchange of Hong Kong Limited (“**SEHK**”); the controlling shareholder of the Company is Zhejiang Geely Holding Group Company Limited, a private company incorporated in the People’s Republic of China (the “**PRC**”) which is wholly owned by Mr. Li Shu Fu, the Company’s substantial shareholder and chairman of its board of directors, and his associate.

With its headquarter established in Hangzhou, the PRC and 9 manufacturing plants in Luqiao, Linhai, Ningbo/Cixi, Chunxiao, Baoji, Jinzhong, Xiangtan, Jinan and Chengdu in the PRC, the Group has a total annual production capacity of 1,710,000 units of vehicle per double shift as at 31 December 2018. The Group sells its 17 major vehicle models (including the “Lynk&Co” vehicle models sold by the Group’s 50%-owned joint venture, namely “Lynk&Co JV”) developed under 4 platforms & 2 modular architectures. By the end of 2018, the Group had more than 978 dealers in the PRC, marketing “Geely” brand vehicles. The Lynk&Co JV adopted a different marketing and distribution system and served its customers via 222 Lynk&Co Centres and 17 Lynk&Co Spaces in the PRC. The Group also exported its products through 24 sales agents and 336 sales and service outlets in 24 overseas countries, mainly to developing countries in the Eastern Europe, Middle East and Africa in 2018. In November 2015, the Company announced its new energy vehicle strategy named ‘Blue Geely Initiatives’ displaying its dedication to transformation into industry leader in new energy vehicle technologies. The initiatives’ target is to ensure that up to 90% of the Group’s total sales volume would be in the form of new energy and electrified vehicles (NEEVs).

With a total workforce of 52,400 staff at the end of 2018 dedicated to fostering the Group’s core strength in powertrain technologies, product quality, customer satisfaction and supply chains, the Group generated the revenue of about US\$15.5 billion in 2018. Total market capitalization was about US\$20.3 billion as at 10 Apr 2019.

The information set out in Appendix I of this document relates to the unaudited interim results 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 27 August 2021 in relation to the same. Further information relating to the Company may be located on the web-site of the HKExCL at <http://www.hkex.com.hk>.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

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

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

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

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

HKEX are not open for dealings; and

- (xii) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

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

SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR

The information set out in Appendix II of this document is a reproduction of the press release dated 4 November 2021 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 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 September 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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021 OF GEELY AUTOMOBILE HOLDINGS LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the unaudited interim results 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 27 August 2021 in relation to the same.



INDEPENDENT REVIEW REPORT



To the Board of Directors of Geely Automobile Holdings Limited
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report of Geely Automobile Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages 4 to 44 which comprises the condensed consolidated statement of financial position as at 30 June 2021 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2021 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

Grant Thornton Hong Kong Limited
Certified Public Accountants

Level 12
28 Hennessy Road
Wanchai
Hong Kong

18 August 2021

Ng Ka Kong
Practising Certificate No.: P06919



CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
	Note		
Revenue	3	45,032,091	36,819,775
Cost of sales		(37,273,044)	(30,518,177)
Gross profit		7,759,047	6,301,598
Other income	4	800,410	670,880
Distribution and selling expenses		(2,554,189)	(2,189,590)
Administrative expenses, excluding share-based payments		(3,246,377)	(2,670,328)
Impairment loss on trade and other receivables		(4,479)	(4,213)
Share-based payments	22	(640,601)	(2,428)
Finance income, net	5(a)	100,735	88,523
Share of results of associates		20,428	22,092
Share of results of joint ventures	12	685,664	423,606
Profit before taxation	5	2,920,638	2,640,140
Taxation	6	(511,550)	(320,194)
Profit for the period		2,409,088	2,319,946
Attributable to:			
Equity holders of the Company		2,381,136	2,296,753
Non-controlling interests		27,952	23,193
Profit for the period		2,409,088	2,319,946
Earnings per share			
Basic	8	RMB23.60 cents	RMB24.73 cents
Diluted	8	RMB23.59 cents	RMB24.70 cents

The notes on pages 11 to 44 are an integral part of this interim financial report. Details of dividends payable to equity holders of the Company are set out in note 7.



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	2,409,088	2,319,946
Other comprehensive income/(expense):		
Items that may be reclassified subsequently to profit or loss:		
– Notes receivable at fair value through other comprehensive income		
Change in fair value	15,152	–
Income tax effect	(1,800)	–
– Share of other comprehensive expense of joint venture, net of related income tax	(27,267)	–
– Exchange differences on translation of financial statements of foreign operations	25,381	(94,971)
Other comprehensive income/(expense) for the period, net of tax	11,466	(94,971)
Total comprehensive income for the period	2,420,554	2,224,975
Attributable to:		
Equity holders of the Company	2,392,049	2,202,605
Non-controlling interests	28,505	22,370
Total comprehensive income for the period	2,420,554	2,224,975

The notes on pages 11 to 44 are an integral part of this interim financial report.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	9	26,317,310	26,574,279
Intangible assets	10	18,303,872	18,610,115
Land lease prepayments		3,005,688	3,042,911
Goodwill		42,806	42,806
Interests in associates	11	567,390	494,498
Interests in joint ventures	12	8,967,049	9,194,017
Trade and other receivables	14	734,507	952,356
Deferred tax assets		1,116,549	970,011
		59,055,171	59,880,993
Current assets			
Inventories	13	3,947,845	3,690,631
Trade and other receivables	14	25,800,383	27,868,232
Income tax recoverable		79,776	224,608
Pledged bank deposits		116,507	174,422
Bank balances and cash		19,799,643	18,976,843
		49,744,154	50,934,736
Current liabilities			
Trade and other payables	15	37,875,318	41,516,307
Lease liabilities		36,766	30,380
Income tax payable		489,961	340,190
		38,402,045	41,886,877
Net current assets		11,342,109	9,047,859
Total assets less current liabilities		70,397,280	68,928,852

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2021

	Note	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
CAPITAL AND RESERVES			
Share capital	18	179,740	179,672
Perpetual capital securities	19	3,413,102	3,413,102
Reserves		61,419,257	60,038,340
Equity attributable to equity holders of the Company		65,012,099	63,631,114
Non-controlling interests		557,360	582,152
Total equity		65,569,459	64,213,266
Non-current liabilities			
Trade and other payables	15	639,134	385,557
Bonds payable	16	1,933,153	1,949,735
Lease liabilities		13,982	11,915
Bank borrowings	17	1,937,220	1,959,750
Deferred tax liabilities		304,332	408,629
		4,827,821	4,715,586
		70,397,280	68,928,852

The notes on pages 11 to 44 are an integral part of this interim financial report.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to equity holders of the Company										Non-controlling interests	Total
	Share capital RMB'000 (Unaudited)	Perpetual capital securities RMB'000 (Unaudited)	Share premium RMB'000 (Unaudited)	Capital reserve RMB'000 (Unaudited)	Statutory reserve RMB'000 (Unaudited)	Translation reserve RMB'000 (Unaudited)	Share option reserve RMB'000 (Unaudited)	Retained profits RMB'000 (Unaudited)	Sub-total RMB'000 (Unaudited)		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Balance at 1 January 2020	167,733	3,413,102	7,591,592	164,790	355,638	17,640	100,301	42,624,830	54,435,626		488,840	54,924,466
Profit for the period	-	71,412	-	-	-	-	-	2,225,341	2,296,753		23,193	2,319,946
Other comprehensive expense:												
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	(94,148)	-	-	(94,148)		(823)	(94,971)
Total comprehensive income for the period	-	71,412	-	-	-	(94,148)	-	2,225,341	2,202,605		22,370	2,224,975
Transactions with equity holders:												
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-		53,711	53,711
Shares issued under share option scheme (note 18 (a))	845	-	231,529	-	-	-	(60,306)	-	172,068		-	172,068
Shares issued upon placement (note 18(b))	11,051	-	5,926,085	-	-	-	-	-	5,937,136		-	5,937,136
Distribution paid on perpetual capital securities (note 7)	-	(71,412)	-	-	-	-	-	-	(71,412)		-	(71,412)
Equity settled share-based payments (note 22)	-	-	-	-	-	-	2,428	-	2,428		-	2,428
Transfer upon forfeiture of share options	-	-	-	-	-	-	(11,161)	11,161	-		-	-
Transfer of reserves	-	-	-	-	4,391	-	-	(4,435)	(44)		-	(44)
Final dividends declared and approved in respect of the previous year (note 7)	-	-	-	-	-	-	-	(2,120,977)	(2,120,977)		-	(2,120,977)
Total transactions with equity holders	11,896	(71,412)	6,157,614	-	4,391	-	(69,039)	(2,114,251)	3,919,199		53,711	3,972,910
Balance at 30 June 2020	179,629	3,413,102	13,749,206	164,790	360,029	(76,508)	31,262	42,735,920	60,557,430		564,921	61,122,351

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2021

	Attributable to equity holders of the Company											
	Share capital	Perpetual capital securities	Share premium	Capital reserve	Statutory reserve	Fair value reserve (recycling)	Translation reserve	Share option reserve	Retained profits	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Balance at 1 January 2021	179,672	3,413,102	13,780,325	164,790	707,638	(148,955)	(52,514)	23,609	45,563,447	63,631,114	582,152	64,213,266
Profit for the period	-	63,697	-	-	-	-	-	-	2,317,439	2,381,136	27,952	2,409,088
Other comprehensive income/(expense):												
Change in fair value of notes receivable at fair value through other comprehensive income	-	-	-	-	-	13,247	-	-	-	13,247	105	13,352
Share of other comprehensive expense of joint venture	-	-	-	-	-	(27,267)	-	-	-	(27,267)	-	(27,267)
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	24,933	-	-	24,933	448	25,381
Total comprehensive income for the period	-	63,697	-	-	-	(14,020)	24,933	-	2,317,439	2,392,049	28,505	2,420,554
Transactions with equity holders:												
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	11,771	11,771
Shares issued under share option scheme (note 18(a))	68	-	29,880	-	-	-	-	(5,844)	-	24,104	-	24,104
Equity settled share-based payments (note 22)	-	-	-	-	-	-	-	640,601	-	640,601	-	640,601
Transfer of reserves	-	-	-	-	48,441	-	-	-	(48,609)	(168)	-	(168)
Distribution paid on perpetual capital securities (note 7)	-	(63,697)	-	-	-	-	-	-	-	(63,697)	-	(63,697)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(65,068)	(65,068)
Final dividends declared and approved in respect of the previous year (note 7)	-	-	-	-	-	-	-	-	(1,611,904)	(1,611,904)	-	(1,611,904)
Total transactions with equity holders	68	(63,697)	29,880	-	48,441	-	-	634,757	(1,660,513)	(1,011,064)	(53,297)	(1,064,361)
Balance at 30 June 2021	179,740	3,413,102	13,810,205	164,790	756,079	(162,975)	(27,581)	658,366	46,220,373	65,012,099	557,360	65,569,459

The notes on pages 11 to 44 are an integral part of this interim financial report.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
		RMB'000	RMB'000
	Note	(Unaudited)	(Unaudited)
Cash flows from operating activities			
Profit before taxation		2,920,638	2,640,140
Adjustments for non-cash items		3,111,578	2,058,095
Operating profit before working capital changes		6,032,216	4,698,235
Net changes in working capital		(1,445,582)	(7,104,704)
Cash generated from/(used in) operations		4,586,634	(2,406,469)
Income taxes paid		(469,582)	(831,689)
<i>Net cash generated from/(used in) operating activities</i>		4,117,052	(3,238,158)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,881,642)	(588,191)
Additions of intangible assets		(1,776,131)	(1,871,040)
Additions of land lease prepayments		(56)	–
Proceeds from disposal of subsidiaries in previous year		–	507,135
Proceeds from disposal of property, plant and equipment		159,136	18,537
Proceeds from disposal of intangible assets		117,471	–
Change in pledged bank deposits		57,915	6,766
Additional/initial capital injection in an associate		(50,087)	(490)
Interest received		286,557	96,769
<i>Net cash used in investing activities</i>		(3,086,837)	(1,830,514)
Cash flows from financing activities			
Dividends paid to non-controlling interests		(65,068)	–
Distribution paid on perpetual capital securities	7	(63,697)	(71,412)
Proceeds from issuance of shares upon exercise of share options	18(a)	24,104	172,068
Proceeds from issuance of shares upon placement	18(b)	–	5,937,136
Payment of lease liabilities		(19,391)	(19,046)
Interest paid		(60,663)	(67,518)
<i>Net cash (used in)/generated from financing activities</i>		(184,715)	5,951,228
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		18,976,843	19,281,216
Effect of foreign exchange rate changes		(22,700)	10,451
Cash and cash equivalents at the end of the period, represented by bank balances and cash		19,799,643	20,174,223

The notes on pages 11 to 44 are an integral part of this interim financial report.





NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2021

1. BASIS OF PREPARATION

The interim financial report (the “Interim Financial Report”) has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 18 August 2021.

The Interim Financial Report is presented in thousands of Renminbi (“RMB’000”), unless otherwise stated.

The Interim Financial Report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company and its subsidiaries’ (together referred to as the “Group”) annual financial statements for the year ended 31 December 2020.

2. ADOPTION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amended HKFRSs that are effective for annual periods beginning on or after 1 January 2021

The accounting policies and methods of computation used in the preparation of the Interim Financial Report are consistent with those used in the annual financial statements for the year ended 31 December 2020, except for the adoption of the following amended HKFRSs effective as of 1 January 2021.

Amendments to HKFRS 9,
HKAS 39, HKFRS 7,
HKFRS 4 and HKFRS 16
Amendments to HKFRS 16

Interest Rate Benchmark Reform – Phase 2

Covid-19-Related Rent Concessions

The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Except as mentioned below, the adoption of these amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.





NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

2. ADOPTION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) *(Continued)*

Amended HKFRSs that are effective for annual periods beginning on or after 1 January 2021 *(Continued)*

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 “Interest Rate Benchmark Reform – Phase 2” (“Phase 2 Amendments”)

The Phase 2 Amendments provide practical relief from certain requirements in HKFRSs. These reliefs relate to modifications of financial assets and financial liabilities (measured at amortised costs) and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark risk-free rate.

