

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).

20,000,000 European Style Cash Settled Long Certificates
relating to the ordinary shares of Yangzijiang Shipbuilding (Holdings) Ltd.
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\$0.50 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by SG Issuer (the “**Issuer**”) unconditionally and irrevocably guaranteed by Société Générale (the “**Guarantor**”), and is supplemental to and should be read in conjunction with a base listing document dated 17 June 2022 including such further base listing documents as may be issued from time to time (the “**Base Listing Document**”) for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

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

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

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and

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

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

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 17 June 2022 (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 20 December 2022.

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.

19 December 2022

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

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

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

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

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

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

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

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

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RISK FACTORS

The following are risk factors relating to the Certificates:

- (a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;
- (b) the Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;
- (c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has fallen sharply;
- (d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;
- (e) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;
- (f) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;
- (g) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;
- (h) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 29 to 33 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section of this document for more information;
- (i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;

- (j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);
- (k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy (as described below) including the Funding Cost (as defined below) and Rebalancing Cost (as defined below);
- (l) investors should note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;
- (m) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;
- (n) 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);
- (o) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;
- (p) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight fall in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens (including the pre-opening session) the following day or (ii) a sharp intraday fall in the price of the Underlying Stock of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 49 to 50 of this document for more information;
- (q) In the case of extreme market conditions or where the Air Bag Mechanisms are triggered simultaneously, trading in the Certificates may be suspended for an extended period, which may be up to an additional 15 minutes, to facilitate the intra-day adjustment under the Air Bag Mechanism;
- (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 34 to 36 of this document for more information;

- (s) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;
- (t) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;
- (u) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

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

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii)

if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

- (w) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;
- (x) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may decline. The following is a list of some of the significant risks associated with the Underlying Stock:
 - Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and
 - The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;
- (y) the value of the Certificates depends on the Leverage Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Strategy last closing level and a calculation tool available to the investors on a website;
- (z) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;
- (aa) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited (“**CDP**”):
 - (i) investors should note that no definitive certificate will be issued in relation to the Certificates;
 - (ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;
 - (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and
 - (iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;
- (bb) the 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;

(cc) 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

(dd) 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 Fund Framework (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, and continues to be, 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).

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 BRRD, the BRR Act 2015 and the SRM Regulation however also state that, under exceptional circumstances, if the bail-in instrument is applied, the SRB, in cooperation with the CSSF, may completely or partially exclude certain liabilities from the application of the impairment or conversion powers under certain conditions.

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 regime has evolved 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 were 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 ("**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 introduced, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet ("**FSB TLAC Term Sheet**"), by adapting, among other things, 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 has been 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 since January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator since January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

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 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, have to comply with TLAC requirements, on top of the MREL requirements, since the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale have to comply with both the TLAC and MREL requirements.

Consequently, the criteria for MREL-eligible liabilities have been closely aligned with the criteria for TLAC-eligible liabilities under CRR II, 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 MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance with only an additional return permitted to be linked to that derivative component and dependent on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL is set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance and may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining term of at least one year and, they recognise contractually the Resolution Authority's power to write down or convert the liabilities governed by non-EU law.

The scope of liabilities used to meet 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 BRRD, as amended by 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 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, including Societe Generale).

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:	20,000,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Yangzijiang Shipbuilding (Holdings) Ltd. (the “ Underlying Stock ”)
ISIN:	LU2375047045
Company:	Yangzijiang Shipbuilding (Holdings) Ltd. (RIC: YAZG.SI)
Underlying Price ³ and Source:	S\$1.390 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	5x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 0.50
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	6.90%, is a hedging cost against extreme market movements overnight.
Funding Cost ⁶ :	The annualised costs of funding, referencing a publicly published reference rate plus spread.
Rebalancing Cost ⁶ :	The transaction costs (if applicable), computed as a function of leverage and daily performance of the Underlying Stock.
Launch Date:	13 December 2022
Closing Date:	19 December 2022
Expected Listing Date:	20 December 2022

³ These figures are calculated as at, and based on information available to the Issuer on or about 19 December 2022. 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 19 December 2022.

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

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

⁶ These costs are embedded within the Leverage Strategy.

Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 11 December 2024
Expiry Date:	18 December 2024 (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:	17 December 2024 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	<p>The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.</p>
Cash Settlement Amount:	<p>In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:</p> <p>Closing Level multiplied by the Notional Amount per Certificate</p> <p>Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 40 to 55 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.</p>
Hedging Fee Factor:	<p>In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of $(1 - \text{Management Fee } x (\text{ACT } (t-1;t) \div 360)) \times (1 - \text{Gap Premium } (t-1) \times (\text{ACT } (t-1;t) \div 360))$, where:</p> <p>“t” refers to “Observation Date” which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date; and</p>

ACT (t-1;t) means the number of calendar days between the Exchange 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 Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange 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 Exchange Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Strategy and the value of the Certificate on that fifth Exchange 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.

Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 40 to 55 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level:

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

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

Initial Reference Level:

1,000

Final Reference Level:

The closing level of the Leverage Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Strategy is set out in the “Specific Definitions relating to the Leverage Strategy” section on pages 18 to 23 below.

Initial Exchange Rate:

1

Final Exchange Rate:

1

Air Bag Mechanism:

The “**Air Bag Mechanism**” refers to the mechanism built in the Leverage Strategy and which is designed to reduce the Leverage Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock falls by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents an approximately 75% loss after a 5 times leverage), the Air Bag Mechanism is triggered and the Leverage Strategy is adjusted intra-

day. The Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.

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

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

Please refer to the “Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)” section on pages 21 to 23 below and the “Description of Air Bag Mechanism” section on pages 46 to 48 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:	Singapore Dollar (“ SGD ”)
Settlement Currency:	SGD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (the “ SGX-ST ”)
Relevant Stock Exchange for the Underlying Stock:	The SGX-ST
Business Day and Exchange Business Day:	A “ Business Day ” or an “ Exchange 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.
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 Strategy including the Funding Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.

Further Information:

Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Strategy

Description of the Leverage Strategy

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

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

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

Leverage Strategy Formula

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

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

On Observation Date(1):

$$LSL_1 = 1000$$

On each subsequent Observation Date(t):

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

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 :

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

RC_{t-1,t} means the Rebalancing Cost of the Leverage 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:

0.04%

“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), a rate calculated as of such day in accordance with the following formula:

$$\text{Rate}_t = \text{CashRate}_t + \% \text{SpreadLevel}_t$$

CashRate_t means, in respect of each Observation Date(t), the daily Singapore Overnight Rate Average (SORA) provided by the Monetary Authority of Singapore as administrator of the benchmark (or a successor administrator), as published on BLOOMBERG/SIBCSORA Index or any successor page, being the rate as of day (t-2) at 09:00 Singapore time, provided that if such rate is not available, then such rate shall be determined by reference to the last available rate that was published on Refinitiv Screen (SORA=MAST) or any successor page.

%SpreadLevel_t 0.23%, subject to change by the Issuer on giving 10 Business Days' notice to investors via SGXNet.

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

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

where

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

ACT(t-1,t)	ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).
DayCountBasisRate	365
Benchmark Fallback	upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
Reference Rate Event	<p>means, in respect of the Reference Rate any of the following has occurred or will occur:</p> <ul style="list-style-type: none"> (i) a Reference Rate Cessation; (ii) an Administrator/Benchmark Event; or (iii) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide development formally agreed upon by the International Swaps and Derivative Association (ISDA) or the Asia Securities Industry & Financial Markets Association (ASIFMA), pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate (or near risk-free rate) established in order to comply with the recommendations in the Financial Stability Board’s paper titled “Reforming Major Interest Rate Benchmarks” dated 22 July 2014.
Reference Rate Cessation	<p>means, for a Reference Rate, the occurrence of one or more of the following events:</p> <ul style="list-style-type: none"> (i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate

or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or

(iii) in respect of a Reference Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that (a) the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored and (b) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;

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

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

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

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

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

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

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

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

ILSL_{IR(k)}

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

(1) for k = 1 :

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

(2) for k > 1 :

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

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

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

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

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

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

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

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 lowest 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	<p>means in respect of an Observation Date(t) :</p> <p>(1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $iS_{IR(0)}$ as of such Calculation Time.</p> <p>(2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $iS_{IR(k)}$ as of such Calculation Time.</p>
Calculation Time	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Strategy Level.
TimeReferenceOpening	means the scheduled opening time (including pre-opening session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
TimeReferenceClosing	means the scheduled closing time (including closing auction session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
Intraday Restrike Event Observation Period	<p>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.</p> <p>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.</p>
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 17 June 2022, 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 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, varied or otherwise modified in any way 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 2001 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 2001 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:	Yangzijiang Shipbuilding (Holdings) Ltd.
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	20,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 17 June 2022 (the “ Master Instrument ”) and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the “ Master Warrant Agent Agreement ”) and made between the Issuer, the Guarantor and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates

Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 20 December 2022.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589
Further Issues:	Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

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

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

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

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

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

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

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

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

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

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

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

B) Trading the Certificates before Expiry

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

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

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
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Daily Fees	=	Daily Management Fee Adjustment	
		1 – 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	=	<table border="1"> <tr><td>t'=0</td></tr> <tr><td>Notional Amount</td></tr> </table>	t'=0	Notional Amount	x	<table border="1"> <tr><td>t=1</td></tr> <tr> <td>Leverage Strategy daily performance⁸</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	t=1	Leverage Strategy daily performance ⁸	x	Daily Fees	x	<table border="1"> <tr><td>t=2</td></tr> <tr> <td>Leverage Strategy daily performance</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	t=2	Leverage Strategy daily performance	x	Daily Fees	x ...	<table border="1"> <tr><td>t=i</td></tr> <tr> <td>Leverage Strategy Daily performance</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	t=i	Leverage Strategy Daily performance	x	Daily Fees
			t'=0																			
Notional Amount																						
t=1																						
Leverage Strategy daily performance ⁸	x	Daily Fees																				
t=2																						
Leverage Strategy daily performance	x	Daily Fees																				
t=i																						
Leverage Strategy Daily performance	x	Daily Fees																				

Value of Certificates	=	<table border="1"> <tr><td>t=0</td></tr> <tr><td>Notional Amount</td></tr> </table>	t=0	Notional Amount	x	<table border="1"> <tr><td colspan="2">Product of the daily Leverage Strategy Performance</td></tr> <tr> <td>Leverage Strategy daily performance</td> <td>x</td> <td>Leverage Strategy daily performance</td> </tr> </table>	Product of the daily Leverage Strategy Performance		Leverage Strategy daily performance	x	Leverage Strategy daily performance	x	<table border="1"> <tr><td colspan="2">Product of the Daily Fees (Hedging Fee Factor)</td></tr> <tr> <td>Daily Fees</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	Product of the Daily Fees (Hedging Fee Factor)		Daily Fees	x	Daily Fees
			t=0															
Notional Amount																		
Product of the daily Leverage Strategy Performance																		
Leverage Strategy daily performance	x	Leverage Strategy daily performance																
Product of the Daily Fees (Hedging Fee Factor)																		
Daily Fees	x	Daily Fees																

Final Value of Certificates	=	<table border="1"> <tr><td>t=0</td></tr> <tr><td>Notional Amount</td></tr> </table>	t=0	Notional Amount	x	<table border="1"> <tr> <td>Final Reference Level x Final Exchange Rate</td> <td>÷</td> <td>Initial Reference Level x Initial Exchange Rate</td> </tr> </table>	Final Reference Level x Final Exchange Rate	÷	Initial Reference Level x Initial Exchange Rate	x	<table border="1"> <tr><td>Hedging Fee Factor</td></tr> </table>	Hedging Fee Factor
			t=0									
Notional Amount												
Final Reference Level x Final Exchange Rate	÷	Initial Reference Level x Initial Exchange Rate										
Hedging Fee Factor												