The Group initially applied Phase 2 Amendments on 1 January 2021 and applied the amendments retrospectively. However, in accordance with the exceptions permitted in Phase 2 Amendments, the Group has elected not to restate the prior period to reflect the application of these amendments, including not providing additional disclosures for 2020.

Impact on measurement of financial assets and financial liabilities

For changes in the basis for determining the contractual cash flows of financial assets and financial liabilities which are measured at amortised cost as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes such that it will not derecognise the carrying amounts of financial assets and financial liabilities and recognise an immediate gain or loss for changes solely arose from the interest rate benchmark reform, but will instead revise the effective interest rates of the financial assets and financial liabilities. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- The change is necessary as a direct consequence of the interest rate benchmark reform; and
- The new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately before the change).

The amendments do not have material impacts on the condensed consolidated financial results and condensed consolidated financial position as at 1 January 2021 and during the current period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

2. ADOPTION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Issued but not yet effective HKFRSs

At the date of authorisation of this Interim Financial Report, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts and related amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 ⁵
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018-2020 ¹
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination ⁴

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ Effective date not yet determined

⁴ Effective for business combination/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022

⁵ Effective for annual periods beginning on or after 1 April 2021

The directors anticipate that all of the pronouncements will be adopted in the Group’s accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group’s accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group’s condensed consolidated financial statements.

Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”

The amendments to HKAS 1 require entities to disclose material accounting policy information instead of significant accounting policies in their financial statements. The amendments also provide some guidance on how material policy information are being identified and provide some examples of when accounting policy information is likely to be material.

In March 2021, HKICPA issued HKFRS Practice Statement 2 “Making Materiality Judgements” to provide entities with non-mandatory guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with HKFRSs. HKFRS Practice Statement 2 was subsequently revised to provide guidance and examples on how to apply the concept of materiality to accounting policy disclosures.

The amendments to HKAS 1 are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. Except for the disclosures of accounting policies may need to be revised to cope with the above changes, the directors expect that the amendments have no other material impact on this Interim Financial Report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

3. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents sales of automobiles, automobile parts and components, provision of research and development and related technological support services and licensing of intellectual properties, net of value-added taxes ("VAT") or related sales taxes and net of discounts. Revenue was mainly derived from customers located in the People's Republic of China (the "PRC").

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15")		
Disaggregated by major products/services		
– Sales of automobiles and related services	39,312,044	33,720,437
– Sales of automobile parts and components	4,636,222	2,675,112
– Research and development and related technological support services	446,825	–
– Licensing of intellectual properties	637,000	424,226
	45,032,091	36,819,775
Disaggregated by timing of revenue recognition		
– At a point in time	44,507,265	36,819,775
– Over time	524,826	–
	45,032,091	36,819,775

Segment information

The chief operating decision-maker has been identified as the executive directors of the Company collectively, who determine the operating segments of the Group and review the Group's internal reporting in order to assess performance and allocate resources. All of the Group's business operations relate to the production and sales of automobiles, automobile parts and related automobile components, provision of research and development and related technological support services and licensing of related intellectual properties with similar economic characteristics. Accordingly, the executive directors review the performance of the Group as a single business segment. No separate analysis of the segment results by reportable segment is necessary.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

4. OTHER INCOME

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants and subsidies (note)	626,183	615,190
Gain on disposal of scrap materials	27,139	28,867
Net foreign exchange gain	35,862	–
Rental income	17,264	9,060
Storage income	7,068	–
Sundry income	86,894	17,763
	800,410	670,880

Note: Government grants and subsidies mainly related to cash subsidies from government in respect of operating and research and development activities which are either unconditional grants or grants with conditions having been satisfied.

5. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(a) Finance income and costs		
Finance costs		
Effective interest expense on bonds payable	1,658	1,826
Coupon expense on bonds payable	34,073	38,027
Interest on discounted notes receivable	86,074	–
Interest on lease liabilities	1,239	1,662
Interest on bank borrowings wholly repayable within five years	25,971	27,981
	149,015	69,496
Finance income		
Bank and other interest income	(249,750)	(158,019)
Net finance income	(100,735)	(88,523)
(b) Staff costs (including directors' emoluments) (note (a))		
Salaries, wages and other benefits	2,111,412	2,150,748
Retirement benefit scheme contributions (note 21) (note (b))	177,957	119,331
Equity settled share-based payments (note 22)	640,601	2,428
	2,929,970	2,272,507

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

5. PROFIT BEFORE TAXATION (Continued)

Profit before taxation has been arrived at after charging/(crediting) (Continued):

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(c) Other items		
Depreciation (note (a)):		
– Owned assets	1,192,899	1,079,437
– Right-of-use assets (including land lease prepayments)	76,523	58,302
Total depreciation	1,269,422	1,137,739
Amortisation of intangible assets (related to capitalised product development costs)	1,964,903	1,377,468
Research and development costs	339,677	343,909
Cost of inventories (note (a))	36,880,884	30,518,177
Provision for inventories	–	17,729
Lease charges on short term leases	10,537	10,370
Net loss on disposal of property, plant and equipment	5,500	7,243
Net foreign exchange (gain)/loss	(35,862)	162,610

Notes:

- (a) Cost of inventories included RMB2,555,974,000 (six months ended 30 June 2020: RMB2,367,839,000) relating to staff costs and depreciation, which amounts were also included in the respective total amounts disclosed separately for each of these types of expenses.
- (b) Due to the impact of Covid-19, a number of policies including the relief of social insurance have been promulgated by the government since February 2020 to expedite resumption of economic activities, which resulted in the relief of certain contributions to defined contribution scheme for the six months ended 30 June 2020.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

6. TAXATION

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
– PRC enterprise income tax	748,707	417,315
– Under/(Over)-provision in prior years	15,478	(43,852)
	764,185	373,463
Deferred tax	(252,635)	(53,269)
	511,550	320,194

Hong Kong profits tax has not been provided as the Hong Kong incorporated companies within the Group had no estimated assessable profits in Hong Kong for the six months ended 30 June 2021 and 2020.

The income tax provision of the Group in respect of its operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the period based on the existing legislation, interpretations and practises in respect thereof. The PRC enterprise income tax rate is 25% (six months ended 30 June 2020: 25%).

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries of the Group obtained the High and New Technology Enterprises qualification. Accordingly, they enjoyed a preferential income tax rate of 15% for the six months ended 30 June 2021 and 2020.

According to relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that was effective from 2018, enterprises engaging in research and development activities were entitled to claim 175% of their research and development costs so incurred as tax deductible expenses when determining their assessable profits for the period up to 31 December 2020. With effect from 1 January 2021, these entities are entitled to claim 200% of their research and development costs ("Super Deduction"). The Group made its best estimate for the Super Deduction to be claimed for the Group's PRC subsidiaries in ascertaining their assessable profits for the six months ended 30 June 2021 and 2020.

The share of results of associates and joint ventures in the condensed consolidated income statement is after income taxes accrued in the appropriate income tax jurisdictions.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. DIVIDENDS

During the current period, a final dividend for the year ended 31 December 2020 of HK\$0.20 (six months ended 30 June 2020: HK\$0.25) per ordinary share, amounting to approximately RMB1,611,904,000 (six months ended 30 June 2020: RMB2,120,977,000), has been declared and approved by the shareholders at the annual general meeting of the Company. The 2020 final dividend was paid in July 2021 and reflected as dividends payable in this Interim Financial Report.

In addition, the Company made a distribution on perpetual capital securities of RMB63,697,000 (six months ended 30 June 2020: RMB71,412,000) to the securities holders during the six months ended 30 June 2021.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on profit for the period attributable to ordinary equity holders of the Company of RMB2,317,439,000 (six months ended 30 June 2020: RMB2,296,753,000) and the weighted average number of ordinary shares of 9,819,349,883 shares (six months ended 30 June 2020: 9,288,710,418 shares), calculated as follows:

Profit attributable to ordinary equity holders of the Company

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period attributable to equity holders of the Company	2,381,136	2,296,753
Distribution paid on perpetual capital securities	(63,697)	–
Profit for the period attributable to ordinary equity holders of the Company	2,317,439	2,296,753

Weighted average number of ordinary shares

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
Issued ordinary shares at 1 January (note 18)	9,816,626,540	9,166,997,540
Effect of share options exercised	2,723,343	38,839,950
Effect of shares issued upon placement	–	82,872,928
Weighted average number of ordinary shares at 30 June	9,819,349,883	9,288,710,418

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on profit for the period attributable to ordinary equity holders of the Company of RMB2,317,439,000 (six months ended 30 June 2020: RMB2,296,753,000) and the weighted average number of ordinary shares of 9,824,357,024 shares (six months ended 30 June 2020: 9,296,957,635 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares (basic) at 30 June	9,819,349,883	9,288,710,418
Effect of deemed issue of shares under the Company's share option scheme (excluding those share options with anti-dilutive effect)	5,007,141	8,247,217
Weighted average number of ordinary shares (diluted) at 30 June	9,824,357,024	9,296,957,635

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

9. PROPERTY, PLANT AND EQUIPMENT

The movements of the property, plant and equipment for the period/year are set out below:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Net carrying amount		
At the beginning of the period/year	26,574,279	27,070,318
Additions	1,139,810	2,903,047
Disposals/written off	(164,636)	(93,703)
Disposed of through disposal of subsidiaries	–	(1,046,559)
Depreciation	(1,232,143)	(2,258,824)
At the end of the period/year	26,317,310	26,574,279

The Group has obtained the right to use office and factory premises as well as plant and machinery through the tenancy agreements. The leases typically run on initial periods from one to three years. The Group makes fixed payments during the contract period. During the six months ended 30 June 2021, the total additions to right-of-use assets were RMB27,844,000 (six months ended 30 June 2020: RMBNil).

As at 30 June 2021, the aggregate carrying amount of the Group's right-of-use assets in relation to the buildings, plant and machinery are RMB57,304,000 (as at 31 December 2020: RMB68,704,000).

10. INTANGIBLE ASSETS

The movements of the intangible assets for the period/year are set out below:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Net carrying amount		
At the beginning of the period/year	18,610,115	17,597,628
Additions	1,776,131	4,191,189
Disposals/written off	(117,471)	(28,594)
Amortisation	(1,964,903)	(3,150,108)
At the end of the period/year	18,303,872	18,610,115

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

11. INTERESTS IN ASSOCIATES

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Share of net assets	570,739	497,847
Impairment loss recognised	(3,349)	(3,349)
	567,390	494,498

During the six months ended 30 June 2021, Closed Joint Stock Company BELGEE ("BELGEE") effected an increase in registered capital whereby the Group and other investors injected additional capital to BELGEE amounting to Belarusian Ruble ("BYN") 20,087,000 (equivalent to approximately RMB50,087,000) and BYN32,369,000 (equivalent to approximately RMB82,553,000), respectively. Upon the completion of the capital increase, the registered capital of BELGEE was changed from BYN182,079,000 (equivalent to approximately RMB672,963,000) to BYN234,535,000 (equivalent to approximately RMB805,603,000). As a result of such an increase in registered capital, the Group's equity interests in BELGEE were increased from 36.3% to 36.7% and the Group is still able to exert significant influence over the financial and operating activities of BELGEE. Accordingly, the Group continues to account for such investment as an associate.

12. INTERESTS IN JOINT VENTURES

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Share of net assets	8,967,049	9,194,017
Represented by:		
Cost of unlisted investments	7,279,102	7,279,102
Unrealised gain on disposal of a subsidiary to a joint venture	(14,943)	(14,943)
Share of post-acquisition results and other comprehensive income	1,702,890	1,929,858
	8,967,049	9,194,017

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

12. INTERESTS IN JOINT VENTURES (Continued)

Details of the Group's joint ventures as at 30 June 2021 and 31 December 2020 were as follows:

Name of joint ventures	Place of establishments and operations	Form of business structure	Particulars of registered capital	Proportion of ownership interest held by the Group		Principal activities
				As at 30 June 2021	As at 31 December 2020	
Genius Auto Finance Company Limited [#] ("Genius AFC") 吉致汽車金融有限公司	PRC	Incorporated	RMB4,000,000,000	80%	80%	Vehicles financing business
LYNK & CO Investment Co., Ltd. [#] ("LYNK & CO Investment") 領克投資有限公司	PRC	Incorporated	RMB7,500,000,000	50%	50%	Manufacturing and sales of vehicles under the "Lynk&Co" brand
Zhejiang Geely AISIN Automatic Transmission Company Limited [#] ("Zhejiang AISIN") 浙江吉利愛信自動變速器有限公司	PRC	Incorporated	United States dollars ("US\$") 117,000,000	40%	40%	Manufacturing and sale of front-wheel drive 6-speed automatic transmissions and related parts and components

On 11 August 2020, BNP Paribas Personal Finance ("BNPP PF") served a written notice to the Company on the exercise of the call option associated with the joint venture agreement (the "Call Option") pursuant to which, subject to the agreement on the exercise price and other terms, BNPP PF will acquire from the Company such additional equity interest in Genius AFC to increase its equity interest in Genius AFC up to 50%.

As at 30 June 2021, the exercise price of the Call Option and the exact percentage of equity interest in the Genius AFC to be acquired by BNPP PF have not been determined and are subject to agreement by the parties. Please refer to the Company's announcement dated 12 August 2020 for further details.