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

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

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

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

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

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

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

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

Underlying Stock:	Ordinary shares of Yangzijiang Shipbuilding (Holdings) Ltd.
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:	0.50 SGD
Notional Amount per Certificate:	0.50 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} Exchange Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

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

On Next Calendar Day (assuming it is an Exchange 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 Exchange Business Day falls 3 Calendar Days after 1st Exchange 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 Exchange 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:

$$\begin{aligned} \text{Closing Level} &= [(\text{Final Reference Level} \times \text{Final Exchange Rate}) / (\text{Initial Reference Level} \times \text{Initial Exchange Rate}) - \text{Strike Level}] \times \text{Hedging Fee Factor} \\ &= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.6962\% \\ &= 119.64\% \end{aligned}$$

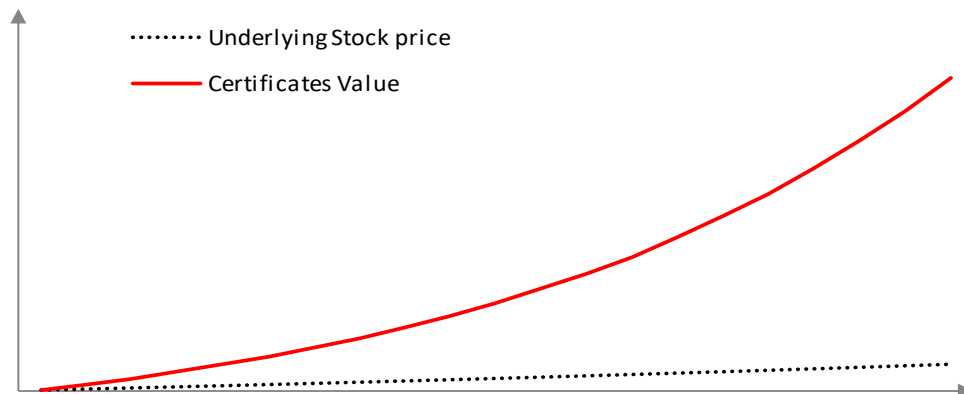
$$\begin{aligned} \text{Cash Settlement Amount} &= \text{Closing Level} \times \text{Notional Amount per Certificate} \\ &= 119.64\% \times 0.50 \text{ SGD} \\ &= \mathbf{0.598 \text{ SGD}} \end{aligned}$$

Illustration on how returns and losses can occur under different scenarios

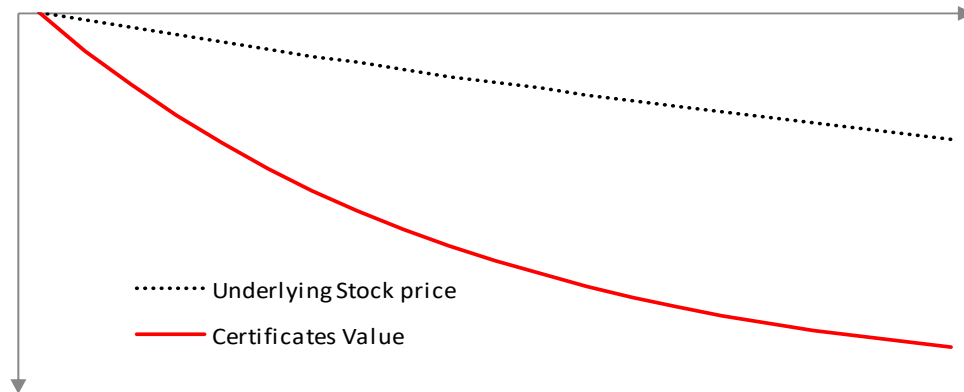
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends,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

1. Illustrative examples

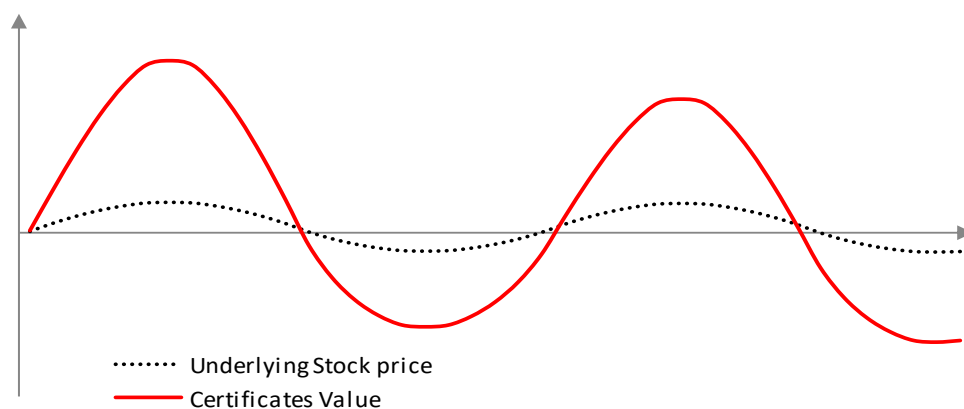
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

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

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	0.5	0.55	0.61	0.67	0.73	0.81
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 2 – Downward Trend

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

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	0.5	0.45	0.40	0.36	0.33	0.30
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 3 – Volatile Market

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

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	-10.0%	10.0%	-10.0%	10.0%
Price at end of day	0.5	0.55	0.50	0.54	0.49	0.54
Accumulated Return		10.00%	-1.00%	8.90%	-1.99%	7.81%

Description of Air Bag Mechanism

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

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

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

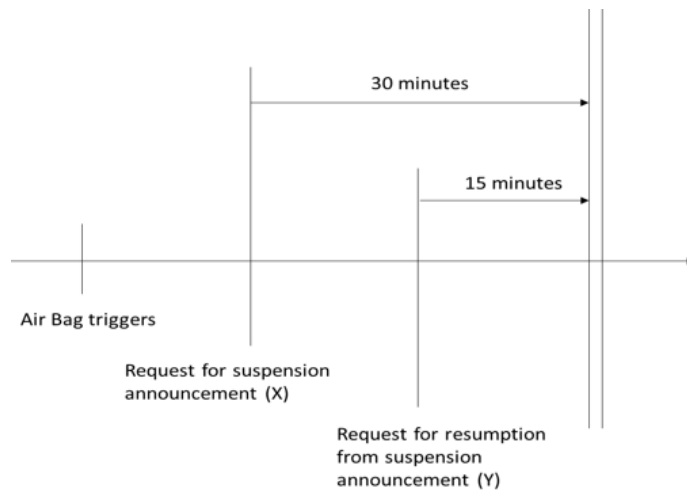
Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered and does not take into account the mid-day break. Investors cannot sell or purchase any Certificates during this period.

Air Bag Mechanism timeline

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

With **Market Close** defined as:

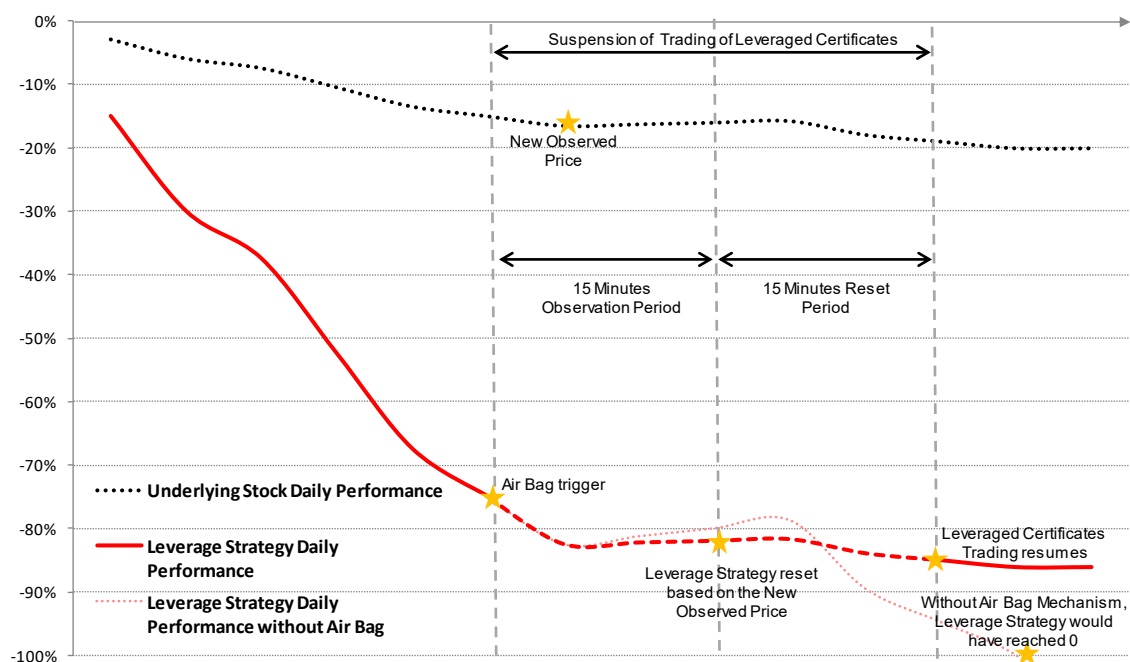
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading



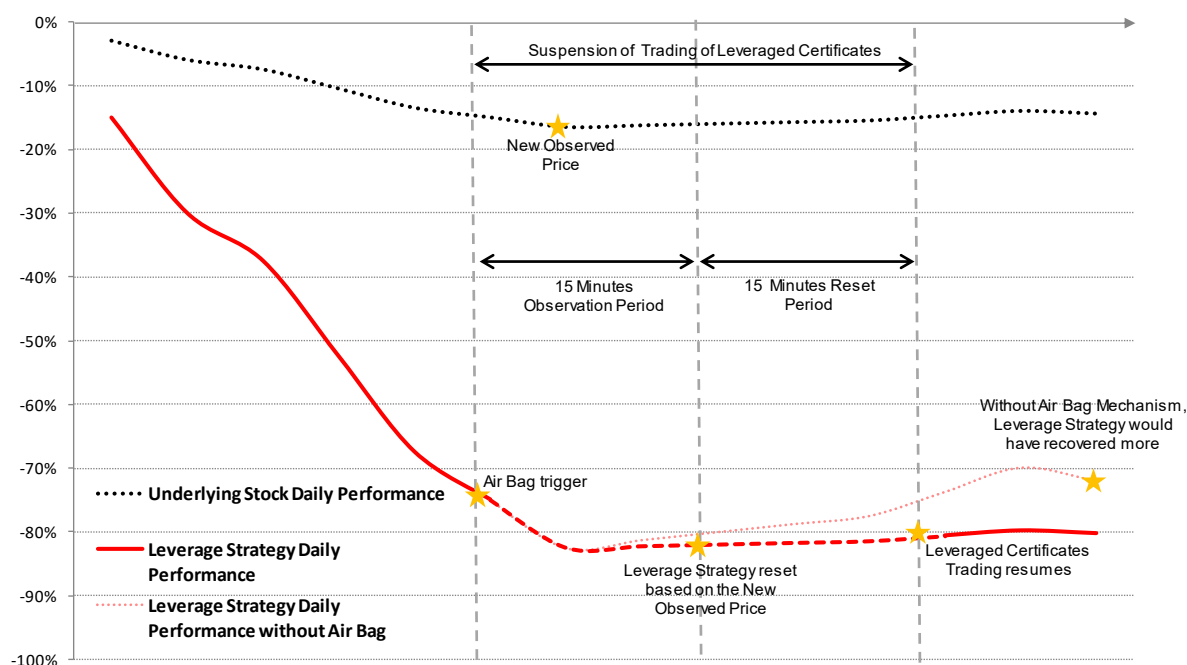
- The later between $X+30$ minutes or $Y+15$ minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing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