[#] The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

12. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information of the Zhejiang AISIN, LYNK & CO Investment and its subsidiaries ("LYNK & CO Group") and Genius AFC, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the condensed consolidated statement of financial position, were disclosed below:

	Zhejiang AISIN		LYNK & CO Group		Genius AFC	
	As at	As at	As at	As at	As at	As at
	30 June	31 December	30 June	31 December	30 June	31 December
	2021	2020	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Non-current assets	1,284,080	1,292,789	11,213,301	11,472,910	1,445,778	1,377,922
Current assets	316,180	346,304	14,470,585	12,615,050	47,177,300	44,753,614
Current liabilities	(76,700)	(74,922)	(14,252,163)	(11,399,157)	(26,575,213)	(26,308,969)
Non-current liabilities	(868,525)	(850,000)	(3,711,485)	(3,605,660)	(15,973,041)	(14,345,417)
Net assets	655,035	714,171	7,720,238	9,083,143	6,074,824	5,477,150

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	285,498	281,310	3,927,153	660,772	5,212,698	3,866,230
Current financial liabilities (excluding trade and other payables and provisions)	-	-	(503,797)	(1,059,166)	(22,772,656)	(22,288,975)
Non-current financial liabilities (excluding trade and other payables and provisions)	(650,000)	(650,000)	(980,875)	(952,551)	(15,973,041)	(14,345,417)

	Zhejiang AISIN		LYNK & CO Group		Genius AFC	
	Six months ended 30 June	2020	Six months ended 30 June	2020	Six months ended 30 June	2020
	2021	2020	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	-	-	14,319,248	8,039,385	2,006,949	1,525,181
(Loss)/Profit for the period	(59,136)	(23,048)	462,357	188,594	597,674	423,160
Other comprehensive (expense)/income for the period	-	-	(47,884)	2,791	-	-
Total comprehensive (expense)/income for the period	(59,136)	(23,048)	414,473	191,385	597,674	423,160
Dividend from a joint venture (note 14)	-	-	888,689	-	-	-

The above loss/profit for the period including the following:

Depreciation and amortisation	(8,866)	(556)	(1,323,028)	(668,458)	(14,572)	(15,820)
Interest income	672	3,057	34,057	16,675	1,972,951	1,489,746
Interest expense	(10,465)	-	(54,515)	(17,864)	(816,415)	(612,561)
Income tax expense	-	-	(134,535)	(13,187)	(200,220)	(141,053)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

12. INTERESTS IN JOINT VENTURES (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the Group's interests in joint ventures recognised in the condensed consolidated statement of financial position was as follows:

	Zhejiang AISIN		LYNK & CO Group		Genius AFC	
	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Net assets of the joint ventures	655,035	714,171	7,720,238	9,083,143	6,074,824	5,477,150
The Group's effective interests in the joint ventures	40%	40%	50%	50%	80%	80%
The Group's share of the net assets of the joint ventures	262,014	285,668	3,860,119	4,541,572	4,859,859	4,381,720
Unrealised gain on disposal of a subsidiary to a joint venture	-	-	(14,943)	(14,943)	-	-
Carrying amount of the Group's interests in joint ventures	262,014	285,668	3,845,176	4,526,629	4,859,859	4,381,720

13. INVENTORIES

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Raw materials	1,700,247	1,551,512
Work in progress	347,234	388,113
Finished goods	1,900,364	1,751,006
	3,947,845	3,690,631

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

14. TRADE AND OTHER RECEIVABLES

	Note	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Trade and notes receivables			
Trade receivables, net of loss allowance			
– Third parties		447,645	429,220
– Joint ventures		256,426	339,094
– Associates		1,473,002	976,738
– Related companies controlled by the substantial shareholder of the Company		1,403,631	2,185,944
	(a)	3,580,704	3,930,996
Notes receivable	(b)	16,539,024	20,625,550
		20,119,728	24,556,546
Deposits, prepayments and other receivables			
Prepayments to suppliers			
– Third parties		804,162	194,981
– Related companies controlled by the substantial shareholder of the Company		107,344	401,883
		911,506	596,864
Deposits paid for acquisition of property, plant and equipment		125,372	164,359
Dividend receivable from a joint venture (note 12)		888,689	–
Other contract costs	(c)	382,691	359,283
Utility deposits and other receivables		1,267,643	675,949
VAT and other taxes receivables		2,719,358	2,207,356
		6,295,259	4,003,811
Amounts due from related companies controlled by the substantial shareholder of the Company	(d)	119,903	260,231
		6,415,162	4,264,042
		26,534,890	28,820,588
Representing:			
– Current		25,800,383	27,868,232
– Non-current		734,507	952,356
		26,534,890	28,820,588

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

14. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables

The Group allows average credit periods ranged from 30 days to 90 days to its PRC customers from sales of automobiles, automobile parts and components and provision of research and development and related technological support services. In respect of the trade receivables from related companies arising from the licensing of intellectual properties, it will be settled within five years in accordance with the contract terms. Ageing analysis of the trade receivables of the PRC customers, based on invoice date and net of loss allowance, at the reporting date was as follows:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
0 – 60 days	1,063,913	2,024,533
61 – 90 days	30,167	10,291
91 – 365 days	141,995	363,989
Over 365 days	485,768	330,687
	1,721,843	2,729,500

For overseas customers, the Group allows credit periods ranged from 30 days to 720 days. Ageing analysis of the trade receivables of the overseas customers, based on invoice date and net of loss allowance, at the reporting date was as follows:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
0 – 60 days	1,084,139	478,452
61 – 90 days	191,859	212,027
91 – 365 days	486,556	416,796
Over 365 days	96,307	94,221
	1,858,861	1,201,496

As at 30 June 2021, the Group has adopted average expected loss rate of 5% (as at 31 December 2020: 5%) on the gross carrying amount of trade receivables amounted to RMB3,679,671,000 (as at 31 December 2020: RMB4,025,484,000). The loss allowance as at 30 June 2021 is RMB98,967,000 (as at 31 December 2020: RMB94,488,000).



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

14. TRADE AND OTHER RECEIVABLES *(Continued)*

(b) Notes receivable

All notes receivable are denominated in RMB. As at 30 June 2021 and 31 December 2020, all notes receivable were guaranteed by established banks in the PRC and had maturities of less than one year from the reporting date.

The Group manages its notes receivable using the business model whose objective is achieved by both collecting contractual cash flows and selling of these assets. Accordingly, notes receivable are classified as financial assets at fair value through other comprehensive income (recycling) in accordance with HKFRS 9 “Financial Instruments” and are stated at fair value. The fair value is based on the net present value as at 30 June 2021 and 31 December 2020 from expected timing of endorsements and discounting at the interest rates for the respective notes receivable. The fair value is within level 2 of the fair value hierarchy.

As at 30 June 2021, the Group endorsed certain notes receivable accepted by banks in the PRC (the “Endorsed Notes”) with carrying amount of RMB687,661,000 (as at 31 December 2020: RMB646,804,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the “Endorsement”). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Notes, including the sale, transfer or pledge of the Endorsed Notes to any other third parties. As at 30 June 2021, the aggregate carrying amount of the trade payables settled by the Endorsed Notes during the period to which the suppliers have recourse was RMB687,661,000 (as at 31 December 2020: RMB646,804,000).

As at 30 June 2021, the Group discounted and endorsed certain notes receivable accepted by banks in the PRC (the “Derecognised Notes”) to certain banks in order to obtain additional financing or to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amount in aggregate of RMB30,614,869,000 (as at 31 December 2020: RMB24,756,861,000). The Derecognised Notes had a maturity of less than one year (as at 31 December 2020: less than one year) at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Notes have a right of recourse against the Group if the PRC banks default on the Derecognised Notes (the “Continuing Involvement”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated liabilities. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts.

(c) Other contract costs

Other contract costs capitalised as at 30 June 2021 and 31 December 2020 related to the costs incurred in providing internet connectivity services that are used to satisfy the performance obligations for providing such services to customers in the respective sales of automobile contracts at the reporting date. Contract costs are amortised in line with the recognition of the respective revenue in accordance with the terms of the contracts. There was no impairment in relation to the contract costs capitalised during the six months ended 30 June 2021 (six months ended 30 June 2020: RMBNil).

(d) Amounts due from related companies

The amounts due are unsecured, interest-free and repayable on demand.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

15. TRADE AND OTHER PAYABLES

	Note	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Trade and notes payables			
Trade payables			
– Third parties		21,889,699	27,315,141
– Associates		1,204,772	1,334,777
– Joint ventures		16,868	2,711
– Related companies controlled by the substantial shareholder of the Company		1,387,720	1,265,467
	(a)	24,499,059	29,918,096
Notes payable	(b)	143,178	311,273
		24,642,237	30,229,369
Other payables			
Receipts in advance from customers	(c)		
– Third parties		3,184,904	2,589,346
– Associates		5,362	5,004
– Joint ventures		182,986	965
– Related companies controlled by the substantial shareholder of the Company		316,025	195,696
		3,689,277	2,791,011
Deferred government grants which conditions have not been satisfied		2,100,000	900,000
Payables for acquisition of property, plant and equipment		1,719,462	2,528,125
Accrued staff salaries and benefits		550,151	1,282,871
VAT and other taxes payables		622,596	711,812
Dividends payable		1,611,904	–
Other accrued charges and payables	(d)	3,457,696	3,130,626
		13,751,086	11,344,445
Amounts due to related companies controlled by the substantial shareholder of the Company	(e)	121,129	328,050
		13,872,215	11,672,495
		38,514,452	41,901,864
Representing:			
– Current		37,875,318	41,516,307
– Non-current		639,134	385,557
		38,514,452	41,901,864



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

15. TRADE AND OTHER PAYABLES (Continued)

(a) Trade payables

Ageing analysis of trade payables, based on invoice date, at the reporting date was as follows:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
0 – 60 days	21,327,068	26,609,028
61 – 90 days	2,224,207	2,580,039
91 – 365 days	836,667	498,567
Over 365 days	111,117	230,462
	24,499,059	29,918,096

Trade payables are non-interest bearing. The average credit period on the settlement of purchase invoice is 60 days.

(b) Notes payable

All notes payable are denominated in RMB and are notes paid and/or payable to third parties for the settlement of trade payables. As at 30 June 2021 and 31 December 2020, all notes payable had maturities of less than six months from the reporting date.

As at 30 June 2021 and 31 December 2020, the Group had no pledged bank deposits to secure the notes payable.

(c) Receipts in advance from customers

The following amounts represent (i) the advances received from customers for the sales of automobiles, automobile parts and components; and (ii) the obligation for service agreed to be part of the sales of automobiles, that the respective revenue will be recognised when the performance obligation is satisfied after the automobiles, automobile parts and components and services were delivered to the customers.

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Relating to the sales of automobiles, automobile parts and components	2,940,775	2,333,435
Relating to the obligation for service agreed to be part of the sales of automobiles	748,502	457,576
	3,689,277	2,791,011

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

15. TRADE AND OTHER PAYABLES *(Continued)*

(c) Receipts in advance from customers *(Continued)*

The increase in receipts in advance from customers (six months ended 30 June 2020: decrease) was mainly due to the increase (six months ended 30 June 2020: decrease) in advances received from customers in relation to sales of automobiles, automobile parts and components for the six months ended 30 June 2021.

Receipts in advance from customers outstanding at the beginning of the period amounting to RMB2,389,952,000 (six months ended 30 June 2020: RMB4,940,701,000) have been recognised as revenue during the period.

The transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations as at the reporting date was as follows:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Within one year	109,368	72,019
More than one year	639,134	385,557
	748,502	457,576

As permitted under HKFRS 15, the above transaction price allocated to the unsatisfied contracts does not include performance obligation from the Group's contracts with customers for the sales of automobiles, automobile parts and components that have an original expected duration of one year or less.

(d) Other accrued charges and payables

The amounts mainly comprised (i) deposits provided by automobile dealers and (ii) payables for warranty, advertising and promotion, transportation and general operations.

(e) Amounts due to related companies

The amounts due are unsecured, interest-free and repayable on demand.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

16. BONDS PAYABLE

On 25 January 2018, the Company issued the bonds with an aggregate principal amount of US\$300,000,000 (equivalent to approximately RMB1,944,690,000) (the “Bonds”). The Bonds carried interest at 3.625% per annum, payable semi-annually in arrears on 25 January and 25 July of each year, and the maturity date is 25 January 2023.

The Bonds are listed on Singapore Exchange Securities Trading Limited. They constitute direct, unconditional, unsubordinated and (subject to the terms and conditions of the Bonds) unsecured obligations of the Company and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable law and subject to the terms and conditions of the Bonds, at all times rank pari passu with all its other present and future unsecured and unsubordinated obligations.

The carrying amount of the Bonds at initial recognition net of transaction costs amounted to US\$297,296,000 (equivalent to approximately RMB1,927,161,000) and the effective interest rate was 3.825% per annum. The Bonds were measured at amortised cost at the reporting date.

The movements of the Bonds for the period/year are set out below:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Carrying amount		
At the beginning of the period/year	1,949,735	2,060,085
Exchange differences	(18,240)	(113,914)
Interest expenses	1,658	3,564
At the end of the period/year	1,933,153	1,949,735

17. BANK BORROWINGS

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Bank loans, unsecured	1,937,220	1,959,750

As at 30 June 2021 and 31 December 2020, the Group's bank borrowings were carried at amortised cost, repayable in July 2022 and interest-bearing at the London Interbank Offered Rates plus 0.95% per annum. Pursuant to the facility agreement, it will be an event of default if Mr. Li Shu Fu is (i) no longer the single largest beneficial shareholder of the Company, or (ii) no longer beneficially owns at least 25% of the issued share capital of the Company. In case of an event of default, the bank may by notice to the Company (a) cancel the loan facility, (b) declare that all or part of the loan, together with accrued interest, be immediately due and payable, and/or (c) declare that all or part of the loans be payable on demand.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

18. SHARE CAPITAL

	Number of shares	Nominal value RMB'000
Authorised:		
Ordinary shares of HK\$0.02 each		
At 31 December 2020 (audited) and 30 June 2021 (unaudited)	12,000,000,000	246,720
Issued and fully paid:		
Ordinary shares of HK\$0.02 each		
At 1 January 2020	9,166,997,540	167,733
Shares issued under share option scheme	49,629,000	888
Shares issued upon placement (note (b))	600,000,000	11,051
At 31 December 2020 and 1 January 2021	9,816,626,540	179,672
Shares issued under share option scheme (note (a))	4,050,000	68
At 30 June 2021 (unaudited)	9,820,676,540	179,740

Notes:

- (a) During the six months ended 30 June 2021, share options were exercised to subscribe for 4,050,000 ordinary shares (six months ended 30 June 2020: 45,779,000 ordinary shares) of the Company at a consideration of approximately RMB24,104,000 (six months ended 30 June 2020: RMB172,068,000) of which approximately RMB68,000 (six months ended 30 June 2020: RMB845,000) was credited to share capital and approximately RMB24,036,000 (six months ended 30 June 2020: RMB171,223,000) was credited to the share premium account. As a result of the exercise of share options, share option reserve of RMB5,844,000 (six months ended 30 June 2020: RMB60,306,000) was transferred to the share premium account.
- (b) On 29 May 2020, the Company entered into a placing agreement (the "Placing Agreement") with placing agents, to procure not less than six placees who are independent third parties to the Company to subscribe for 600,000,000 placing shares at the placing price of HK\$10.8 per placing share (the "Placing"). All conditions of the Placing Agreement were fulfilled. The Placing was completed and fully subscribed on 5 June 2020. The gross proceeds from the Placing amounted to approximately HK\$6,480,000,000 (equivalent to approximately RMB5,967,432,000) and the related directly attributable expenses were approximately HK\$32,899,000 (equivalent to approximately RMB30,296,000).