Scenario 2 – Upward Trend after Air Bag trigger



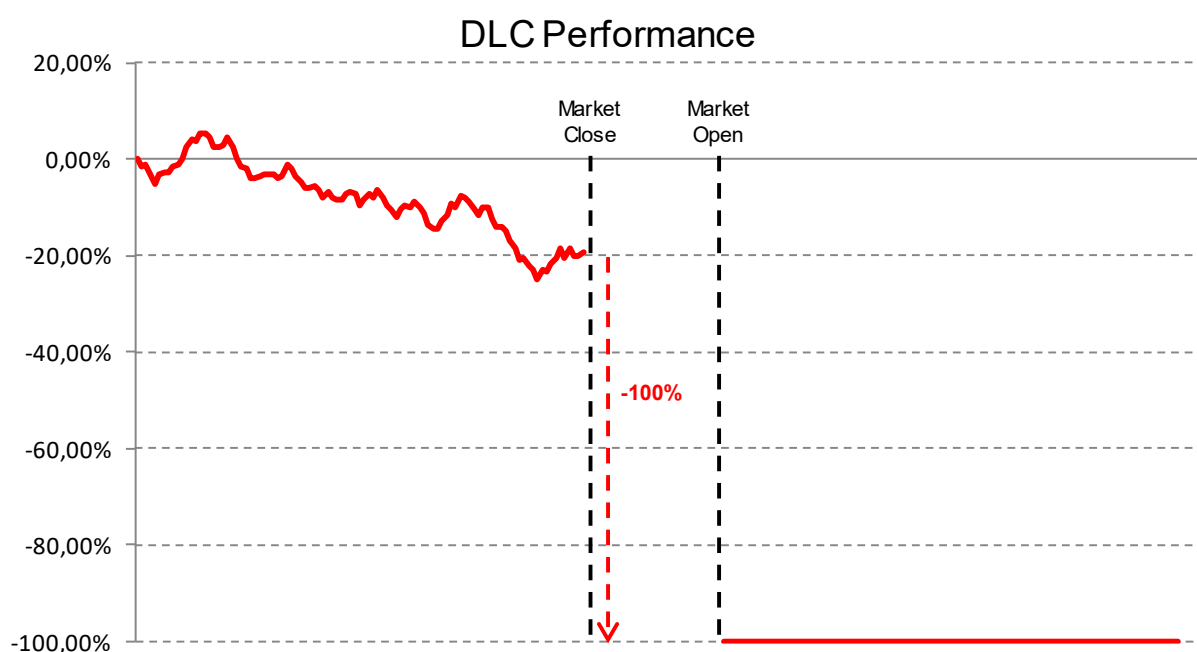
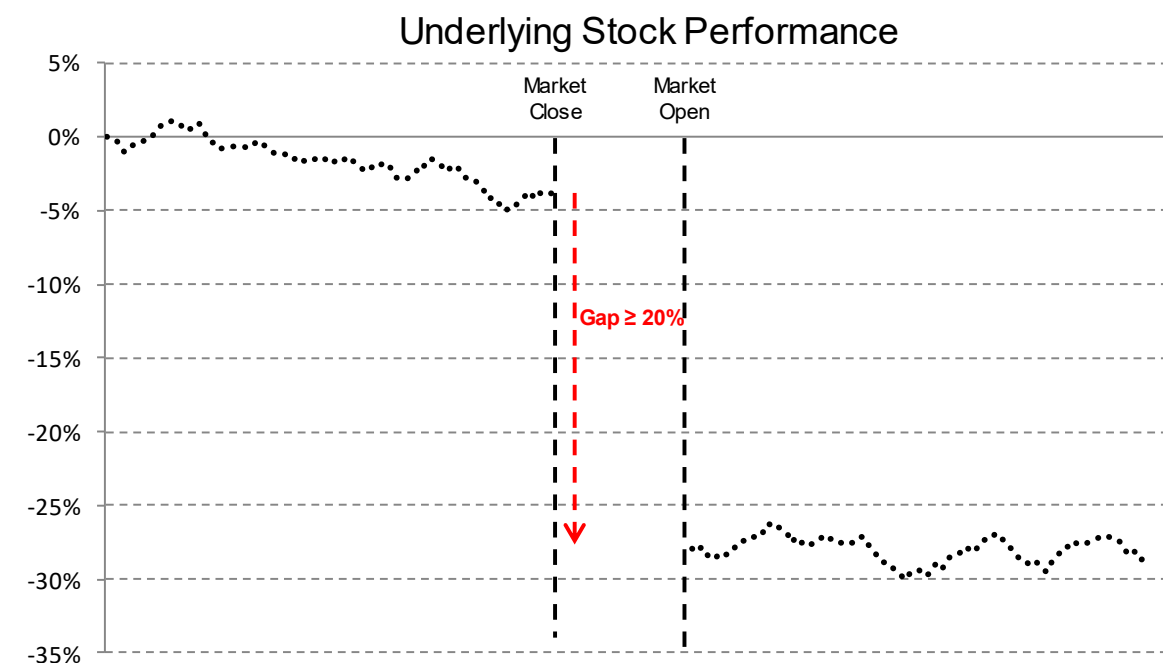
⁹ The illustrative examples are not exhaustive.

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

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

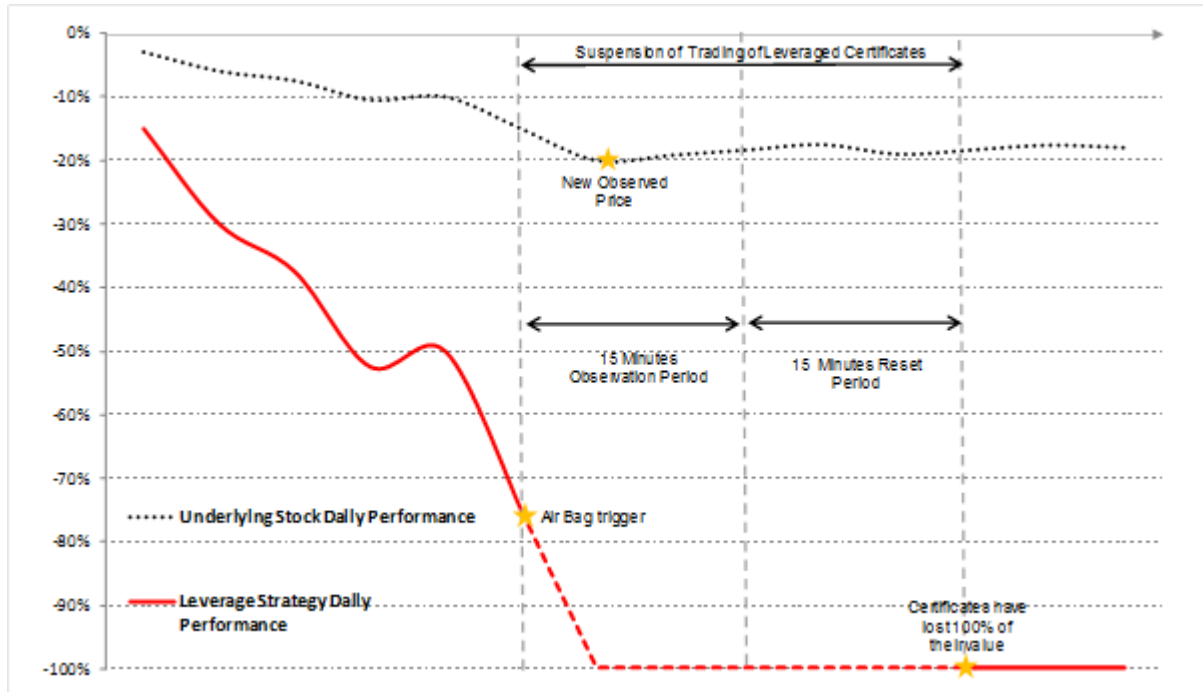
Scenario 1 – Overnight fall of the Underlying Stock

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



Scenario 2 – Sharp intraday fall of the Underlying Stock

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



Examples and illustrations of adjustments due to certain corporate actions

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

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

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

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

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

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

Where:

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

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

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

1. Stock split

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

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

$$S_t = \$51$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

$$M = 1 \text{ (i.e. 1 new Shares for 1 existing Share)}$$

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)
0.50	0.55	10%

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

2. Share Consolidation

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

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

$$S_t = \$202$$

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

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

$$M = -0.5 \text{ (i.e. 0.5 Shares canceled for each 1 existing Share)}$$

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)
0.50	0.525	5%

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

3. Rights Issues

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

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

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

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

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

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.625	25%

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

4. Bonus Issues

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

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

$$S_t = \$85$$

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

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

$$R = \$0$$

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

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.55	10%

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

5. Extraordinary Dividend

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

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

$$S_t = \$84$$

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

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

$$R = \$0$$

$$M = 0$$

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.625	25%

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

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of the SGX-ST at <http://www.sgx.com>. The Issuer has not independently verified any of such information.

Yangzijiang Shipbuilding (Holdings) Ltd. (“**Yangzijiang**” or the “**Company**”) was incorporated in Singapore on 21 December 2005 under the name Yangzijiang Shipbuilding (Holdings) Pte Ltd and adopted its present name on 15 March 2007.

The Yangzijiang Group produces a range of commercial vessels, including mini bulk carriers, bulk carriers, multipurpose cargo vessels, containerships, chemical tankers, offshore supply vessels, rescue and salvage vessels and lifting vessels.

The Yangzijiang Group operates two yards, through its subsidiaries, JYS (the “**Old Yard**”) and JNYS (the “**New Yard**”).

The Yangzijiang Group's Old Yard is located in Jiangyin city. The yard spans about 800 m of deep-water coastline and covers an area of about 200,000 sq m (excluding the coastal area).

The Yangzijiang Group's New Yard is located in Jingjiang city. The yard has 1,940 m of deep-water coastline, production area of 1,508,857 sq m, a drydock that can accommodate two 100,000 dwt vessels and two half 100,000 dwt vessels at one time.

The information set out in Appendix I of this document relates to the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries for the six months ended 30 June 2022 and has been extracted and reproduced from an announcement by the Company dated 7 August 2022 in relation to the same. Further information relating to the Company may be located on the web-site of the SGX-ST at <http://www.sgx.com>.

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 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) where the Certificates are suspended from trading for any reason;
- (iv) 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;
- (v) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (vi) 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;
- (vii) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;
- (viii) if the stock market experiences exceptional price movement and volatility;
- (ix) when it is a public holiday in Singapore and/or the SGX-ST is not open for dealings; and
- (x) 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 Business Day immediately preceding the Expiry Date.

SUPPLEMENTAL INFORMATION RELATING TO THE ISSUER

The information set out in Appendix II of this document is a reproduction of the Issuer's condensed interim financial statements as at and for the six-month period ended 30 June 2022.

SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR

The information set out in Appendix III of this document is a reproduction of the press release dated 4 November 2022 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 2022.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 106 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 30 June 2022 or the Guarantor since 30 September 2022, 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 2001 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 (EU) 2016/97 (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 is not a U.S. Person, (ii) 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 (iii) it is not purchasing any Certificates, directly or indirectly, in the United States or for the account or benefit of any U.S. person.