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

19. PERPETUAL CAPITAL SECURITIES

On 9 December 2019, the Company (the “Issuer”) issued 4% senior perpetual capital securities with an aggregate principal amount of US\$500,000,000 (equivalent to approximately RMB3,425,857,000) (the “Securities”) which are listed on Singapore Exchange Securities Trading Limited at an issue price of 99.641%. Transaction costs relating to the issue of the Securities amounted to approximately RMB12,755,000. Distribution is payable semi-annually in arrears in equal instalments on 9 June and 9 December of each year based on the distribution rate as defined in the subscription agreement. Distribution by the Issuer may be deferred at its sole discretion. The Securities have no fixed maturity and are redeemable in whole, but not in part, at the Issuer’s option on 9 December 2024, or any distribution payment date falling thereafter at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower rank.

As the Securities do not contain any contractual obligation to pay cash or other financial assets, in accordance with HKAS 32 “Financial Instruments: Presentation”, they are classified as equity for accounting purpose. Any distributions made by the Issuer to the holders of the Securities will be deducted directly to equity in the condensed consolidated financial statements.

20. COMMITMENTS

Capital commitments

As at the reporting date, the capital commitments not provided for in the condensed consolidated financial statements were as follows:

	As at 30 June 2021 RMB’000 (Unaudited)	As at 31 December 2020 RMB’000 (Audited)
Contracted but not provided for, net of deposits/investment paid		
– purchase of property, plant and equipment	821,031	1,065,835
– investment in an associate (note (a))	440,510	440,510
– investment in a joint venture (note (b))	606,996	613,341
– acquisition of subsidiaries (notes (c) and (d))	3,020,000	–
	4,888,537	2,119,686

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

20. COMMITMENTS (Continued)

Capital commitments (Continued)

Notes:

- (a) On 20 December 2018, Zhejiang Jirun Automobile Company Limited# 浙江吉潤汽車有限公司 (“Jirun Automobile”), an indirect 99% owned subsidiary of the Company, entered into an investment agreement (the “Investment Agreement 1”) with Contemporary Amperex Technology Company Limited# 寧德時代新能源科技股份有限公司 (“CATL Battery”), an independent third party, pursuant to which the parties agreed to establish an associate company, Times Geely Power Battery Company Limited# 時代吉利動力電池有限公司 (“Times Geely”). Pursuant to the terms of the Investment Agreement 1, Times Geely will be owned as to 49% by Jirun Automobile and as to 51% by CATL Battery, respectively. The registered capital of Times Geely will be RMB1,000,000,000, and will be contributed as to 49% (equivalent to RMB490,000,000) in cash by Jirun Automobile and as to 51% (equivalent to RMB510,000,000) in cash by CATL Battery, respectively. As at 30 June 2021, the Group and CATL Battery contributed RMB49,490,000 and RMB51,510,000, respectively, to Times Geely.
- (b) On 12 June 2019, Shanghai Maple Guorun Automobile Company Limited# 上海華普國潤汽車有限公司 (“Maple Guorun”), an indirect 99% owned subsidiary of the Company, entered into an investment agreement (the “Investment Agreement 2”) with LG Chem Ltd. (“LG Chem”), an independent third party, pursuant to which the parties agreed to establish a joint venture (the “JV 1”) to principally engage in the production and sales of batteries for electric vehicles. Pursuant to the terms of the Investment Agreement 2, the registered capital of the JV 1 will be US\$188,000,000 (equivalent to approximately RMB1,213,992,000), and will be contributed as to 50% (US\$94,000,000 or equivalent to approximately RMB606,996,000) and 50% (US\$94,000,000 or equivalent to approximately RMB606,996,000) by Maple Guorun and LG Chem, respectively. As at 30 June 2021, the formation of the JV 1 had not yet been completed. Please refer to the Company’s announcement dated 12 June 2019 for further details.
- (c) On 28 April 2021, Maple Guorun and a fellow subsidiary owned by the Company’s ultimate holding company entered into an acquisition agreement pursuant to which Maple Guorun conditionally agreed to acquire, and the fellow subsidiary conditionally agreed to sell the entire equity interests of Ningbo Zeekr Intelligent Technology Company Limited# 寧波極氪智能科技有限公司 (“Zeekr Technology”) for a cash consideration of approximately RMB485.3 million. Zeekr Technology is engaged in the research and development, purchase and sale of the electric mobility related products under the “Zeekr” brand. The acquisition of Zeekr Technology was completed in July 2021. Please refer to the Company’s announcement dated 28 April 2021 for further details.

However, as at the date of this Interim Financial Report, the initial accounting for the business combination has not yet been completed.

- (d) On 13 May 2021, Jirun Automobile and a fellow subsidiary owned by the Company’s ultimate holding company entered into an acquisition agreement pursuant to which Jirun Automobile conditionally agreed to acquire, and the fellow subsidiary conditionally agreed to sell the entire equity interests of Changxing Geely Automobile Components Company Limited# 長興吉利汽車部件有限公司 (“Changxing Components”) for a cash consideration of approximately RMB2,534.7 million. Changxing Components is engaged in the research, development, production and sale of complete knock down kits, related automobile components and provision of after-sales services. The acquisition of Changxing Components was completed in July 2021. Please refer to the Company’s announcement dated 13 May 2021 for further details.

However, as at the date of this Interim Financial Report, the initial accounting for the business combination has not yet been completed.

The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

20. COMMITMENTS (Continued)

As lessee

As at the reporting date, the lease commitments for short-term leases were as follows:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Office and factory premises		
– Within one year	143	322

As at 30 June 2021 and 31 December 2020, the Group leases a number of office and factory premises which are qualified to be accounted for under short-term lease exemption under HKFRS 16 “Leases”.

As lessor

As at the reporting date, the total future minimum lease receipts in respect of certain portion of buildings under non-cancellable operating leases were receivables as follows:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Buildings		
– Within one year	1,776	5,557
– After one year but within two years	–	284
	1,776	5,841

Leases are negotiated and rental are fixed for an initial period of one to five years (as at 31 December 2020: one to five years).

21. RETIREMENT BENEFITS SCHEME

The Group participates in Mandatory Provident Fund Scheme (“MPF Scheme”) established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the scheme are held separately from those of the Group in funds under the control of trustees.

For members of the MPF Scheme, the Group contributes 5% of the employees’ relevant income to the scheme. Both the employer’s and the employees’ contributions are subject to a maximum of monthly relevant income of HK\$30,000 (equivalent to RMB25,000) per employee. Contributions to the plan vest immediately.

The employees of the Company’s subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a fixed percentage of the employees’ basic salary to the retirement benefit scheme to fund the benefit. The only obligation of the Group in respect of the retirement benefit scheme is to make the specified contributions.

Contributions are made by the Company’s subsidiaries in other overseas countries to defined contribution superannuation funds in accordance with the relevant laws and regulations in these countries.

During the six months ended 30 June 2021, the aggregate employer’s contributions made by the Group and charged to the condensed consolidated income statement amounted to RMB177,957,000 (six months ended 30 June 2020: RMB119,331,000).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

22. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS

The Company operates a share option scheme for eligible participants of the Group. Details of the terms of the scheme were set out in the Group's annual financial statements for the year ended 31 December 2020.

For those share options granted after 1 January 2010 and prior to 1 January 2015, one-tenth of share options granted will vest in every year from the grant date with one-tenth of options being vested immediately at the date of grant. For those share options granted after 1 January 2015 and prior to 1 January 2021, none of the share options will be vested in the first year, one-fourth of share options granted will vest in every year after the first year of the grant date. For those share options granted after 1 January 2021, none of the share options will be vested in the first two years, one-fifth of share options granted will vest in every year after the two years of the grant date.

2021 (Unaudited)

	Exercisable period	Exercise price per share HK\$	Outstanding at 1 January	Granted during the period	Exercised during the period	Outstanding at 30 June
Directors	23 March 2012 to 22 March 2022	4.07	2,400,000	–	(1,400,000)	1,000,000
	15 January 2023 to 14 January 2028	32.70	–	62,500,000	–	62,500,000
			2,400,000	62,500,000	(1,400,000)	63,500,000
Employees	23 March 2012 to 22 March 2022	4.07	3,600,000	–	(1,150,000)	2,450,000
	7 September 2019 to 6 September 2023	15.96	600,000	–	–	600,000
	15 January 2023 to 14 January 2028	32.70	–	566,610,000	–	566,610,000
			4,200,000	566,610,000	(1,150,000)	569,660,000
Other eligible participants	31 March 2018 to 30 March 2022	12.22	3,100,000	–	(1,500,000)	1,600,000
	14 January 2021 to 13 January 2025	16.04	800,000	–	–	800,000
			3,900,000	–	(1,500,000)	2,400,000
			10,500,000	629,110,000	(4,050,000)	635,560,000



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

22. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

2020 (Unaudited)

	Exercisable period	Exercise price per share HK\$	Outstanding at 1 January	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 30 June
Directors	23 March 2012 to 22 March 2022	4.07	2,400,000	–	–	–	2,400,000
Employees	18 January 2010 to 17 January 2020	4.07	34,132,000	–	(33,132,000)	(1,000,000)	–
	21 April 2010 to 20 April 2020	4.07	4,060,000	–	(4,000,000)	(60,000)	–
	23 March 2012 to 22 March 2022	4.07	5,200,000	–	(150,000)	–	5,050,000
	2 June 2016 to 1 June 2020	4.08	300,000	–	(300,000)	–	–
	7 September 2019 to 6 September 2023	15.96	600,000	–	–	–	600,000
			44,292,000	–	(37,582,000)	(1,060,000)	5,650,000
Other eligible participants	2 June 2016 to 1 June 2020	4.08	8,197,000	–	(8,197,000)	–	–
	31 March 2018 to 30 March 2022	12.22	5,500,000	–	–	–	5,500,000
	14 January 2021 to 13 January 2025	16.04	–	800,000	–	–	800,000
			13,697,000	800,000	(8,197,000)	–	6,300,000
			60,389,000	800,000	(45,779,000)	(1,060,000)	14,350,000

During the six months ended 30 June 2021, 629,110,000 options were granted on 15 January 2021 with total estimated fair values of approximately RMB5,091,294,000. The closing price of the Company's shares on the date on which the options were granted was HK\$31.20. The exercise price of the share options granted was HK\$32.70 per share.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

22. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS *(Continued)*

During the six months ended 30 June 2020, 800,000 options were granted on 14 January 2020 with total estimated fair values of approximately RMB3,731,000. The closing price of the Company's shares on the date on which the options were granted was HK\$16.04. The exercise price of the share options granted was HK\$16.04 per share.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair values were measured based on Binomial Option Pricing Model. The inputs into the model are as follows:

Grant date	15 January 2021	14 January 2020
Share price	HK\$31.20	HK\$16.04
Exercise price	HK\$32.70	HK\$16.04
Expected volatility	38.95%	48.08%
Expected life (expressed as weighted average life used in the modelling under Binomial Option Pricing Model)	7 years	5 years
Risk-free interest rate	0.55%	1.48%
Expected dividend yield	2%	1.40%

Expected volatility was determined by using historical volatility of the Company's share price, adjusted for any expected changes to future volatility based on publicly available information. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There was no market conditions associated with the share options granted.