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

As used in the preceding paragraphs, the term “**United States**” includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term “**U.S. person**” means any person who is (i) a U.S. person as defined under Regulation S under the

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

APPENDIX I

REPRODUCTION OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 OF YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD. AND ITS SUBSIDIARIES

The information set out below is a reproduction of the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries for the six months ended 30 June 2022 and has been extracted and reproduced from an announcement by the Company dated 7 August 2022 in relation to the same.



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.
(Company Registration No. 200517636Z)
(Incorporated in the Republic of Singapore on 21 December 2005)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

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YANGZIJANG SHIPBUILDING (HOLDINGS) LTD.
(Incorporated in Singapore. Registration Number: 200517636Z)
AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR SIX-MONTH PERIOD ENDED 30 JUNE 2022

A. Condensed Consolidated Statement of Comprehensive Income

		The Group			
		1st Half Year			
Note		1H2022 RMB'000	% of Revenue	1H2021 RMB'000	+/(-) % Variance
Continuing operations					
	Revenue	4	9,741,127	100%	5,738,998 70%
	Cost of sales		(8,317,157)	-85%	(4,869,475) 71%
	Gross profit		1,423,970	15%	869,523 64%
	Other income				
	- Interest		150,021	2%	125,071 20%
	- Others		12,033	0%	63,920 -81%
	Other gains, net		305,730	3%	352,877 -13%
	Expenses				
	- Administrative				
	-(Impairment loss)/reversal of impairment		(90,677)	-0.9%	38,831 n.m.
	loss on financial assets - net		(278,557)	-3%	(244,839) 14%
	-Others		(369,234)		(206,008)
	- Finance		(52,275)	-0.5%	(36,059) 45%
	Share of profit of associated companies and joint ventures [#]		5,475	0%	63,843 -91%
	Profit before income tax	5	1,475,720	15%	1,233,167 20%
	Income tax expense	6	(306,529)	-3%	(304,354) 1%
	Profit from continuing operations		1,169,191	12%	928,813 26%
	Discontinued operations				
	Profit from discontinued operations	7	194,576		754,342 -74%
	Total profit		1,363,767		1,683,155 -19%
	Profit attributable to:				
	Equity holders of the Company		1,365,203		1,638,920 -17%
	Non-controlling interests		(1,436)		44,235 n.m.
			1,363,767		1,683,155 -19%
	Profit attributable to equity holders of the Company relates to:				
	Profit from continuing operations		1,170,627		884,578 32%
	Profit from discontinued operations		194,576		754,342 -74%
			1,365,203		1,638,920 -17%
	Earnings per share for profit from continuing and discontinued operations attributable to equity holders of the Company (expressed in RMB cents per share)				
	– Basic and diluted				
	From continuing operations		29.76		22.98
	From discontinued operations		4.95		19.60

[#] Share of profit of associated companies and joint ventures is after tax.
n.m. denotes not meaningful.

A. Condensed Consolidated Statement of Comprehensive Income (continued)

	Note	The Group		
		1st Half Year		
		1H2022 RMB'000	1H2021 RMB'000	+ / (-) % Variance
Profit for the year		1,363,767	1,683,155	-19%
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Share of other comprehensive income of associated companies and joint ventures				
- Currency translation gains		6,762	-	n.m.
Currency translation gains/(losses) arising from consolidation		71,590	(8,059)	n.m.
Cash flow hedges				
- Fair value losses		(156,118)	-	n.m.
- Reclassification		107,547	-	n.m.
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Currency translation gains/(losses) arising from consolidation		3,021	(620)	n.m.
Other comprehensive gain/(loss), net of tax		32,802	(8,679)	n.m.
Total comprehensive income, net of tax		1,396,569	1,674,476	-17%
Total comprehensive income attributable to:				
Equity holders of the Company		1,394,984	1,630,861	-14%
Non-controlling interests		1,585	43,615	-96%
		1,396,569	1,674,476	-17%

B. Condensed Consolidated Statement of Financial Position

		<u>The Group</u>		<u>The Company</u>	
		As at	As at	As at	As at
Note		30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Current assets					
Cash and cash equivalents		9,046,537	12,363,193	42,948	177,622
Restricted cash		84,719	17,307	-	-
Financial assets, at fair value through profit or loss		159,894	367,436	-	-
Debt investments at amortised cost		2,187,074	15,851,520	-	-
Trade and other receivables		4,159,272	4,121,025	5,387,081	6,934,273
Inventories		1,619,482	1,639,809	-	-
Contract assets		4,323,422	3,983,201	-	-
Derivative financial instruments		92,115	209,345	-	-
		21,672,515	38,552,836	5,430,029	7,111,895
Non-current assets					
Financial assets, at fair value through profit or loss		27,300	2,017,115	-	-
Debt investments at amortised cost		-	729,985	-	-
Trade and other receivables		1,792,454	1,081,311	2,327,110	2,224,713
Derivative financial instruments		359,596	477,109	-	-
Lease prepayments		919,639	930,575	-	-
Investment in subsidiaries		-	-	6,329,038	6,042,814
Investment in joint ventures		447,924	522,679	266,150	319,581
Investment in associated companies		43,942	1,104,890	134,062	134,062
Investment properties		-	115,752	-	-
Property, plant and equipment	9	5,527,819	5,151,788	1,433	334
Intangible assets		21,026	22,374	-	-
Goodwill		258,979	258,979	-	-
Deferred income tax assets		482,030	646,871	-	-
		9,880,709	13,059,428	9,057,793	8,721,504
Total assets		31,553,224	51,612,264	14,487,822	15,833,399
LIABILITIES					
Current liabilities					
Trade and other payables		3,628,487	2,804,201	2,382,895	2,468,037
Contract liabilities		3,843,034	4,822,611	-	-
Derivative financial instruments		89,764	4,501	-	792
Borrowings	10	3,576,714	2,503,814	463,814	841,904
Provisions		524,122	648,398	-	-
Current income tax liabilities		909,873	1,015,096	221	158
		12,571,994	11,798,621	2,846,930	3,310,891
Non-current liabilities					
Borrowings	10	1,751,797	1,952,779	692	-
Deferred income tax liabilities		570,463	1,799,299	-	-
		2,322,260	3,752,078	692	-
Total liabilities		14,894,254	15,550,699	2,847,622	3,310,891
NET ASSETS		16,658,970	36,061,565	11,640,200	12,522,508
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		7,361,990	7,361,990	7,326,773	7,326,773
Treasury shares		(127,753)	(269,582)	(127,753)	(269,582)
Other reserves		2,033,490	2,015,702	180,637	148,175
Retained earnings		7,254,976	26,815,306	4,260,543	5,317,142
		16,522,703	35,923,416	11,640,200	12,522,508
Non-controlling interests		136,267	138,149	-	-
Total equity		16,658,970	36,061,565	11,640,200	12,522,508

C. Condensed Consolidated Statement of Cash Flows

	<u>The Group</u>	
	1H2022	1H2021
	RMB '000	RMB '000
Cash flows from operating activities		
Net profit	1,363,767	1,683,155
Adjustments for:		
- Income tax expenses	388,194	568,383
- Depreciation on property, plant and equipment	256,174	251,182
- Depreciation of investment properties	868	869
- Amortisation of lease prepayment	10,936	9,672
- Amortisation of intangible assets	1,348	1,759
- Finance expenses	52,275	36,059
- Gain on		
• Dissolution of subsidiaries	(41,136)	-
• Disposal of property, plant and equipment	(155)	(25,426)
- Fair value change on:		
• Derivative financial instruments	211,461	2,812
• Financial assets at fair value, through profit and loss	209,995	(162,181)
- Interest income	(150,317)	(128,293)
- Dividend income	(592)	(71,058)
- Share of profits of associated companies and joint ventures	3,211	(68,308)
	2,306,029	2,098,625
Changes in working capital		
- Inventories	(210,120)	(249,803)
- Construction contract balances	(1,319,798)	2,120,729
- Trade and other receivables	(986,767)	184,768
- Trade and other payables	1,093,776	(235,735)
- Provisions	(124,276)	(94,625)
- Debt investments at amortised cost	904,539	331,409
- Restricted cash	(67,412)	(715,959)
Cash generated from operations	1,595,971	3,439,409
Interest paid	(48,494)	(31,861)
Interest received	150,317	128,293
Income tax paid	(451,506)	(456,009)
Net cash provided by operating activities	1,246,288	3,079,832
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	28,138	158,377
Proceeds from sales of financial assets, at fair value through profit and loss	155,371	506,657
Dividend received	592	71,058
Purchase of property, plant and equipment	(360,026)	(141,863)
Acquisition of financial assets, at fair value through profit and loss	-	(109,640)
Acquisition/additions of investment in associated companies	(209,000)	(6,000)
Additions of investments in joint ventures	-	(135,115)
Return of capital by associated companies	11,012	74,339
Return of capital by joint ventures	76,742	5,379
Net cash (used in)/provided by investing activities	(297,171)	423,192
Cash flows from financing activities		
Purchase of treasury shares	(60,369)	(19,191)
Proceeds from borrowings	2,359,305	1,718,442
Repayments of borrowings	(1,518,151)	(1,277,193)
Proceeds from issuance of convertible bond	234,660	-
Cash and cash equivalents of spin-off group at point of distribution*	(4,307,763)	-
Dividends paid to equity holders	(969,988)	(836,856)
Dividend paid to non-controlling interests	(3,467)	(5,931)
Net cash used in financing activities	(4,265,773)	(420,729)
Net (decrease)/increase in cash and cash equivalents	(3,316,656)	3,082,295
Cash and cash equivalents at the beginning of financial period	12,363,193	6,633,416
Cash and cash equivalents at the end of financial period	9,046,537	9,715,711

*See Note 2 for details of spin-off.