During the six months ended 30 June 2021, the Group recognised a total expense of RMB640,601,000 (six months ended 30 June 2020: RMB2,428,000) in relation to share options granted by the Company and the share-based payments were shown as a separate line item on the condensed consolidated income statement.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

23. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the Interim Financial Report, during the period, the Group had the following material transactions with related parties:

		Six months ended 30 June	
Name of related parties	Nature of transactions	2021	2020
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Related companies (notes (a) and (b))			
Zhejiang Geely Automobile Company Limited [#] 浙江吉利汽車有限公司	Sales of complete knock down kits	17,102,812	12,127,771
	Sales of complete buildup units, complete knock down kits and related after-sales parts	376,540	–
	Sales of complete buildup units, complete knock down kits and related after-sales parts (Proton Sales Agreement)	–	382,590
	Claims income on defective materials purchased	101,091	69,834
	Purchase of complete buildup units	17,718,344	12,649,753
	Claims paid on defective materials sold	105,103	71,669
	Sales of automobile parts and components	25,665	2,656
	Research, development and technology licensing service income	38,321	–
Zhejiang Geely Business Services Company Limited [#] 浙江吉利商務服務有限公司	Business travel services expense	32,269	33,864
Zhejiang Haoqing Automobile Manufacturing Company Limited [#] 浙江豪情汽車製造有限公司	Sales of complete knock down kits	14,600,158	17,070,104
	Sales of complete buildup units, complete knock down kits and related after-sales parts	551,870	–
	Sales of complete buildup units, complete knock down kits and related after-sales parts (Proton Sales Agreement)	–	16,669
	Claims income on defective materials purchased	97,665	87,032
	Purchase of complete buildup units	14,980,186	17,747,191
	Claims paid on defective materials sold	90,586	86,203
	Acquisition of property, plant and equipment (note (e))	56,491	–
Zhejiang Geely Automobile Parts and Components Company Limited [#] 浙江吉利汽車零部件採購有限公司	Purchase of automobile parts and components	283,766	313,245
Linyi Lingji Chunhua Automobile Sales Service Company Ltd. [#] 臨沂領吉春華汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	81,070	53,680
Feixian Lingji Chunhua Automobile Sales Service Company Ltd. [#] 費縣領吉春華汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	25,978	22,081

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

23. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in the Interim Financial Report, during the period, the Group had the following material transactions with related parties (Continued):

		Six months ended 30 June	
Name of related parties	Nature of transactions	2021	2020
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Related companies (notes (a) and (b)) (Continued)			
Yishui Lingji Yuantong Automobile Sales Service Company Ltd.* 沂水領吉遠通汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	15,652	15,970
Dongying Lingji Kaihua Automobile Sales Service Company Ltd.* 東營領吉凱華汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	28,865	18,211
Sichuan Lingji Automobile Manufacturing Company Limited (formerly know as Sichuan Geely Automobile Parts Company Limited)* 四川領吉汽車製造有限公司 (前稱四川吉利汽車部件有限公司)	Sales of powertrain and related components	563,668	24,119
	Purchase of complete knock down kits and automobile components	578,509	–
Linyi Lingji Maohua Automobile Sales Service Company Ltd.* 臨沂領吉茂華汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	122,763	55,966
Ningbo Geely Automobile R&D Company Limited* 寧波吉利汽車研究開發有限公司	License fee income receivables	–	470,000
	Research, development and technology support service income	–	109,983
	Research, development and technology support service fee	–	2,058
	Research, development and technology licensing service income	1,032,706	–
	Research, development and technology licensing service fee	413,680	–
	Sales of powertrain and related components	10,558	6,180
	Acquisition of property, plant and equipment (note (e))	11,002	47
Viridi E-Mobility Technology (Suzhou) Co., Ltd.* 威睿電動汽車技術(蘇州)有限公司	Purchase of automobile components (Automobile Components Procurement Agreement)	41,572	25,366
Viridi E-Mobility Technology (Ningbo) Co. Ltd.* 威睿電動汽車技術(寧波)有限公司	Purchase of automobile components (Automobile Components Procurement Agreement)	285,531	18,625
Hubei Ecarx Company Limited* 湖北億咖通科技有限公司	Purchase of automobile components (Automobile Components Procurement Agreement)	39,605	458,254



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

23. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in the Interim Financial Report, during the period, the Group had the following material transactions with related parties (Continued):

		Six months ended 30 June	
Name of related parties	Nature of transactions	2021	2020
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Related companies (notes (a) and (b)) (Continued)			
Shanxi New Energy Automobile Industrial Company Limited# 山西新能源汽車工業有限公司	Sales of complete knock down kits	1,975,027	421,011
	Purchase of complete buildup units	1,985,709	354,385
Volvo Personvagnar AB	Sales of powertrain and related components	456,698	201,139
Shanghai Meihuan Trade Company Limited# 上海美寰貿易有限公司	Sales of complete buildup units, complete knock down kits and related after-sales parts	344,610	–
	Sales of complete buildup units, complete knock down kits and related after-sales parts (Proton Sales Agreement)	–	88,088
	Operational service income	72,159	5,193
Geely Automobile Group Company Limited# 吉利汽車集團有限公司	Operational service fee	37,848	14,606
Changsha Geely New Energy Automobile Sales Company Limited# 長沙吉利新能源汽車銷售有限公司	Sales of complete buildup units (electric vehicles)	12,965	71,879
Zhejiang Jichuang Automobile Parts Company Limited# 浙江吉創汽車零部件有限公司	Purchase of automobile components (Automobile Components Procurement Agreement)	1,340,959	906
Hangzhou Xuanyu Human Resources Company Limited# 杭州軒宇人力資源有限公司	Operational service fee	25,903	–
Chengdu Gaoyuan Automobile Industries Company Limited# ("Chengdu Automobile") 成都高原汽車工業有限公司 (note (c))	Sales of complete knock down kits	716,380	–
	Purchase of complete buildup units	743,674	–
	Acquisition of property, plant and equipment (note (e))	30,441	–
Ningbo Hangzhou Bay Geely Automobile Components Company Limited# 寧波杭州灣吉利汽車部件有限公司	Purchase of complete buildup units	44,165	–
Xian Geely Automobile Company Limited# 西安吉利汽車有限公司	Acquisition of property, plant and equipment (note (e))	51,743	–
	Sales of powertrain and related components	95,162	–
	Purchase of complete buildup units	32,728	–
	Purchase of complete knock down kits and automobile components	478,254	–



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

23. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in the Interim Financial Report, during the period, the Group had the following material transactions with related parties (Continued):

		Six months ended 30 June	
Name of related parties	Nature of transactions	2021	2020
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Related companies (notes (a) and (b)) (Continued)			
Zhejiang Jirun Meishan Automobile Parts Company Limited# 浙江吉潤梅山汽車部件有限公司	Purchase of complete buildup units	20,870	—
Lingji Automobile Trading Company Limited# 領吉汽車商貿有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	18,636	—
Shandong Geely New Energy Commercial Vehicle Co., Ltd.* 山東吉利新能源商用車有限公司	Sales of complete buildup units, complete knock down kits and related after-sales parts	21,855	—
Ningbo Jining Automobile Components Co., Ltd.* ("Ningbo Jining") 寧波吉寧汽車零部件有限公司 (note (d))	Purchase of automobile components (Automobile Components Procurement Agreement)	23,251	—
Beijing Lingjisheng Automobile Sales Service Co., Ltd.* 北京領吉盛汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	27,644	—
Jizhi (Hangzhou) Cultural Creativity Co., Ltd.* 吉智(杭州)文化創意有限公司	Business travel services expenses	60,412	—
Shanghai Jijin Mechanical and Electrical Equipment Company Limited# 上海吉津機電設備有限公司	Acquisition of property, plant and equipment (note (e))	31,254	—
Associates			
Mando (Ningbo) Automotive Parts Co., Limited# 萬都(寧波)汽車零部件有限公司	Purchase of automobile parts and components	711,492	477,018
BELGEE	Sales of automobile parts and components	400,824	306,794

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

23. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in the Interim Financial Report, during the period, the Group had the following material transactions with related parties (Continued):

		Six months ended 30 June	
Name of related parties	Nature of transactions	2021	2020
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Joint ventures			
Kaiyue Auto Parts Manufacture (Zhangjiakou) Co., Ltd. ^{#^} 凱悅汽車大部件製造(張家口)有限公司	Sales of powertrain and related components	610,444	667,280
	Purchase of complete buildup units	13,102	5
	Operational service income	61,812	2,225
LYNK & CO Automobile Sales Company Limited ^{#^} 領克汽車銷售有限公司	Operational service income	80,361	67,996
	Purchase of complete buildup units	13,763	9,230
	Sales of complete buildup units and related after-sales parts, components and accessories	14,082	–
Yuyao LYNK & CO Auto Parts Company Limited ^{#^} 余姚領克汽車部件有限公司	Sales of powertrain and related components	493,178	122,949
	Operational service income	51,133	797
LYNK & CO (Zhangjiakou) Co., Ltd. ^{#^} 領克汽車(張家口)有限公司	Operational service income	50,104	–
LYNK & CO International Sales (Yuyao) Co., Ltd. ^{#^} 領克汽車國際銷售(余姚)有限公司	Operational service income	17,178	–
Genius AFC 吉致汽車金融	Interest income	136,452	62,442

Notes:

- The Group and the related parties are under the common control of the substantial shareholder, namely Zhejiang Geely Holding Group Company Limited[#] 浙江吉利控股集團有限公司 ("Geely Holding"), the Company's ultimate holding company.
- The Group does not have the automobile catalogue issued by the National Development Reform Commission in the PRC which is required to facilitate payment of the PRC consumption tax. The related parties referred to above have the relevant automobile catalogue and therefore the sales of complete knock down kits to and purchase of complete buildup units from related parties as set out above have been presented on a net basis in the condensed consolidated income statement (to the extent that they are back-to-back transactions) since the said related parties in effect only act as a channel to facilitate the payment of the PRC consumption tax. For the same reason, the related claims income from and claims expenses paid to these related parties have also been presented on a net basis as long as they are back-to-back transactions.
- Chengdu Automobile has been disposed by the Group in July 2020. The transactions represented sales, purchases and acquisition of property, plant and equipment after disposal.
- Ningbo Jining has been disposed by the Group in August 2020. The transactions represented purchases after disposal.
- Pursuant to the acquisition agreement dated 4 November 2020, the Company entered into a transaction with Geely Holding, pursuant to which the Group agreed to acquire and the Geely Holding, together with its subsidiaries ("Geely Holding Group") agreed to sell the assets comprising predominantly imported equipment for use in the Group's production and research and development, as well as a small amount of office equipment and software for a maximum consideration of approximately RMB743,918,000.

[#] The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

[^] The companies are the wholly-owned subsidiaries of LYNK & CO Investment.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

24. EVENTS AFTER THE REPORTING DATE

Disposal of Maple Guorun

On 28 April 2021, Value Century Group Limited (“Value Century”) and Zhejiang Fulin Guorun Automobile Parts Company Limited* 浙江福林國潤汽車零部件有限公司 (“Zhejiang Fulin”), both wholly owned subsidiaries of the Company, a fellow subsidiary owned by the Company’s ultimate holding company and Zeekr Intelligent Technology Holding Limited (“Zeekr Holding”), an indirect 51% owned subsidiary of the Company, entered into a disposal agreement pursuant to which Zeekr Holding conditionally agreed to acquire through its indirect wholly foreign-owned subsidiary, and Value Century, Zhejiang Fulin and the fellow subsidiary conditionally agreed to sell, their respective 91%, 8% and 1% equity interest(s) of Maple Guorun, for a cash consideration of approximately RMB980.4 million in total. The disposal of Maple Guorun was completed in August 2021. Please refer to the Company’s announcement dated 28 April 2021 for further details.

Following the completion of the disposal, Maple Guorun continues to be a subsidiary of the Company and its financial results continues to be consolidated into the consolidated financial statements of the Group. As the disposal of Maple Guorun does not lead to a loss of the Group’s control over Maple Guorun, such disposal does not result in the recognition of any gain or loss in the consolidated income statement of the Group.

Acquisition of China-Euro Vehicle Technology AB (“CEVT”)

On 2 July 2021, Zeekr Holding and a fellow subsidiary owned by the Company’s ultimate holding company entered into an acquisition agreement pursuant to which Zeekr Holding conditionally agreed to acquire 100% of the equity interests in CEVT for a cash consideration of approximately 1,057.8 million Swedish Krona (equivalent to approximately RMB809.7 million). CEVT principally engaged in automotive design, software systems development, modular development, virtual engineering of intelligent electric vehicles and provision of mobility technology solutions. The acquisition of CEVT has not yet been completed as at the date of this Interim Financial Report. Please refer to the Company’s announcement dated 2 July 2021 for further details.

Acquisition of Zhejiang Haohan Energy Technology Company Limited* 浙江浩瀚能源科技有限公司 (“Haohan Energy”)

On 2 July 2021, Zeekr Holding and a fellow subsidiary owned by the Company’s ultimate holding company entered into an acquisition agreement pursuant to which Zeekr Holding conditionally agreed to acquire 30% of the equity interests in Haohan Energy for a cash consideration of approximately RMB9.0 million. Haohan Energy is principally engaged in the research and development of automobile charging systems and technologies, provision of automobile charging services and operation of automobile charging points and network. The acquisition of Haohan Energy has not yet been completed as at the date of this Interim Financial Report. Please refer to the Company’s announcement dated 2 July 2021 for further details.





NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2021

24. EVENTS AFTER THE REPORTING DATE *(Continued)*

Subscription for additional capital in Viridi E-Mobility Technology (Ningbo) Co., Ltd.[#] 威睿 電動汽車技術（寧波）有限公司 (“Ningbo Viridi”)

On 2 July 2021, Zeekr Holding and fellow subsidiaries owned by the Company's ultimate holding company entered into a subscription agreement pursuant to which Zeekr Holding conditionally agreed to subscribe for additional capital in Ningbo Viridi at a cash consideration of approximately RMB860.7 million. Upon completion of the subscription in Ningbo Viridi, Zeekr Holding will hold 51% of the enlarged share capital of Ningbo Viridi. Ningbo Viridi is principally engaged in the research, development, production and sale of automobile components including electric powertrain and battery systems and related products and provision of after-sales services. The subscription in Ningbo Viridi has not yet been completed as at the date of this Interim Financial Report. Please refer to the Company's announcement dated 2 July 2021 for further details.

Formation of Joint Venture

On 27 July 2021, Jirun Automobile entered into the joint venture agreement with Sunwoda Electric Vehicle Battery Co., Ltd.[#] 欣旺達電動汽車電池有限公司 and a fellow subsidiary owned by the Company's ultimate holding company, pursuant to which the parties agreed to form a joint venture (the “JV 2”) to engage in the development, production and sales of hybrid battery cells, battery modules and battery packs. The formation of the JV 2 has not yet been completed as at the date of this Interim Financial Report. Please refer to the Company's announcement dated 28 July 2021 for further details.

[#] The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

APPENDIX II

REPRODUCTION OF THE PRESS RELEASE DATED 4 NOVEMBER 2021 CONTAINING THE GUARANTOR'S CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

The information set out below is a reproduction of the press release dated 4 November 2021 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 2021.

RESULTS AT SEPTEMBER 30TH 2021

Press release

Paris, November 4th 2021,

Q3 21: EXCELLENT QUARTER, UNDERLYING GROUP NET INCOME OF EUR 1.4 BILLION⁽¹⁾ (EUR 1.6 BILLION ON A REPORTED BASIS)

Revenues up +14.9% vs. Q3 20 (+15.0%*) driven by growth in all the businesses, in particular a very strong momentum in Financial Services and Financing & Advisory, a very good performance by Global Markets, and continued growth in Retail Banking

Underlying gross operating income: EUR 2.4 billion⁽¹⁾, up 32.8%⁽¹⁾ vs. Q3 20, with a positive jaws effect

Still low cost of risk: 15 basis points in Q3 21, with no significant provision write-back

Profitability (ROTE): 10.9%⁽¹⁾ on an underlying basis and 12.7% on a reported basis in Q3 21

9M 21: UNDERLYING GROUP NET INCOME OF EUR 4.0 BILLION⁽¹⁾ (X5 VS. 9M 20)

Underlying gross operating income: EUR 6.6 billion⁽¹⁾, +61% vs. 9M 20, driven by revenue growth combined with continued good cost discipline

Cost of risk: 16 basis points

Profitability (ROTE): 10.4%⁽¹⁾ on an underlying basis and 10.0% on a reported basis in 9M 21

SOLID CAPITAL POSITION

Solid CET 1 ratio: 13.4%⁽²⁾ at end-September 2021, after provision for distribution and including the impact of the share buyback programme, or around 440 basis points above the regulatory requirement

Organic capital generation: 61 basis points in the first 9 months of 2021

Attractive shareholder return

- **Launch of the share buyback programme**, for an amount of around EUR 470 million, scheduled for November 4th, with the programme expected to be finalised by end-2021
- **Provision for distribution per share of EUR 2.03 in 9M 21** (financing both dividend and share buyback) consistent with a payout ratio of 50% of underlying Group net income⁽³⁾

SUCCESSFUL EXECUTION OF OUR STRATEGIC PROJECTS

Detailed presentation of the new French Retail Banking operation (a full merger project progressing as scheduled)

Very satisfactory implementation of the strategy in Global Banking & Investor Solutions

Development of our differentiating assets (Boursorama, ALD, KB)

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

"The Société Générale group enjoyed an excellent quarter, with strong commercial and financial performances in all the businesses and improvement of the cost-income ratio. The group also continued to benefit from the quality of its loan portfolio, with a low cost of risk combined with a continued very prudent provisioning policy. Thanks to the unfailing commitment of the teams, the different strategic projects announced, in particular the creation of a new French Retail Bank resulting from the merger of the Société Générale and Crédit du Nord networks, are all progressing in line with the objectives set. The group is already starting to prepare its new strategic plan 2022-2025, drawing on its strong, innovative and fast-growing businesses and its recognised leadership in terms of corporate social responsibility."

⁽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⁾ 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	Q3 21	Q3 20	Change		9M 21	9M 20	Change	
Net banking income	6,672	5,809	+14.9%	+15.0%*	19,178	16,275	+17.8%	+20.0%*
Operating expenses	(4,170)	(3,825)	+9.0%	+9.0%*	(13,025)	(12,363)	+5.4%	+6.6%*
<i>Underlying operating expenses(1)</i>	<i>(4,272)</i>	<i>(4,002)</i>	+6.8%	+6.7%*	<i>(12,594)</i>	<i>(12,186)</i>	+3.3%	+4.6%*
Gross operating income	2,502	1,984	+26.1%	+26.7%*	6,153	3,912	+57.3%	+63.4%*
<i>Underlying gross operating income(1)</i>	<i>2,400</i>	<i>1,807</i>	+32.8%	+33.5%*	<i>6,584</i>	<i>4,089</i>	+61.0%	+67.0%*
Net cost of risk	(196)	(518)	-62.2%	-62.4%*	(614)	(2,617)	-76.5%	-76.0%*
Operating income	2,306	1,466	+57.3%	+58.7%*	5,539	1,295	x 4.3	x 4.6*
<i>Underlying operating income(1)</i>	<i>2,204</i>	<i>1,289</i>	+70.9%	+72.7%*	<i>5,970</i>	<i>1,472</i>	x 4.1	x 4.3*
Net profits or losses from other assets	175	(2)	n/s	n/s	186	82	x 2.3	x 2.3*
Impairment losses on goodwill	-	-	n/s	n/s	-	(684)	n/s	n/s
Income tax	(699)	(467)	+49.7%	+50.9%*	(1,386)	(1,079)	+28.4%	+31.4%*
Net income	1,781	992	+79.5%	+80.9%*	4,343	(386)	n/s	n/s
O.w. non-controlling interests	(180)	(130)	+38.5%	+38.7%*	(489)	(342)	+43.0%	+43.5%*
Reported Group net income	1,601	862	+85.7%	+87.3%*	3,854	(728)	n/s	n/s
<i>Underlying Group net income(1)</i>	<i>1,391</i>	<i>742</i>	+87.4%	+89.3%*	<i>4,038</i>	<i>803</i>	x 5.0	x 5.5*
ROE	11.1%	5.7%			8.7%	-3.0%		
ROTE	12.7%	6.5%			10.0%	-1.4%		
<i>Underlying ROTE(1)</i>	<i>10.9%</i>	<i>5.5%</i>			<i>10.4%</i>	<i>1.0%</i>		

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

Societe Generale's Board of Directors, which met on November 3rd, 2021 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q3 and 9M 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

Net banking income increased by +14.9% (+15.0%*) vs. Q3 20, driven by a very strong momentum in all the businesses and the beginning of the recognition of the second TLTRO allowance for around EUR 0.1 billion.

French Retail Banking continued the progress initiated for several quarters. As a result, net banking income (excluding PEL/CEL provision) increased by +5.7% vs. Q3 20, driven by the recovery in net interest income and commissions.

International Retail Banking & Financial Services enjoyed strong revenue growth (+12.8%* vs. Q3 20), driven by the excellent momentum in Financial Services to Corporates (+39.9%* vs. Q3 20) and Insurance (+10.2%* vs. Q3 20). International Retail Banking also continued to progress (+4.0%* vs. Q3 20).

Global Banking & Investor Solutions also turned in an excellent performance, with revenues up +16.1% vs. Q3 20. Financing & Advisory enjoyed very strong growth (+30.7% vs. Q3 20) while Global Markets activity remained robust (+8.4% vs. Q3 20).

In 9M 21, the Group posted strong growth of +17.8% (+20.0%*) vs. 9M 20, with a positive contribution from all the businesses, and returned to a higher revenue level than in 9M 19 (EUR 18.5 billion).

Operating expenses

In Q3 21, operating expenses totalled EUR 4,170 million on a reported basis and EUR 4,272 million on an underlying basis (restated for the linearisation of IFRIC 21 and transformation costs amounting to EUR 97 million), representing an increase of +6.8% vs. Q3 20.

Driven by a positive jaws effect, underlying gross operating income rose +32.8% to EUR 2,400 million and the underlying cost to income ratio improved by nearly 5 points (64% vs. 69% in Q3 20).

In 9M 21, costs amounted to EUR 13,025 million on a reported basis and EUR 12,594 million on an underlying basis, up +3.3% vs. 9M 20. This limited growth can be explained by the rise in variable costs linked to the growth in revenues (EUR +595 million) and the increase in the IFRIC 21 charge (EUR +67 million). The other operating expenses declined by EUR 207 million, excluding structure effect.

Cost of risk

In Q3 21, the commercial cost of risk stood at a low level of 15 basis points, or EUR 196 million, lower than in Q3 20 (40 basis points) and slightly higher than in Q2 21 (11 basis points). It breaks down into a provision on non-performing loans of EUR 266 million and a provision write-back on performing loans of EUR 70 million.

The Group's provisions on performing loans currently amount to EUR 3,486 million.

As part of the support provided to its customers during the crisis, the Group granted State Guaranteed Loans. At September 30th 2021, the residual amount of State Guaranteed Loans represented around EUR 17 billion. In France, the total amount of State Guaranteed Loans ("PGE") amounts to around EUR 15 billion and net exposure is less than EUR 2 billion.

The gross doubtful outstandings ratio amounted to 3.1%⁽¹⁾ at September 30th 2021, stable vs. end-June 2021. The Group's gross coverage ratio for doubtful outstandings also remained stable at 52%⁽²⁾ at September 30th 2021 vs. June 30th 2021.

The cost of risk is not expected to exceed 20 basis points in 2021.

⁽¹⁾ NPL ratio calculated according to the EBA methodology published on July 16th, 2019

⁽²⁾ Ratio between the amount of provisions on doubtful outstandings and the amount of these same outstandings

Group net income

<i>In EURm</i>	Q3 21	Q3 20	9M 21	9M 20
Reported Group net income	1,601	862	3,854	(728)
Underlying Group net income ⁽¹⁾	1,391	742	4,038	803

<i>In %</i>	Q3 21	Q3 20	9M 21	9M 20
ROTE	12.7%	6.5%	10.0%	-1.4%
Underlying ROTE ⁽¹⁾	10.9%	5.5%	10.4%	1.0%

Earnings per share amounts to EUR 4.02 in 9M 21 (EUR -1.38 in 9M 20). Underlying earnings per share amounts to EUR 4.06 over the same period (EUR 0.42 in 9M 20).

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

2. THE GROUP'S FINANCIAL STRUCTURE

Group shareholders' equity totalled EUR 63.6 billion at September 30th, 2021 (EUR 61.7 billion at December 31st, 2020). Net asset value per share was EUR 65.5 and tangible net asset value per share was EUR 57.8.

The consolidated balance sheet totalled EUR 1,526 billion at September 30th, 2021 (EUR 1,462 billion at December 31st, 2020). The net amount of customer loan outstandings at September 30th, 2021, including lease financing, was EUR 468 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 487 billion, vs. EUR 451 billion at December 31st, 2020 (excluding assets and securities sold under repurchase agreements).

At October 20th, 2021, the parent company had issued EUR 31.5 billion of medium/long-term debt, having an average maturity of 5.4 years and an average spread of 38 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 32.9 billion of medium/long-term debt. As a result, the parent company had completed its 2021 annual financing programme on both vanilla debt and structured issuances.

The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 130% at end-September 2021, vs. 149% at end-December 2020. At the same time, the NSFR (Net Stable Funding Ratio) was at a level of 105% at end-September 2021, above the regulatory requirement of 100%.

The Group's **risk-weighted assets** (RWA), including IFRS9 phasing, amounted to EUR 363.5 billion at September 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 300.0 billion, up 4.4% vs. December 31st, 2020.

At September 30th, 2021, the Group's **Common Equity Tier 1** ratio stood at 13.4%, or around 440 basis points above the regulatory requirement. The CET1 ratio at September 30th, 2021 includes an effect of +19 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 15.6% at end-September 2021 (16% at end-December 2020) and the total capital ratio amounted to 18.6% (19.2% at end-December 2020).

The **leverage ratio** stood at 4.5% at September 30th, 2021 (4.8% at end-December 2020).

With a level of 29.9% of RWA and 8.6% of leverage exposure at end-September 2021, the Group's TLAC ratio is above the FSB's requirements for 2021 and 2022. At September 30th, 2021, the Group was also above its 2022 MREL requirements of 25.2% of RWA and 5.91% of leverage 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>	Q3 21	Q3 20	Change	9M 21	9M 20	Change
Net banking income	1,976	1,836	+7.6%	5,729	5,470	+4.7%
<i>Net banking income excl. PEL/CEL</i>	1,963	1,857	+5.7%	5,711	5,511	+3.6%
Operating expenses	(1,351)	(1,292)	+4.6%	(4,101)	(3,975)	+3.2%
Gross operating income	625	544	+14.9%	1,628	1,495	+8.9%
<i>Gross operating income excl. PEL/CEL</i>	612	565	+8.3%	1,610	1,536	+4.8%
Net cost of risk	5	(130)	-103.8%	(124)	(821)	-84.9%
Operating income	630	414	+52.2%	1,504	674	x 2.2
Net profits or losses from other assets	(2)	3	-166.7%	2	139	-98.6%
Reported Group net income	451	283	+59.4%	1,092	562	+94.3%
<i>Underlying Group net income (1)</i>	414	274	+50.9%	1,107	613	+80.6%
RONE	16.4%	9.5%		13.0%	6.5%	
<i>Underlying RONE(1)</i>	15.0%	9.2%		13.2%	7.1%	

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

Societe Generale and Cr dit du Nord networks:

Average loan outstandings were 2% lower than in Q3 20 at EUR 207 billion. They were 9% higher than in Q3 19. Average outstanding loans to individuals were up +1%, bolstered by the growth in home loan production (+58% vs. Q3 20). The production of medium/long-term loans to corporate and professional customers climbed +48% excluding State Guaranteed Loans vs. Q3 20.

Average outstanding balance sheet deposits⁽²⁾ increased by +7% vs. Q3 20 to EUR 240 billion, still driven by sight deposits, whose rate of growth nevertheless decelerated.

As a result, the average loan/deposit ratio stood at 87% in Q3 21 vs. 95% in Q3 20.

Insurance assets under management totalled EUR 91 billion at end-September 2021. Gross life insurance inflow amounted to EUR 1.9 billion in Q3 21, with the unit-linked share accounting for 36%.

Private Banking's assets under management totalled EUR 76 billion at end-September 2021. Net inflow remained buoyant at EUR 1.1 billion in Q3 21.

Property/casualty insurance premiums were up +3% vs. Q3 20, as were personal protection insurance premiums (+3% vs. Q3 20).

Boursorama:

The bank consolidated its position as the leading online bank in France, with more than 3.1 million clients at end-September 2021, thanks to the onboarding of 163,000 new clients in Q3 21 (+26% vs. Q3 20). Boursorama has exceeded 3 million clients ahead of its onboarding plan.

This quarter, Boursorama distinguished itself by obtaining 2022 award in the rankings for best online bank awarded by Moneyvox. Boursorama was also classified No. 1 in the rankings for best bank for students in France 2021 awarded by Selectra. The bank also received an award for its retirement savings plan ("MATLA") from the business magazines Challenges and Le Particulier (Victoire d'or). In addition, the bank received the 2022 Excellence Label for personal loans awarded by Les Dossiers de l'Epargne magazine.