D. Condensed Consolidated Statement of Changes in Equity

	<----- Attributable to equity holders of the Company ----->										Non-controlling interests	Total equity
	Share capital	Treasury shares	Statutory reserve	Capital reserve	Currency translation reserve	Hedging reserve	Other reserve	Retained earnings	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
2022												
As at 31 December 2021	7,361,990	(269,582)	4,637,147	(2,744,831)	(143,763)	-	267,149	26,815,306	35,923,416	138,149	36,061,565	
Profit for the period	-	-	-	-	-	-	-	1,365,203	1,365,203	(1,436)	1,363,767	
Other comprehensive income/(loss) for the period	-	-	-	-	78,352	(48,571)	-	-	29,781	3,021	32,802	
Total comprehensive income/(loss) for the period	-	-	-	-	78,352	(48,571)	-	1,365,203	1,394,984	1,585	1,396,569	
Purchase of treasury share ⁽²⁾	-	(60,369)	-	-	-	-	-	-	(60,369)	-	(60,369)	
Dividends ⁽³⁾	-	-	-	-	-	-	-	(969,988)	(969,988)	(3,467)	(973,455)	
Dividend in specie ⁽⁵⁾	-	-	-	-	-	-	-	(20,000,000)	(20,000,000)	-	(20,000,000)	
Transfer ⁽¹⁾	-	-	33,925	-	-	-	-	(33,925)	-	-	-	
Disposal of subsidiaries ⁽⁵⁾	-	-	(78,380)	-	-	-	-	78,380	-	-	-	
Treasury shares re-issued ⁽⁴⁾	-	202,198	-	32,462	-	-	-	-	234,660	-	234,660	
Total transactions with owners, recognised directly in equity	-	141,829	(44,455)	32,462	-	-	-	(20,925,533)	(20,795,697)	(3,467)	(20,799,164)	
As at 30 June 2022	7,361,990	(127,753)	4,592,692	(2,712,369)	(65,411)	(48,571)	267,149	7,254,976	16,522,703	136,267	16,658,970	

D. Condensed Consolidated Statement of Changes in Equity (continued)

	<----- Attributable to equity holders of the Company ----->										
	Share capital	Treasury shares	Statutory reserve	Capital reserve	Currency translation reserve	Hedging reserve	Other reserve	Retained earnings	Total	Non- controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2021											
As at 31 December 2020	7,361,990	(560,443)	4,544,601	(2,933,198)	(116,671)	-	-	24,046,076	32,342,355	1,034,160	33,376,515
Profit for the period	-	-	-	-	-	-	-	3,698,632	3,698,632	28,457	3,727,089
Other comprehensive loss for the period	-	-	-	-	(27,092)	-	-	-	(27,092)	(1,407)	(28,499)
Total comprehensive income for the period	-	-	-	-	(27,092)	-	-	3,698,632	3,671,540	27,050	3,698,590
Purchase of treasury share	-	(170,776)	-	-	-	-	-	-	(170,776)	-	(170,776)
Dividends	-	-	-	-	-	-	-	(836,856)	(836,856)	(5,908)	(842,764)
Transfer	-	-	92,546	-	-	-	-	(92,546)	-	-	-
Treasury shares re-issued for acquisition of additional interest in a subsidiary	-	461,637	-	188,367	-	-	267,149	-	917,153	(917,153)	-
Total transactions with owners, recognised directly in equity	-	290,861	92,546	188,367	-	-	267,149	(929,402)	(90,479)	(923,061)	(1,013,540)
As at 31 December 2021	7,361,990	(269,582)	4,637,147	(2,744,831)	(143,763)	-	267,149	26,815,306	35,923,416	138,149	36,061,565

Yangzijiang Shipbuilding (Holdings) Ltd. and its Subsidiaries
Condensed Interim Financial Statements
For six-month period ended 30 June 2022

THE COMPANY

	Attributable to equity holders of the Company				Total equity RMB'000
	Share capital RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Retained earnings RMB'000	
Balance as at 31 December 2021	7,326,773	(269,582)	148,175	5,317,142	12,522,508
Purchase of treasury shares ⁽²⁾	-	(60,369)	-	-	(60,369)
Dividend relating to 2021 paid ⁽³⁾	-	-	-	(969,988)	(969,988)
Dividend relating to spin-off ⁽⁵⁾	-	-	-	(20,000,000)	(20,000,000)
Treasury shares re-issued ⁽⁴⁾	-	202,198	32,462	-	234,660
Total comprehensive income	-	-	-	19,913,389	19,913,389
Balance as at 30 June 2022	7,326,773	(127,753)	180,637	4,260,543	11,640,200
Balance as at 31 December 2020	7,326,773	(560,443)	(40,192)	5,073,227	11,799,365
Purchase of treasury shares	-	(170,776)	-	-	(170,776)
Dividend relating to 2020 paid	-	-	-	(836,856)	(836,856)
Treasury shares re-issued for acquisition of additional interest in a subsidiary	-	461,637	188,367	-	650,004
Total comprehensive income	-	-	-	1,080,771	1,080,771
Balance as at 31 December 2021	7,326,773	(269,582)	148,175	5,317,142	12,522,508

- (1) This represents amounts set aside for reserve fund and enterprise expansion fund in compliance with local laws in the PRC where subsidiaries of the Group operate. The reserve fund can only be used, upon approval by the relevant authority, to offset prior year's losses or to increase capital while the enterprise expansion fund can only be used to increase capital upon approval by the relevant authority.
- (2) In 1H2022, the Company bought back 10,000,000 shares of the Company by way of market acquisition, which are held as treasury shares.
- (3) The RMB970 million represents the final dividend of 5.0 Singapore cents per ordinary share in respect of the financial year ended 31 December 2021. The Company paid the dividend on 27 May 2022. The RMB3.5 million represents dividend paid to non-controlling shareholders of Yangzijiang Taihua Shipping Pte. Ltd., and Yangzijiang Express Shipping Pte. Ltd., both 49.48%-owned subsidiaries of the Group.
- (4) On 19 April 2022, convertible bonds of SGD50 million were converted into shares of the Company via the re-issuance of 37,174,720 treasury shares.
- (5) On 28 April 2022, the Company completed the proposed spin-off of its investment business and the proposed listing of Yangzijiang Financial Holding Ltd ("YZJFH") on the Mainboard of the SGX-ST by way of an introduction. The Company distributed all the shares in YZJFH that are held by the Company, representing an aggregate share capital of approximately RMB20 billion, by way of a dividend in specie.

E. Notes to the Condensed Interim Financial Statements

1. Corporate information

Yangzijiang Shipbuilding (Holdings) Ltd. (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 80 Robinson Road, #02-00 Singapore 068898.

The principal activities of the Company are investment holding and agency service for shipbuilding and related activities. The principal activities of its subsidiaries are:

- a) Shipbuilding, ship repairing, production and processing of large-scale steel structures
- b) Facilitating the sale and export of ships for the shipbuilder and trading of ship related equipment;
and
- c) Chartering of vessels

2. Basis of Preparation

The condensed interim financial statements as at and for the six-month period ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) 1-34 Interim Financial Reporting (SFRS(I) 1-34) issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards effective as of 1 January 2022 and the designation of certain derivatives for hedge accounting from 1 January 2022 as set out in Note 2.1.

On 18 April 2022, the spin-off of the Group’s investment segment via the transfer of existing investments to a newly incorporated company (“NewCo”) and the proposed listing of the NewCo (the “spin-off”) was approved by shareholders via an extraordinary general meeting. On 28 April 2022, the Company completed the spin-off and listing of the NewCo, Yangzijiang Financial Holding Ltd (“YZJFH”, or the “spin-off group”). The Company distributed all the shares in YZJFH that are held by the Company, representing an aggregate share capital of approximately RMB20 billion, by way of a dividend in specie. Accordingly, the results and balances relating to the investment segment, net of investments retained by the Group, are presented separately on the condensed consolidated statement of comprehensive income as “Discontinued operations”.

The condensed interim financial statements are presented in Renminbi (“RMB”), which is the Company’s functional currency.

2.1. New and amended standards and hedge accounting adopted by the Group

The Group adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2022. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s.

The following are the new or amended SFRS(I)s, and SFRS(I) Interpretations, that are relevant to the Group:

The following are the new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use* (effective for annual periods beginning on or after 1 January 2022)
- Amendments to SFRS (I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract* (effective for annual periods beginning on or after 1 January 2022)

The adoption of the above SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group.

Derivatives financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as cash flow hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The following hedges in place qualified as cash flow hedge under SFRS(I) 9.

(i) Cash flow hedge

(a) Currency forwards

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income. Amounts accumulated in equity are reclassified in the periods when the hedged item is recognised as an asset on the balance sheet.

The fair value changes on the ineffective portion of currency forwards are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the Executive Chairman and head of respective business departments (collectively known as "Management Team") that are used to make strategic decisions.

The Management Team considers the business mainly from a business segment perspective. Geographically, management manages and monitors the business only from the PRC.

The principal activities of shipbuilding segment are that of shipbuilding and offshore marine equipment construction. The principal activities of shipping segment consist of charter hire income earned by vessel owning companies.

The results and balances relating to micro-financing, debt investments at amortised cost and other investments were previously presented under the "investments" reportable segment of Group. However, the results from this segment, net of investments retained by the Group, are presented separately on the condensed consolidated statement of comprehensive income as "Discontinued operations" for the six-month period ended 30 June 2022.

Other segments include trading, ship design services and investments retained by the Group subsequent to spin-off. These are not identified as reportable operating segments, as they are not separately reported to the Management Team. The results of these operations are included in "Others".

4.1 Continuing reportable segments

	Shipbuilding RMB'000	Shipping RMB'000	Others RMB'000	Total RMB'000
The Group				
1 January 2022 to 30 June 2022				
Segment revenue	8,521,106	560,947	659,074	9,741,127
Segment result	643,292	288,615	(69,981)	861,926
<i>Included within segment result:</i>				
Finance expenses	(38,693)	(4,258)	(1,813)	(44,764)
Fair value loss on				
· Derivatives financial instruments	(211,461)	-	-	(211,461)
· Financial assets, at fair value through profit or loss	-	-	(72,541)	(72,541)
(Impairment loss)/ reversal of impairment loss on:				
· Debt investments at amortised cost	-	-	(106,007)	(106,007)
· Reversal of provision for onerous contracts - net	123,245	-	-	123,245
Depreciation	(180,577)	(70,514)	(4,819)	(255,910)
Dividend income	-	-	592	592
Share of profits of associated companies	3,564	-	-	3,564
Share of profits of joint venture	1,911	-	-	1,911
Sales of bunker stock	-	9,053	-	9,053
Bad debt recovery	13,327	-	2,003	15,330
(Loss)/gain on disposal of:				
· Property, plant and equipment	(195)	350	-	155
Business tax on interest income from debt investments at amortised cost	-	-	(4,974)	(4,974)
Interest income - finance lease	-	57,387	-	57,387
Segment assets	23,791,235	3,945,912	3,334,047	31,071,194
<i>Segment assets includes:</i>				
Investment in associated companies	43,942	-	-	43,942
Investments in joint ventures	447,924	-	-	447,924
Additions to property, plant and equipment	67,770	522,389	1,808	591,967
Segment liabilities	(12,183,859)	(606,052)	(624,007)	(13,413,918)

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	Shipbuilding RMB'000	Shipping RMB'000	Others RMB'000	Total RMB'000
The Group				
1 January 2021 to 30 June 2021				
Segment revenue	4,778,163	408,326	552,509	5,738,998
Segment result	512,275	229,312	248,132	989,719
<i>Included within segment result:</i>				
Finance expenses	(24,238)	(3,956)	(7,865)	(36,059)
Fair value gain/(loss) on				
· Derivatives financial instruments	(2,812)	-	-	(2,812)
· Financial assets, at fair value through profit or loss	-	-	163,384	163,384
Reversal of impairment loss on:				
· Debt investments at amortised cost	-	-	38,243	38,243
· Reversal of provision for onerous contracts - net	50,728	-	-	50,728
Depreciation	(181,194)	(64,633)	(4,836)	(250,663)
Dividend income	-	-	84	84
Share of profits of associated companies	942	-	1	943
Share of profits of joint venture	71,831	-	-	71,831
Sales of bunker stock	-	10,521	-	10,521
Bad debt recovery/(written off)	588	-	-	588
Gain/(loss) on disposal of:				
· Property, plant and equipment	(137)	25,563	-	25,426
Business tax on interest income from debt investments at amortised cost and loans to non-related parties - microfinance	-	-	(2,416)	(2,416)
Interest income - finance lease	-	38,441	-	38,441
Income from forfeiture of advances received	32,482	-	-	32,482
Segment assets	20,855,566	3,871,913	21,995,805	46,723,284
<i>Segment assets includes:</i>				
Investment in associated companies	15,268	-	1,094,263	1,109,531
Investments in joint ventures	563,899	-	-	563,899
Additions to property, plant and equipment	7,918	132,959	986	141,863
Segment liabilities	(9,182,501)	(854,624)	(673,445)	(10,710,570)

Sales between segments are carried out at market terms.

The Management Team assesses the performance of the operating segments based on a measure of segment results. Certain administrative expenses and foreign currency exchange differences are not allocated to segments, as these types of activities and differences are shared by all segments. Interest income on cash and cash equivalents, and foreign currency translation differences on borrowings (classified under finance expenses) are not allocated to segments, as these types of activities are driven by the treasury department of the Group, which manages the cash position of the Group.

(a) Reconciliation

(i) *Segment profits*

A reconciliation of segment results to profit before tax is as follows:

	6 months ended 30 Jun 2022 RMB'000	6 months ended 30 Jun 2021 RMB'000
Segment results for reportable segments	931,907	741,587
Segment results for other segments	(69,981)	248,132
Unallocated:		
Other income	95,022	145,425
Other gains - net	589,577	166,672
Administrative expenses	(63,294)	(68,649)
Finance expenses	(7,511)	-
Profit before tax	<u>1,475,720</u>	<u>1,233,167</u>

(ii) *Segment assets*

The amounts provided to the Management Team with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than deferred income tax assets and certain other receivables.

	6 months ended 30 Jun 2022 RMB'000	6 months ended 30 Jun 2021 RMB'000
Segment assets for reportable segments	27,737,147	24,727,479
Other segment assets	3,334,047	21,995,805
Unallocated:		
Deferred income tax assets	482,030	610,907
Total assets	<u>31,553,224</u>	<u>47,334,191</u>

(iii) *Segment liabilities*

The amounts provided to the Management Team with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments other than current income tax liabilities, certain borrowings and deferred income tax liabilities.

Segment liabilities are reconciled to total liabilities as follows:

	6 months ended 30 Jun 2022 RMB'000	6 months ended 30 Jun 2021 RMB'000
Segment liabilities for reportable segments	(12,789,911)	(10,037,125)
Other segment liabilities	(624,007)	(673,445)
Unallocated:		
Current income tax liabilities	(909,873)	(905,975)
Deferred income tax liabilities	(570,463)	(1,528,633)
Total liabilities	<u>(14,894,254)</u>	<u>(13,145,178)</u>

4.2 Disaggregation of Revenue

(a) Disaggregation of Revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines.

	At a point		
	<u>in time</u>	<u>Over time</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000
<u>The Group</u>			
6 months ended 30 Jun 2022			
<i>Shipbuilding segment</i>			
- Shipbuilding revenue	-	8,128,382	8,128,382
- Sale of completed vessels	392,724	-	392,724
<i>Shipping segment</i>			
Charter hire income	-	560,947	560,947
<i>Others segment</i>			
Rendering of ship design services	5,242	-	5,242
Sale of goods - materials and others	545,830	-	545,830
Interest income from debt investments at amortised cost	78,763	-	78,763
Others	29,239	-	29,239
Total revenue	1,051,798	8,689,329	9,741,127

	At a point		
	<u>in time</u>	<u>Over time</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000
<u>The Group</u>			
6 months ended 30 Jun 2021			
<i>Shipbuilding segment</i>			
- Shipbuilding revenue	-	4,430,334	4,430,334
- Sale of completed vessels	347,829	-	347,829
<i>Shipping segment</i>			
Charter hire income	-	408,326	408,326
<i>Others segment</i>			
Rendering of ship design services	2,948	-	2,948
Sale of goods - materials and others	482,261	-	482,261
Interest income from debt investments at amortised cost	42,669	-	42,669
Others	24,631	-	24,631
Total revenue	900,338	4,838,660	5,738,998

(b) Revenue from major products

Revenue of shipbuilding segment is derived from the construction of container ships, multiple purpose cargo ships and other types of vessels. Revenue of shipping segment is derived from the charter income earned by vessel owning companies. Revenue from other segment is mainly derived from sales of metal and chemical product. Breakdown of the revenue by major product types is as follows:

	6 months ended 30 Jun 2022 RMB'000	6 months ended 30 Jun 2021 RMB'000
Construction of container ships	7,542,214	2,277,999
Construction of multiple purpose cargo ships	586,168	2,152,335
Sales of other completed vessels	392,724	347,829
Charter hire income	560,947	408,326
Interest income from debt investments at amortised cost	78,763	42,669
Rendering of ship design services	5,242	2,948
Sales of metal and chemical products	545,830	482,261
Others	29,239	24,631
	9,741,127	5,738,998

(c) Geographical information

The Group's revenue based on the customers' locations are as follows:

	6 months ended 30 Jun 2022 RMB'000	6 months ended 30 Jun 2021 RMB'000
PRC & Taiwan	5,710,318	4,223,056
Germany	38,774	185,344
Other European countries	699,067	1,023,534
Other Asian countries	335,832	118,167
Canada and USA	2,693,532	27,810
Others	263,604	161,087
	9,741,127	5,738,998

Revenues of approximately RMB4,456,384,000 (1H2021: RMB2,205,734,000) are derived from three (1H2021: three) major customers. These revenues are attributable to the shipbuilding segment.

5.1 Significant items

	The Group	
	6 months ended 30 Jun 2022 RMB'000	6 months ended 30 Jun 2021 RMB'000
Profit from continuing operations	1,169,191	928,813
After charging:		
Depreciation and amortization	268,194	262,350
Finance costs - Interest on borrowings and net foreign currency translation on bank borrowings	52,275	36,059
Fair value loss/(gain) on financial assets, at fair value through profit or loss	72,541	(163,384)
Fair value loss on derivative financial instruments	211,461	2,812
Impairment loss/(reversal of impairment loss) on debt investment at amortised costs	106,007	(38,243)
After crediting:		
Gain from dissolution of subsidiaries	41,136	-
Gain from disposal of property, plant and equipment	155	25,426
Foreign exchange related gains, net	466,376	112,621
Bad debt recovery	15,330	588
Interest income	150,021	125,071
Subsidy income	77,817	52,689
Dividend income	592	84
Sales of materials	9,053	24,112
Reversal of allowance for losses recognised on onerous contracts, net of utilisation	123,245	50,728

5.2 Related party transactions

The Group had the following transactions with the following related parties.

	The Group	
	6 months ended 30 Jun 2022 RMB'000	6 months ended 30 Jun 2021 RMB'000
Sales of goods to a joint venture	94,078	27,042
Purchase of materials from a joint venture	-	4,405
Rental income	7,292	-
Purchase of materials from other related parties	28,888	24,009

Other related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

6. Income taxes

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<u>The Group</u> 6 months ended 30 June 2022 RMB'000	6 months ended 30 June 2021 RMB'000
Income tax expense attributable to profit is made up of:		
Current year		
- Current income tax	452,866	389,002
- Deferred income tax	(64,672)	179,381
	388,194	568,383
Tax expense is attributable to:		
- continuing operations	306,529	304,354
- discontinued operations	81,665	264,029
	388,194	568,383

7. Discontinued operations

The results of the discontinued operations are as follows:

	<u>The Group</u> 6 months ended 30 June 2022 RMB'000	6 months ended 30 June 2021 RMB'000
Revenue	440,922	861,238
Cost of sales	(27,548)	(44,448)
Other income	779	76,454
Other losses, net	(136,836)	(1,203)
Expenses		
- Impairment loss on financial assets - net	16,115	127,398
- Others	(8,505)	(5,533)
Share of results of associated companies	(8,686)	4,465
Profit before tax from discontinued operations	276,241	1,018,371
Income tax expense	(81,665)	(264,029)
Profit after tax from discontinued operations	194,576	754,342

8. Dividends

	<u>The Group</u> 6 months ended 30 June 2022 RMB'000	6 months ended 30 June 2021 RMB'000
<i>Ordinary dividends</i>		
Final exempt dividend paid in respect of the previous financial year of SGD5.0 cents (2021: SGD4.5 cents) per share	969,988	836,856

On 28 April 2022, the Company completed the proposed spin-off of its investment business and the proposed listing of YZJFH on the Mainboard of the SGX-ST by way of an introduction. The Company distributed all the shares in YZJFH that are held by the Company, representing an aggregate share capital of approximately RMB20 billion, by way of a dividend specie.

9. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to RMB592 million (30 June 2021: RMB142 million) and disposed of assets amounting to RMB38 million (30 June 2021: RMB158 million).

10. Borrowings

	The Group		The Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Bank borrowings (secured)	212,899	211,910	-	-
Bank borrowings (unsecured)	3,363,087	2,291,592	463,086	841,592
Lease liabilities	728	312	728	312
	3,576,714	2,503,814	463,814	841,904
Non-current				
Bank borrowings (secured)	601,104	685,474	-	-
Bank borrowings (unsecured)	1,150,001	1,267,305	-	-
Lease liabilities	692	-	692	-
	1,751,797	1,952,779	692	-
	5,328,511	4,456,593	464,506	841,904

Secured bank borrowings are secured by legal mortgages over certain land use rights, buildings, and vessels of the Group.

11. Fair value measurement

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
The Group	RMB'000	RMB'000	RMB'000	RMB'000
30 June 2022				
Assets				
Financial assets, at fair value through profit or loss	141,600	-	45,594	187,194
Derivative financial instruments	-	451,711	-	451,711
Liabilities				
Derivative financial instruments	-	(89,764)	-	(89,764)
31 December 2021				
Assets				
Financial assets, at fair value through profit or loss	357,436	-	2,027,115	2,384,551
Derivative financial instruments	-	686,454	-	686,454
Liabilities				
Derivative financial instruments	-	(4,501)	-	(4,501)

Other Information Required by Listing Rule Appendix 7.2

1. Review

The financial statements have not been audited nor reviewed by our auditors.

- 2. Number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no outstanding convertible securities as at 30 June 2022 and 30 June 2021.

- 3. Number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of Shares ('000)			
	As at 30 June 2022	%	As at 30 June 2021	%
Shares held as treasury shares	23,488	0.59%	125,561	3.16%
Issued shares excluding treasury shares	3,950,589	99.41%	3,848,516	96.84%
Total number of shares	<u>3,974,077</u>	100%	<u>3,974,077</u>	100%

The Company did not have subsidiary holdings as at 30 June 2022 and 30 June 2021.

- 4. The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Number of Shares ('000)	
	As at 30 June 2022	As at 31 December 2021
Issued shares at the end of periods	3,974,077	3,974,077
Treasury shares at the end of periods	(23,488)	(50,663)
Issued shares excluding treasury shares	<u>3,950,589</u>	<u>3,923,414</u>

- 5. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

	Number of Shares ('000)	RMB '000
Total number of treasury shares		
Balance as at 1 January 2022	50,663	269,582
Repurchased during 1H2022	10,000	60,369
Treasury shares re-issued	(37,175)	(202,198)
Balance as at 31 December 2021	<u>23,488</u>	<u>127,753</u>

6. Net Asset Value

	The Group		The Company	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Net asset value per ordinary share based on issued share capital excluding treasury shares (RMB cents)	418.23	915.62	294.64	319.17

The Group's and the Company's net assets value per ordinary share as at 30 June 2022 and 31 December 2021 have been computed based on the share capital of 3,950,589,220 shares and 3,923,414,500 shares respectively.

7. Earnings per share

	The Group	
	1H2022	1H2021
(a) Based on weighted average number of ordinary shares in issue (RMB cents) – Basic EPS	34.71	42.58
- From continuing operations	29.76	22.98
- From discontinued operations	4.95	19.60
Weighted average number of Ordinary shares	3,933,458,144	3,848,616,000
(b) On fully diluted basis (RMB cents)	34.71	42.58

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share is equal to basic earnings per share as at 30 June 2022 and 30 June 2021 as the Company has no potential dilutive ordinary shares.

8. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company does not have any subsidiary holdings.

9. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022****Income statement review**

Continuing operations	1H2022		1H2021	
	RMB'000	%	RMB'000	%
Shipbuilding				
Turnover	8,521,106	100%	4,778,163	100%
Cost	(7,431,004)	-87%	(4,130,869)	-86%
Margin	1,090,102	13%	647,294	14%
Shipping				
Turnover	560,947	100%	408,326	100%
Cost	(334,864)	-60%	(252,832)	-62%
Margin	226,083	40%	155,494	38%
Others				
Turnover	659,074	100%	552,509	100%
Cost	(551,289)	-84%	(485,774)	-88%
Margin	107,785	16%	66,735	12%

Revenue

In 1H2022, 35 vessels were delivered as compared to 23 vessels delivered in 1H2021. As a result, the Group recorded a higher shipbuilding revenue of RMB8,521 million in 1H2022 as compared to RMB4,778 million in 1H2021. Revenue contribution from shipping business increased by 37% to RMB561 million as a result of an expanded charter fleet size and improved charter rates. Revenue generated by other business such as trading, ship design services and investments retained by the Group subsequent to spin-off increased to RMB659 million in 1H2022, including interest income from debt investments at amortised cost of RMB79 million (1H2021: RMB43 million). The increase in revenue generated by other business was mainly due to higher volume of trading business activities.

Operating cost

In line with higher revenue from shipbuilding business, our cost of sales of RMB7,431 million in 1H2022 was also higher than RMB4,131 million recorded in 1H2021. In 1H2022, a net reversal of loss provision of RMB123 million for onerous contracts was recorded as a result of progressive construction of some of the contracts.

In 1H2022, in line with the increase in revenue from shipping business and other business, the operating costs for this segment was also higher than same period last year.

Gross Profit

The Group's shipbuilding business registered a gross profit margin of 13% in 1H2022, slightly lower than 14% recorded in 1H2021, mainly due to the rising raw material costs during the period.

Shipping business contributed a gross profit margin of 40% in 1H2022, slightly higher compared to 38% in 1H2021, mainly due to improved charter rates for bulk carriers during the period.

Other business includes the results from trading, ship design services and investments retained by the Group subsequent to spin-off. Other business registered a gross profit margin of 16% in 1H2022, slightly higher than 12% attained in 1H2021. In 1H2022, net interest income generated from investments retained by the Group subsequent to spin-off was RMB74 million (1H2021: RMB40 million).

Other income

Other income, which generally includes interest income from bank deposits, interest income from ship finance leases, dividend income and sale of materials.

Interest income increased from RMB125 million in 1H2021 to RMB150 million in 1H2022, mainly due to higher interest income from finance leases as a result of additions in vessels leased.

Other income - others decreased from RMB64 million to RMB12 million, mainly due to a lower sale of materials income in 1H2022.

YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

***CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022***

Other gains/losses - net

Other gains/losses mainly comprise foreign exchange related gains/losses, fair value change on financial assets, at fair value through profit or loss, derivative financial instruments and subsidy income. Other gains of RMB306 million were recorded in 1H2022 as compared to RMB353 million in 1H2021. The gains were mainly due to foreign exchange related gains of RMB466 million and gain on dissolution of subsidiaries of RMB41 million, which were partly offset by RMB73 million of fair value loss on financial assets, at fair value through profit or loss and RMB211 million of fair value loss on derivative financial instruments, mainly arising from fair value movement of the USD/CNY forward contracts that the Group entered into to manage its currency exposure to its future USD denominated income from shipbuilding business.

Expenses

In 1H2022, the group recorded an impairment loss on financial assets of RMB91 million as compared to a reversal of impairment loss of RMB39 million in 1H2021. Other administrative costs increased to RMB279 million as compared to RMB245 million, as a result of one-off professional fees in relation to the spin-off.

As a result of higher bank borrowings and borrowing costs in 1H2022, finance cost increased to RMB52 million as compared to RMB36 million in 1H2021.

Share of results of associated companies and joint ventures

This represents the share of results from the Group's associated companies and joint ventures. Share of profits of associated companies and joint ventures of RMB5 million mainly consists of share of profits from Yangzi-Mitsui Shipbuilding Co. Ltd, the Group's joint venture with Mitsui E&S Shipbuilding Co., Ltd. and Mitsui & Co., Ltd.

Corporate Income Tax

Group's effective tax rate for 1H2022 was 20.8%, lower than 24.7% of 1H2021. The lower effective tax rate in 1H2022 was mainly due to more shipping business profit outside mainland China generated compared to 1H2021, as they are subject to a lower statutory income tax rate than 25% standard income tax rate in mainland China.

Statements of Financial Position Review

Assets

As at 30 June 2022, cash and cash equivalents decreased to RMB9,047 million from RMB12,363 million as at 31 December 2021, as a result of the spin-off during the period.

Restricted cash, which was held in designated bank accounts as deposits of performance guarantees and letter of credits, increased because of net addition of guarantees and letter of credits during the period.

As at 30 June 2022, investment in financial assets, at fair value through profit or loss had decreased to RMB187 million from RMB2,385 million as at 31 December 2021, as a result of the spin-off during the period.

As at 30 June 2022, debt investment at amortised costs had decreased to RMB2.2 billion from RMB16.6 billion as at 31 December 2021, as a result of the spin-off during the period.

With the increase in shipbuilding activities, contract assets as at 30 June 2022 had increased to RMB4,323 million from RMB3,983 million as at 31 December 2021.

Current trade and other receivables as at 30 June 2022 increased to RMB4,159 million from RMB4,121 million as at 31 December 2021, mainly due to higher prepayment to suppliers, which is in line with higher volume of shipbuilding business.

Current and non-current derivative financial instruments of a total of RMB452 million mainly related to the fair value of the outstanding USD/CNY forward contracts with positive valuation as at 30 June 2022, which were entered by the Group to manage its currency exposure to future USD denominated income from shipbuilding business, which decreased from RMB686 million as of 31 December 2021 as a result of fair value movement during the period.

Non-current trade and other receivables increased by RMB711 million since the end of last year, the increase was mainly due to increase in finance lease receivables of shipping business.

As at 30 June 2022, the Group has no investment property, compared to RMB116 million worth of investment property assets held as at 31 December 2021, as a result of the spin-off during the period.

YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

***CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022***

As at 30 June 2022, investment in associated companies had decreased to RMB44 million from RMB1,105 million as at 31 December 2021, as a result of the spin-off during the period.

Investment in joint ventures represents the investments in United Wave Shipping S.A. and Yangzi-Mitsui Shipbuilding Co., Ltd., the movement from the end of last year mainly being the return of capital by joint ventures of RMB77 million.

Deferred income tax assets decreased from RMB647 million as at the end of last year to RMB482 million, the movement being the release of tax benefit to profit or loss during the period.

The total assets of spin-off group at point of distribution were approximately RMB21,420 million, which mainly consist of cash and cash equivalents of RMB4,308 million, investment in financial assets, at fair value through profit or loss of RMB1,832 million, debt investment at amortised costs of RMB13,490 million, investments in associated companies of 1,261 million and investment properties of RMB117 million.

Liabilities

The current derivative financial instruments of RMB90 million relate to the fair value of USD/CNY forward contracts with negative valuation as at 30 June 2022. These forward contracts were entered by the Group to manage its currency exposure to its future USD denominated income from shipbuilding business, the movement from the end of last year of RMB5 million being the fair value movement during the period.

Due to more shipbuilding contracts have started construction, contract liabilities as at 30 June 2022 decreased to RMB3,843 million from RMB4,823 million as at 31 December 2021.

Current trade and other payables as at 30 June 2022 increased to RMB3,628 million from RMB2,804 million as at 31 December 2021, mainly due to higher trade payables to suppliers, which is in line with higher volume of shipbuilding business.

Borrowings represented the Group's secured and unsecured borrowings of RMB5,329 million, higher than RMB4,457 million as at 31 December 2021, the movement being net addition of bank borrowings during the period.

Provisions mainly include warranty provisions for delivered vessels and provisions for onerous contracts. Provisions for onerous contracts stood at RMB95 million as at 30 June 2022, and a net utilisation of RMB123 million of allowance for losses was recognised on onerous contracts during the period.

As at 30 June 2022, deferred income tax liabilities had decreased to RMB570 million from RMB1,799 million as at 31 December 2021, as a result of the spin-off during the period.

The total liabilities of spin-off group at point of distribution were approximately RMB1,420 million, which mainly consist of trade and other payables of RMB148 million and deferred income tax liabilities of RMB1,165 million.

Equity

Treasury shares decreased from RMB270 million at end of last year to RMB95 million, the decrease was mainly due to the re-issuance of 37,174,120 treasury shares of RMB202 million for converting a convertible bond during the period.

The change of "Total equity attributable to equity holders" to RMB16,523 million as at 30 June 2022 from RMB35,923 million as at 31 December 2021 was mainly a result of the spin-off of RMB20,000 million. Other movement is the profits earned during the reporting period, which was partly offset by a dividend payment for FY2021.

Statements of cash flows review

The decrease of cash and cash equivalents from RMB12,363 million as at 31 December 2021 to RMB9,047 million as at 30 June 2022 was mainly due to cash outflow of RMB4,308 million at the point of spin-off, which was partly offset by net cash provided by operating activities of RMB1,246 million during the financial year.

Net cash used in investing activities of RMB297 million mainly consists of addition of investment in associated companies of RMB209 million and purchase of property, plant and equipment of RMB360 million for addition of vessels of the Group's shipping business, which is partly offset by proceeds from sales of financial assets, at fair value through profit and loss of RMB155 million and return of capital by joint venture of RMB77 million.

Net cash used in financing activities of RMB4,266 million mainly consists of cash outflow of RMB4,308 million at the point of spin-off and FY2021 dividend payment to equity holders of RMB970 million, which was partly offset by net addition of borrowings of RMB841 million and proceeds from issuance of convertible bond of RMB235 million. Overall liquidity remained at a healthy level, evidenced by a current ratio of 1.72 as at 30 June 2022.

10. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

11. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's key growth strategy remains advancing our ESG targets in line with the International Maritime Organization's mandatory measures to cut the carbon intensity of international shipping. In July 2022, the Group made significant progress winning orders for 4 units of 8,000 TEU Liquefied Natural Gas ("LNG") dual-fuel containerhips that will carry the GTT Mark III technology with an ammonia-ready fuel tank; and 2 units of 36,000CBM Liquefied Ethylene Gas ("LEG") carriers. The Group is proactively looking at opportunities to strengthen its green vessel building capabilities, including further R&D efforts in LNG vessel construction.

In 1H2022, global new shipbuilding orders remained healthy, following a strong year of 2021. According to Clarksons Research, new shipbuilding orders with total 21.7 million compensated gross tons ("CGT") were placed as of June 2022, compared to 23.9 million CGT in 2020 and 46.6 million CGT in 2021. The industry is experiencing a surge in demand for clean energy fuelled vessels. In 1H2022, newbuild orders for alternative fuelled vessels hit a record of 268, with a total contract value of US\$38 billion.

Newbuilding prices should continue their momentum in 1H2022, following a rebound in 1H2021. In June 2022, the average Clarkson Newbuilding Price Index was 162 as compared to the average of 154 in 2021.