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

Average outstanding loans rose +28% vs. Q3 20 to EUR 13 billion. Home loan outstandings were up +30% vs. Q3 20.

Average outstanding savings including deposits and financial savings were 30% higher than in Q3 20 at EUR 35 billion, while outstanding deposits were up +29% vs. Q3 20. Life insurance outstandings were 14% higher than in Q3 20 while assets under management in UCITS increased by +35% vs. Q3 20.

Net banking income excluding PEL/CEL

Q3 21: revenues (excluding PEL/CEL) totalled EUR 1,963 million, up +5.7% vs. Q3 20. Net interest income (excluding PEL/CEL) was up +5.9% vs. Q3 20. Commissions were 5.2% higher than in Q3 20 owing particularly to an increase in financial commissions against the backdrop of recovery.

9M 21: revenues (excluding PEL/CEL) totalled EUR 5,711 million, up +3.6% vs. 9M 20. Net interest income (excluding PEL/CEL) was stable (+0.5%) vs. 9M 20. Commissions were 5.1% higher than in 9M 20, benefiting from the strong growth in financial commissions.

Operating expenses

Q3 21: operating expenses totalled EUR 1,351 million (+4.6% vs. Q3 20) and EUR 1,390 million on an underlying basis. The cost to income ratio (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 68.8%, an improvement of 0.8 points vs. Q3 20.

9M 21: operating expenses totalled EUR 4,101 million (+3.2% vs. 9M 20) and EUR 4,062 million on an underlying basis. The cost to income ratio (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 71.8%, an improvement of 0.3 points vs. 9M 20.

Cost of risk

Q3 21: the commercial cost of risk represented a write-back of EUR 5 million or -1 basis point, a significant improvement vs. Q3 20 (24 basis points), and virtually stable vs. Q2 21 (1 basis point).

9M 21: the commercial cost of risk amounted to EUR 124 million or 8 basis points, a substantial decline compared to 9M 20 (52 basis points).

Contribution to Group net income

Q3 21: the contribution to Group net income was EUR 451 million vs. EUR 283 million in Q3 20 (+59% vs. Q3 20). RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 15.0% in Q3 21 (9.2% in Q3 20) and 16.1% excluding Boursorama.

9M 21: the contribution to Group net income was EUR 1,092 million (+94% vs. 9M 20). RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 13.2% in 9M 21 (7.1% in 9M 20) and 14.2% excluding Boursorama.

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

In EURm	Q3 21	Q3 20	Change		9M 21	9M 20	Change	
Net banking income	2,107	1,891	+11.4%	+12.8%*	5,958	5,605	+6.3%	+9.8%*
Operating expenses	(1,015)	(999)	+1.6%	+2.3%*	(3,115)	(3,124)	-0.3%	+2.6%*
Gross operating income	1,092	892	+22.4%	+24.7%*	2,843	2,481	+14.6%	+19.0%*
Net cost of risk	(145)	(331)	-56.2%	-56.7%*	(408)	(978)	-58.3%	-57.0%*
Operating income	947	561	+68.8%	+75.0%*	2,435	1,503	+62.0%	+69.0%*
Net profits or losses from other assets	4	(2)	n/s	n/s	10	9	+11.1%	+11.1%*
Reported Group net income	584	337	+73.3%	+80.0%*	1,498	928	+61.4%	+69.4%*
Underlying Group net income (1)	570	323	+76.5%	+83.7%*	1,512	942	+60.5%	+68.3%*
RONE	22.6%	12.9%			19.7%	11.6%		
Underlying RONE(1)	22.1%	12.3%			19.9%	11.8%		

(1) Adjusted for the linearisation of IFRIC 21

International Retail Banking's loan and deposit production experienced an increase in all geographical regions. Outstanding loans totalled EUR 90.9 billion. They rose +4.3%* vs. end-September 2020. Outstanding deposits were 9.6%* higher than in September 2020, at EUR 90.1 billion.

For the Europe scope, outstanding loans were up +5.1%* vs. September 2020 at EUR 58.1 billion, driven by all the regions: +4.4%* in the Czech Republic, +7.5%* in Romania, and +5.2%* in Western Europe. Outstanding deposits increased by +12.1%*.

In Russia, outstanding loans enjoyed healthy growth (+8.0%*), with a robust performance in home loans and in the corporate customers segment with outstanding loans up +15%* and +7%* respectively vs. Q3 20. Outstanding deposits also rose (+3.6%*).

In Africa, Mediterranean Basin and French Overseas Territories, outstanding loans rose +0.9%*. Outstanding deposits, up +7.2%*, enjoyed a healthy momentum.

In the Insurance business, the life insurance savings business saw outstandings increase +8%* at end-September 2021 vs. September 2020 to EUR 132 billion. The share of unit-linked products in outstandings was 35%, an increase of +5 points vs. September 2020.

Financial Services to Corporates also enjoyed a healthy momentum. Operational Vehicle Leasing and Fleet Management had 1.7 million contracts, including 1.4 million financed vehicles, an increase of 0.6% vs. end-September 2020. Equipment Finance's new leasing business was up +11%* vs. Q3 20 (+12%* in 9M 21), while outstanding loans were stable vs. end-September 2020, at EUR 14.3 billion (excluding factoring).

Net banking income

Net banking income amounted to EUR 2,107 million in Q3 21, up +12.8%* vs. Q3 20. Revenues amounted to EUR 5,958 million in 9M 21, up +9.8%* vs. 9M 20.

International Retail Banking's net banking income totalled EUR 1,271 million in Q3 21, an increase of +4.0%* vs. Q3 20. Thanks to a healthy commercial momentum and an increase in commissions (+17%* vs. Q3 20), revenues in Europe were 6.2%* higher than in Q3 20. Activity in the individual customers segment remained particularly robust in specialised consumer finance, with revenues up +14%* vs. Q3 20. For the SG Russia⁽²⁾ scope, revenues were down -4.8%* (-1.4%* vs. 9M 20) despite a healthy momentum in the corporate customers and home loan segments. The Africa, Mediterranean Basin and

⁽²⁾ SG Russia encompasses the entities Rosbank, Rosbank Insurance, ALD Automotive and their consolidated subsidiaries

French Overseas Territories scope posted revenues up +4.4%* vs. Q3 20. International Retail Banking's net banking income totalled EUR 3,689 million in 9M 21, up +2.6%* vs. 9M 20.

The Insurance business posted net banking income up +10.2%* vs. Q3 20, at EUR 246 million in Q3 21. The gross premiums of the life insurance savings business were 59%* higher in Q3 21 than in Q3 20, with an attractive share of unit-linked products (43%). Protection insurance saw an increase of +7%* vs. Q3 20. Property/casualty premiums rose +10%* (including +8%* in France and +17%* internationally), as did personal protection insurance (+5%* vs. Q3 20). The Insurance business' net banking income was 8.8%* higher in 9M 21 than in 9M 20 at EUR 720 million.

Financial Services to Corporates' net banking income was substantially higher (+39.9%*) than in Q3 20, at EUR 590 million. This performance was driven primarily by the activities of ALD which posted an increase in leasing margins (+12%⁽¹⁾ vs. Q3 20) and the used car sale result (EUR 1,126 per unit in 9M 21). Financial Services to Corporates' net banking income totalled EUR 1,549 million in 9M 21, up +32.6%* vs. 9M 20.

Operating expenses

Operating expenses totalled EUR 1,015 million, an increase of +2.3%* on a reported basis and +2.3%* also on an underlying basis vs. Q3 20, in conjunction with the growth in revenue. As a result, the quarter generated a positive jaws effect. The cost to income ratio stood at 48.2% in Q3 21. Operating expenses amounted to EUR 3,115 million in 9M 21, an increase of +2.6%* vs. 9M 20.

In International Retail Banking, operating expenses were up +3.4%* vs. Q3 20. Operating expenses were slightly higher (+2.0%*) in 9M 21 than in 9M 20.

In the **Insurance** business, operating expenses were in line with the expansion ambitions and rose +4.5%* vs. Q3 20 and +4.3%* vs. 9M 20.

In **Financial Services to Corporates**, operating expenses increased by +2.0%* vs. Q3 20 and +4.1%* vs. 9M 20.

Cost of risk

Q3 21: the commercial cost of risk amounted to 43 basis points (EUR 145 million), vs. 37 basis points in Q2 21 and 102 basis points in Q3 20.

9M 21: the cost of risk amounted to 41 basis points (EUR 408 million). It was 98 basis points in 9M 20.

Contribution to Group net income

The contribution to Group net income totalled EUR 584 million in Q3 21 (+80.0%* vs. Q3 20) and EUR 1,498 million in 9M 21 (+69.4%* vs. 9M 20). Underlying RONE stood at 22.1% in Q3 21 (vs. 12.3% in Q3 20) and 19.9% in 9M 21 (11.8% in 9M 20).

⁽¹⁾ Based on ALD local data

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EURm	Q3 21	Q3 20	Change		9M 21	9M 20	Change	
Net banking income	2,361	2,034	+16.1%	+15.4%*	7,210	5,541	+30.1%	+32.5%*
Operating expenses	(1,608)	(1,478)	+8.8%	+8.2%*	(5,307)	(5,025)	+5.6%	+6.9%*
Gross operating income	753	556	+35.4%	+34.5%*	1,903	516	x 3.7	x 4*
Net cost of risk	(57)	(57)	-	-	(83)	(818)	-89.9%	-89.5%*
Operating income	696	499	+39.5%	+38.4%*	1,820	(302)	n/s	n/s
Group net income	563	381	+47.8%	+46.6%*	1,441	(223)	n/s	n/s
Underlying Group net income (1)	467	295	+58.0%	+56.4%*	1,537	(137)	n/s	n/s
RONE	14.7%	10.3%			13.1%	-2.1%		
Underlying RONE(1)	12.2%	7.9%			14.0%	-1.3%		

(1) Adjusted for the linearisation of IFRIC 21

Net banking income

In Q3 21, **Global Banking & Investor Solutions** enjoyed a healthy momentum in its businesses, with revenues of EUR 2,361 million, substantially higher (+16.1%) than in Q3 20.

In 9M 21, revenues rose +30.1% vs. 9M 20 (EUR 7,210 million vs. EUR 5,541 million), and were higher than 9M 19 revenues (EUR 6,518 million).

In Global Markets & Investor Services, net banking income totalled EUR 1,349 million (+8.4% vs. Q3 20). It amounted to EUR 4,388 million in 9M 21 (+46.1% vs. 9M 20).

The Equity market was active, driven by commercial activity that remained buoyant throughout the quarter. The business posted revenues of EUR 814 million, up +53% vs. Q3 20, with a good performance in all activities. Volumes were particularly high on investment solutions products (structured products and listed products) and on prime services products.

Revenues totalled EUR 2,423 million in 9M 21 (vs. EUR 682 million in 9M 20).

Market conditions were less favourable for the Fixed Income franchise model: substantial spread compression on financing, coupled with reduced client demand in Fixed Income markets. The environment was also unfavourable in Asia. However, commercial activity remained resilient on the Corporates franchise. Fixed Income & Currency activities posted revenues of EUR 380 million in Q3 21, down -33% vs. a good Q3 20.

Revenues were 21% lower in 9M 21 compared to the exceptionally high level in 9M 20.

Securities Services' revenues saw a further increase, with revenues up +6.9% vs. Q3 20, at EUR 155 million. They were 10% higher in 9M 21 than in 9M 20, at EUR 490 million.

Securities Services' assets under custody amounted to EUR 4,475 billion, slightly higher than at end-June 2021. Over the same period, assets under administration were up +2.9%, at EUR 680 billion.

Financing & Advisory delivered the best historical performance, with revenues of EUR 757 million in Q3 21, up +31% vs. Q3 20. They amounted to EUR 2,110 million in 9M 21, significantly higher (+13%) than in 9M 20 (+15%* when adjusted for changes in Group structure and at constant exchange rates).

Investment Banking enjoyed an excellent quarter, driven by the strong momentum of advisory, M&A and Leveraged Buyout activities. Revenues from Asset Finance, Natural Resources and Infrastructure activities and the Asset-Backed Products platform also showed a substantial increase.

Global Transaction and Payment Services continued to enjoy strong growth, up +23% vs. Q3 20.

Asset and Wealth Management's net banking income totalled EUR 255 million in Q3 21 (+21% vs. Q3 20). It was 6% higher in 9M 21.

Private Banking posted a substantial increase in its revenues (+20% vs. Q3 20) to EUR 184 million. The business benefited from a favourable market environment and strong commercial activity. Net inflow amounted to EUR +2.2 billion during the quarter.

Net banking income totalled EUR 528 million in 9M 21, up +2.3% vs. 9M 20 (when restated for an exceptional impact of EUR +29 million related to an insurance payout received in 2020, it is up +8.4%). Net inflow was high (EUR +6.8 billion in the first nine months) and positive in all geographical regions. Assets under management totalled EUR 127 billion. They rose +11% vs. end-September 2020.

Lyxor's net banking income amounted to EUR 64 million, an increase of +21% vs. Q3 20. Assets under management were up +28% vs. end-September 2020, at EUR 169 billion.

Revenues were 17% higher in 9M 21 than in 9M 20, with net inflow of EUR +14 billion.

Operating expenses

Q3 21: operating expenses totalled EUR 1,608 million and EUR 1,733 million on an underlying basis. Higher underlying costs (+9.3% vs. Q3 20) can be explained by the rise in variable costs related to the increase in earnings and IFRIC 21 charges. Thanks to a very positive jaws effect, there was an improvement in the cost to income ratio of 5 points (68% vs. 73% in Q3 20).

9M 21: operating expenses were up +5.6% on a reported basis and +5.4% on an underlying basis.

Net cost of risk

Q3 21: the commercial cost of risk amounted to 14 basis points (or EUR 57 million), the same level as in Q3 20.

9M 21: it was at a low level of 7 basis points, well below 9M 20 (66 basis points) which was adversely affected by the health crisis.

Contribution to Group net income

Q3 21: the contribution to Group net income was EUR 563 million on a reported basis (+48% vs. Q3 20) and EUR 467 million on an underlying basis (+58% vs. Q3 20).

9M 21: it was EUR 1,441 million and EUR 1,537 million respectively.

Global Banking & Investor Solutions posted a significant underlying RONE of 12.2% in Q3 21 and 14.0% in 9M 21.

6. CORPORATE CENTRE

<i>In EURm</i>	Q3 21	Q3 20	9M 21	9M 20
Net banking income	228	48	281	(341)
Operating expenses	(196)	(56)	(502)	(239)
<i>Underlying operating expenses (1)</i>	<i>(110)</i>	<i>(69)</i>	<i>(259)</i>	<i>(226)</i>
Gross operating income	32	(8)	(221)	(580)
<i>Underlying gross operating income (1)</i>	<i>118</i>	<i>(21)</i>	<i>22</i>	<i>(567)</i>
Net cost of risk	1	-	1	-
Impairment losses on goodwill	-	-	-	(684)
Income tax	(166)	(84)	(6)	(534)
Reported Group net income	3	(139)	(177)	(1,995)
<i>Underlying Group net income (1)</i>	<i>(69)</i>	<i>(137)</i>	<i>(132)</i>	<i>(586)</i>

(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 228 million in Q3 21 vs. EUR +48 million in Q3 20 and EUR +281 million in 9M 21 vs. EUR -341 million in 9M 20.

Operating expenses totalled EUR 196 million in Q3 21 vs. EUR 56 million in Q3 20. They include the Group's transformation costs for a total amount of EUR 97 million relating to the activities of French Retail Banking (EUR 46 million), Global Banking & Investor Solutions (EUR 23 million) and the Corporate Centre (EUR 28 million). Underlying costs came to EUR 110 million in Q3 21 compared to EUR 69 million in Q3 20.

Operating expenses totalled EUR 502 million in 9M 21 vs. EUR 239 million in 9M 20. They include the Group's transformation costs for a total amount of EUR 232 million relating to the activities of French Retail Banking (EUR 106 million), Global Banking & Investor Solutions (EUR 66 million) and the Corporate Centre (EUR 60 million). Underlying costs came to EUR 259 million in 9M 21 compared to EUR 226 million in 9M 20.

Gross operating income totalled EUR 32 million in Q3 21 vs. EUR -8 million in Q3 20 and EUR -221 million in 9M 21 vs. EUR -580 million in 9M 20. Underlying gross operating income came to EUR +22 million in 9M 21.

The **Corporate Centre's contribution to Group net income was EUR 3 million** in Q3 21 vs. EUR -139 million in Q3 20 and EUR -177 million in 9M 21 vs. EUR -1,995 million in 9M 20. It includes a capital gain on a property sale amounting to EUR 185 million, before tax is taken into account (EUR 132 million net of tax).

7. CONCLUSION

The Group delivered an excellent performance in the first 9 months of 2021. All the businesses experienced healthy revenue growth, compared to the first 9 months of 2020, and a improvement in their cost to income ratio due to disciplined cost management.

At end-September 2021, the Group's CET1 ratio stood at 13.4%⁽¹⁾ comfortably above its regulatory requirement, after taking account of the distribution provision of EUR 2.03⁽²⁾ (financing both dividend and share buyback) and the capital impact of the announced share buyback programme of around EUR 470 million. Authorised by the ECB on September 30th 2021, the Group intends to implement the programme as from November 4th and by end-2021. During this period, the group will suspend the liquidity contract.

Furthermore, the Group continues to execute its strategy with the achievement, this quarter, of a new key milestone. On October 12th, the Group provided information on the model and the detailed organisational structure of its new French Retail Bank. The project to merge the networks is therefore progressing according to the announced timetable. The other businesses are successfully rolling out their strategy presented at the dedicated Investor Days.

⁽¹⁾ Phased-in ratio; fully-loaded ratio of 13.2%

⁽²⁾ Based on a payout ratio of 50% of underlying Group net income after deducting interest on deeply subordinated notes and undated subordinated notes

8. 2021 FINANCIAL CALENDAR

2021 Financial communication calendar

February 10 th , 2022	Fourth quarter and FY 2021 results
May 5 th , 2022	First quarter 2022 results
May 17 th , 2022	2022 General Meeting
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	Q3 21	Q3 20	Change	9M 21	9M 20	Change
French Retail Banking	451	283	59.4%	1,092	562	94.3%
International Retail Banking and Financial Services	584	337	73.3%	1,498	928	61.4%
Global Banking and Investor Solutions	563	381	47.8%	1,441	(223)	n/s
Core Businesses	1,598	1,001	59.6%	4,031	1,267	x 3.2
Corporate Centre	3	(139)	n/s	(177)	(1,995)	91.1%
Group	1,601	862	85.7%	3,854	(728)	n/s

CONSOLIDATED BALANCE SHEET

	30.09.2021	31.12.2020
Cash, due from central banks	176,531	168,179
Financial assets at fair value through profit or loss	436,594	429,458
Hedging derivatives	14,021	20,667
Financial assets measured at fair value through other comprehensive income	45,780	52,060
Securities at amortised cost	18,687	15,635
Due from banks at amortised cost	66,144	53,380
Customer loans at amortised cost	475,923	448,761
Revaluation differences on portfolios hedged against interest rate risk	172	378
Investment of insurance activities	174,240	166,854
Tax assets	4,307	5,001
Other assets	78,469	67,341
Non-current assets held for sale	390	6
Investments accounted for using the equity method	95	100
Tangible and intangible assets	31,180	30,088
Goodwill	3,821	4,044
Total	1,526,354	1,461,952

	30.09.2021	31.12.2020
Central banks	6,684	1,489
Financial liabilities at fair value through profit or loss	386,465	390,247
Hedging derivatives	9,576	12,461
Debt securities issued	133,194	138,957
Due to banks	148,430	135,571
Customer deposits	497,155	456,059
Revaluation differences on portfolios hedged against interest rate risk	4,250	7,696
Tax liabilities	1,683	1,223
Other liabilities	96,568	84,937
Non-current liabilities held for sale	125	-
Liabilities related to insurance activities contracts	152,619	146,126
Provisions	4,491	4,775
Subordinated debts	15,826	15,432
Total liabilities	1,457,066	1,394,973
SHAREHOLDERS' EQUITY		
Shareholders' equity, Group share		
Issued common stocks and capital reserves	22,364	22,333
Other equity instruments	7,534	9,295
Retained earnings	30,866	32,076
Net income	3,854	(258)
Sub-total	64,618	63,446
Unrealised or deferred capital gains and losses	(980)	(1,762)
Sub-total equity, Group share	63,638	61,684
Non-controlling interests	5,650	5,295
Total equity	69,288	66,979
Total	1,526,354	1,461,952

10.APPENDIX 2: METHODOLOGY

1 –The financial information presented in respect of Q3 and 9M 2021 was examined by the Board of Directors on November 3rd, 2021 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. This information has not been audited.

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:

Q3 21 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(4,170)	175	0	(699)	1,601	
(+) IFRIC 21 linearisation	(199)			46	(149)	
(+) Transformation charges ⁽¹⁾	97			(27)	70	Corporate Center ⁽¹⁾
(+) Capital gains on Haussmann office disposal ⁽¹⁾		(185)		53	(132)	Corporate Center
Underlying	(4,272)	(10)	0	(627)	1,391	

Q3 20 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(3,825)	(2)	0	(467)	862	
(+) IFRIC 21 linearisation	(177)			53	(120)	
Underlying	(4,002)	(2)	0	(414)	742	

9M 21 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(13,025)	186	0	(1,386)	3,854	
(+) IFRIC 21 linearisation	199			(46)	149	
(+) Transformation charges ⁽¹⁾	232			(65)	167	Corporate Center ⁽²⁾
(+) Capital gains on Haussmann office disposal ⁽¹⁾		(185)		53	(132)	Corporate Center
Underlying	(12,594)	1	0	(1,444)	4,038	

9M 20 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(12,363)	82	(684)	(1,079)	(728)	
(+) IFRIC 21 linearisation	177			(53)	120	
(+) Group refocusing plan		77			77	Corporate center
(-) Goodwill impairment ⁽¹⁾			684		684	Corporate center
(-) DTA impairment ⁽¹⁾				650	650	Corporate center
Underlying	(12,186)	159	0	(482)	803	

^(*) Exceptional item

- (1) Transformation and/or restructuring charges in Q3 21 related to French Retail Banking (EUR 46m), Global Banking & Investor Solutions (EUR 23m) and Corporate Centre (EUR 28m)
- (2) Transformation and/or restructuring charges in 9M 21 related to French Retail Banking (EUR 106m), Global Banking & Investor Solutions (EUR 66m) and Corporate Centre (EUR 60m)

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)	Q3 21	Q3 20	9M 21	9M 20
French Retail Banking	Net Cost Of Risk	(5)	130	124	821
	Gross loans Outstanding	217,332	217,156	217,549	208,604
	Cost of Risk in bp	(1)	24	8	52
International Retail Banking and Financial Services	Net Cost Of Risk	145	331	408	978
	Gross loans Outstanding	134,725	129,838	132,088	133,240
	Cost of Risk in bp	43	102	41	98
Global Banking and Investor Solutions	Net Cost Of Risk	57	57	83	818
	Gross loans Outstanding	167,410	162,429	161,432	165,389
	Cost of Risk in bp	14	14	7	66
Corporate Centre	Net Cost Of Risk	(1)	0	(1)	0
	Gross loans Outstanding	14,244	12,400	13,589	10,800
	Cost of Risk in bp	(1)	(1)	(1)	1
Societe Generale Group	Net Cost Of Risk	196	518	614	2,617
	Gross loans Outstanding	533,711	521,822	524,659	518,033
	Cost of Risk in bp	15	40	16	67

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	Q3 21	Q3 20	9M 21	9M 20
Shareholders' equity Group share	63,638	60,593	63,638	60,593
Deeply subordinated notes	(7,820)	(7,873)	(7,820)	(7,873)
Undated subordinated notes		(274)		(274)
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	(34)	(4)	(34)	(4)
OCI excluding conversion reserves	(613)	(875)	(613)	(875)
Dividend provision ⁽¹⁾	(1,726)	(178)	(1,726)	(178)
ROE equity end-of-period	53,445	51,389	53,445	51,389
Average ROE equity	52,947	51,396	52,215	52,352
Average Goodwill	(3,927)	(3,928)	(3,927)	(4,253)
Average Intangible Assets	(2,599)	(2,464)	(2,549)	(2,417)
Average ROTE equity	46,421	45,004	45,739	45,682
Group net Income (a)	1,601	862	3,854	(728)
Underlying Group net income (b)	1,391	742	4,038	803
Interest on deeply subordinated notes and undated subordinated notes (c)	(130)	(127)	(439)	(447)
Cancellation of goodwill impairment (d)				684
Adjusted Group net Income (e) = (a)+ (c)+(d)	1,471	735	3,415	(491)
Adjusted Underlying Group net Income (f)=(b)+(c)	1,261	615	3,599	356
Average ROTE equity (g)	46,421	45,004	45,739	45,682
ROTE [quarter: (4*e/g), 9M: (4/3*e/g)]	12.7%	6.5%	10.0%	-1.4%
Underlying ROTE	46,210	44,884	45,923	47,213
Underlying ROTE [quarter: (4*f/h), 9M: (4/3*f/h)]	10.9%	5.5%	10.4%	1.0%

RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EURm	Q3 21	Q3 20	Change	9M 21	9M 20	Change
French Retail Banking	11,025	11,879	-7.2%	11,201	11,507	-2.7%
International Retail Banking and Financial Services	10,340	10,468	-1.2%	10,154	10,627	-4.5%
Global Banking and Investor Solutions	15,327	14,868	3.1%	14,687	14,306	2.7%
Core Businesses	36,693	37,215	-1.4%	36,042	36,440	-1.1%
Corporate Center	16,254	14,180	14.6%	16,173	15,912	1.6%
Group	52,947	51,396	3.0%	52,215	52,352	-0.3%

⁽¹⁾ The provision is calculated on a payout ratio of 50% of underlying Group net income, excluding linearisation of IFRIC 21, after deducting interest on deeply subordinated notes and undated subordinated notes

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	9M 21	H1 21	2020
Shareholders' equity Group share	63,638	63,136	61,684
Deeply subordinated notes	(7,820)	(8,905)	(8,830)
Undated subordinated notes	-	(62)	(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	(34)	(1)	19
Bookvalue of own shares in trading portfolio	(45)	(46)	301
Net Asset Value	55,739	54,122	52,910
Goodwill	(3,927)	(3,927)	(3,928)
Intangible Assets	(2,641)	(2,556)	(2,484)
Net Tangible Asset Value	49,171	47,639	46,498
Number of shares used to calculate NAPS*	850,430	850,429	848,859
Net Asset Value per Share	65.5	63.6	62.3
Net Tangible Asset Value per Share	57.8	56.0	54.8

* The number of shares considered is the number of ordinary shares outstanding as at September 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)	9M 21	H1 21	2020
Existing shares	853,371	853,371	853,371
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	3,335	3,466	2,987
Other own shares and treasury shares			
Number of shares used to calculate EPS**	850,036	849,905	850,385
Group net Income	3,854	2,253	(258)
Interest on deeply subordinated notes and undated subordinated notes	(439)	(309)	(611)
Capital gain net of tax on partial buybacks			
Adjusted Group net income	3,415	1,944	(869)
EPS (in EUR)	4.02	2.29	(1.02)
Underlying EPS* (in EUR)	4.06	2.40	0.97

(*) Calculated on the basis of underlying Group net income excluding linearisation of IFRIC 21. Or EUR 4.23 taking into account the linearisation of IFRIC 21 in 9M 21.

(**) The number of shares considered is the number of ordinary shares outstanding as at September 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 following 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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