Backed by the ongoing upcycle for shipbuilding, the Group secured 18 new orders with total contract value of US\$1.09 billion as of 31 July 2022. The Group is on track to meet its FY2022 order-win target of US\$2 billion. As of 30 June 2022, the Group delivered a record of 35 vessels, underpinned by the efficient utilisation of its shipyards and is on track to reach its delivery target of 70 vessels for FY2022. The Group, backed by its technology, innovation, quality and timely delivery performance, will strive to secure more order-wins and deliver a stable revenue stream.

The growth rate of dry bulk supply is expected to decrease to 2.4% in 2022 and 0.7% in 2023¹, due to limited newbuilding contracts since orders for containerhips are taking up the available construction slots at various shipyards, given that Europe's coal restocking demand, China's surging coal demand to support its economic recovery, we remain positive on the near-term outlook for shipping.

As Yangzijiang continues working on becoming a leading shipbuilder in the world, the Group will continue improving its technology, innovation and operations. The Group is committed to leveraging on favourable market conditions and its competitive advantages to deliver sustainable returns to its shareholders.

¹ Clarksons Research, July 2022

12. Dividend

a) Current Financial Period Reported On

None.

b) Corresponding Period of the Immediately Preceding Financial Year

None.

c) Whether the dividend is before tax, net of tax or tax exempt

Not applicable.

d) Date payable

Not applicable.

e) Books closure date

Not applicable.

13. If no dividend has been declared (recommended), a statement to that effect.

It is the company's policy to declare dividend annually.

14. Interested Person Transactions

The following table sets out the current total of all transactions with the interested person for the first half year ended 30 June 2022:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
<u>Xu Wen Jiong</u> [#]		
<u>West Gold International Pte Ltd</u>	RMB 28,888,000*	Nil [^]
Procurement of marine equipment		

*Aggregate value less than 3% of Group's NTA as at 30 June 2022, shareholder mandate not applicable.

[^]The Company does not obtain a shareholders' mandate for interested person transactions.

[#]Mr Xu Wen Jiong has retired from the Board of Directors on 18 April 2022.

15. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in appendix 7.7) under rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

16. CONFIRMATION PURSUANT TO RULE 720 (1) OF THE LISTING MANUAL

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual.

On Behalf of the Board of Directors

Ren Letian
Executive Chairman and Chief Executive Officer

Teo Yi-dar
Lead Independent Director

Singapore
Date: 7 August 2022

APPENDIX II

REPRODUCTION OF THE ISSUER'S CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

The information set out below is a reproduction of the Issuer's condensed interim financial statements as at and for the six-month period ended 30 June 2022.

SG Issuer

Société Anonyme

**Condensed interim financial statements,
Report of the Executive Board and Corporate Governance Statement and
Report of the Réviseur d'entreprises agréé on review of the condensed interim financial statements**

As at and for the six-month period ended 30 June 2022

**16, boulevard Royal
L-2449 Luxembourg
R.C.S. Luxembourg: B121.363**

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Executive Board Members

As at 30 June 2022

EXECUTIVE BOARD MEMBERS

Chairman:

Mr Yves CACCLIN

Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Members:

Mr Thierry BODSON

Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr François CARALP (since 28 April 2022)

Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Alexandre GALLICHE

Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Pascal JACOB

Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Christian ROUSSON (until 28 April 2022)

Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Laurent SIMONET (since 28 April 2022)

Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mrs Estelle STEPHAN JASPARD

Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Laurent WEIL (until 28 April 2022)

Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Supervisory Board Members

As at 30 June 2022

SUPERVISORY BOARD MEMBERS

Chairman:

Mr Pierre LESCOURRET (until 28 April 2022)

Employee of Société Générale

Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Mr Laurent WEIL (member since 28 April 2022 – Chairman since 10 May 2022)

Employee of Société Générale

Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Members:

Mr Olivier BLANC

Employee of Société Générale Luxembourg

11, avenue Emile Reuter, L-2420 Luxembourg

Mr Angelo BONETTI

Employee of Société Générale

Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Mr Gregory CLAUDY

Independent Director

225A, rue du Burgknapp, B-6717 Heinstert, Belgium

Mr Olivier FREITAS

Employee of Société Générale Luxembourg

11, avenue Emile Reuter, L-2420 Luxembourg

Audit Committee Members

As at 30 June 2022

AUDIT COMMITTEE MEMBERS

Chairman:

Mr Gregory CLAUDY

Independent Director

225A, rue du Burgknapp, B-6717 Heinstert, Belgium

Members:

Mr Olivier BLANC

Employee of Société Générale Luxembourg

11, avenue Emile Reuter, L-2420 Luxembourg

Mr Olivier FREITAS

Employee of Société Générale Luxembourg

11, avenue Emile Reuter, L-2420 Luxembourg

Management and administration

As at 30 June 2022

MANAGEMENT AND ADMINISTRATION

Issuer

SG Issuer

16, boulevard Royal, L-2449 Luxembourg

Guarantor (if applicable, as specified in the Final Terms)

Société Générale

29, boulevard Haussmann, F-75009 Paris, France

Arranger and Dealer

Société Générale

Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Security Trustee and Security Agent Trustee

The Bank of New York Mellon Corporate Trustee Services Limited

One Canada Square, London E14 5AL, United Kingdom

Collateral Custodian

The Bank of New York Mellon S.A., Luxembourg Branch

Vertigo Building, Polaris, 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Luxembourg

Collateral Monitoring Agent

The Bank of New York Mellon London Branch

One Canada Square, London E14 5AL, United Kingdom

Custodian Agent, Issuing and Paying Agent, Registrar, Exchange Agent and Transfer Agent

Société Générale Luxembourg

11, avenue Emile Reuter, L-2420 Luxembourg, Luxembourg

Paying Agents

Société Générale

29, boulevard Haussmann, F-75009 Paris, France

&

Société Générale, New York Branch

1221, avenue of the Americas, New York NY 10020, United States of America

Warrant Agent

Société Générale Luxembourg

11, avenue Emile Reuter, L-2420 Luxembourg, Luxembourg

Legal advisers and Réviseur d'entreprises agréé

As at 30 June 2022

LEGAL ADVISERS AND RÉVISEUR D'ENTREPRISES AGRÉÉ

Legal advisers

To the Arranger as to English, French and U.S. laws

Allen & Overy LLP

52, avenue Hoche, CS 90005, 75379 Paris Cedex 08, France

To the Trustee as to English Law

Allen & Overy LLP

1 Bishops Square, London E1 6AD, United Kingdom

To the Arranger as to Luxembourg Law

Allen & Overy Luxembourg

5, avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg

Independent Auditor (Réviseur d'entreprises agréé)

Ernst & Young S.A.

35E, avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg

Report of the Executive Board and Corporate Governance Statement

As at 30 June 2022

REPORT OF THE EXECUTIVE BOARD AND CORPORATE GOVERNANCE STATEMENT

The Directors of SG Issuer (the "Company" or "SGIS") (each a « Director », collectively the « Executive Board ») present the condensed interim financial statements and the Report of the Executive Board and Corporate Governance Statement of the Company for the period from 1 January 2022 to 30 June 2022.

1. ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The purpose of SG Issuer is to issue Notes and Warrants with all types of underlyings including, without restriction, Shares, Index, Interest Rate, Dividend, Credit Risk, Foreign Exchange, Commodities, Funds, Warrants, allowing investors to access to the full pricing capabilities of Société Générale, which proposes an extensive range of investment strategies linked to these various asset classes.

Notes and Warrants issued by the Company can be sold in either Private Placements or Public Offerings. Notes are mainly Debt Securities, Bonds, and Certificates. Issuing proceeds raised by the sale of the Notes will be transferred to Société Générale S.A. ("Société Générale") through a Fully Funded Swap ("FFS"), which perfectly hedges SGIS for the full issue size.

Warrants are financial products like Turbos, inline Warrants, daily Leverage Certificates, which aim to replicate the same financial exposure as buying (Call) or selling (Put) an asset such as a share or an index, at a predetermined price (strike price) on a predetermined date (expiry) and to offer different pay-off or exposures to investors.

Payments in respect of the Notes and Warrants issued by the Company are unconditionally and irrevocably guaranteed by Société Générale.

On request of investors, the Company can issue Collateralised Notes or Warrants (respectively "secured Notes" or "secured Warrants") in order to propose an additional layer of protection to investors in case of default of Société Générale.

Notes and Warrants issuances are governed by the programs prepared by Société Générale.

The main programs for Notes are (i) the Debt Instruments Issuance Program, the Base Prospectus of which has been updated and approved by the CSSF on 1 June 2022 and (ii) the "Programme d'Emission de Titres de Créance", the Base Prospectus of which has been updated and approved by the CSSF on 13 June 2022. Similarly, the main program for Warrants is the Warrants Issuance Program, for which the last updates have been approved by the CSSF on 27 June 2022.

In addition, (i) the German law Dual Language Debt Instruments Issuance Program has been updated and approved by the CSSF on 15 June 2022 and (ii) the Dual Language Leveraged and Tracking Products Issuance Program has been updated and approved by the CSSF on 6 July 2022.

The UK Securities Issuance Program and Swiss Securities Issuance Program were respectively approved by the CSSF on 1 June 2022 and 4 July 2022.

The newly created German Debt Instruments Issuance Program was approved by the CSSF on 8 April 2022.

The state of business of the Company at the closing of the six-month period ended 30 June 2022 is adequately presented in the interim financial statements published hereby.

Report of the Executive Board and Corporate Governance Statement (continued)

As at 30 June 2022

During the six-month period ended 30 June 2022, 7 223 new Notes were issued (among which 53 new secured Notes) and 1 214 new Warrants were issued¹. The net profit for the period from 1 January 2022 to 30 June 2022 amounts to KEUR 290.

The Company did not exercise any research and development activity, does not have any branch, and did not acquire any own shares.

2. RISKS AND UNCERTAINTIES

The risks associated with the investment in the Notes or Warrants depend on several factors. Such factors will vary depending on the characteristics of the Notes or Warrants issued, in particular depending on the underlying type, the maturity, the secured / unsecured status of the Notes or Warrants, the interest rates incurred, the volatility of the underlying.

For each Note, the Company systematically hedges its position by contracting a FFS with Société Générale, with strictly identical characteristics. Also, for each Warrant, the Company systematically hedges its position by contracting an option with Société Générale, with strictly identical characteristics.

The legal documentation and the derivative instruments have been put in place in order to make sure that the assets match the liabilities at any time. Therefore, no market risk is supported by the Company. The risk management in relation to the Notes and Warrants is also described in Note 10 hereafter.

3. CRISIS: COVID-19 AND WAR IN UKRAINE

The lifting of the Covid-19-related restrictions in several major economies supports economic activity without, however, excluding the risk of new lockdowns as it has occurred in some geographic areas during the first half-year 2022 (in Hong-Kong for example).

On the other hand, the first semester of 2022 has been strongly impacted, since 24 February, by the war in Ukraine. The conflict, with its human casualties and suffering, has significant economic costs along with considerable uncertainties.

In the euro area, the supply difficulties, the decline in purchasing power with the high inflation expected all through 2022 and the tightening of economic policies are the main bottlenecks constraining growth. If pandemic-related risks have decreased significantly in the short-term, the strong uncertainties related to the war in Ukraine jeopardise these prospects and the scenario of a more pronounced slowdown in 2022 cannot be excluded.

The Executive Board had performed an analysis toward the Company's exposure to the above. The Company, including its going concern, is not directly significantly impacted by the above and the situation will continue to be monitored, including the possible impact of changing micro and macroeconomic conditions.

4. FUTURE DEVELOPMENTS AND PERSPECTIVES

Following the acquisition by the Société Générale Group (SG Group) of the listed warrants activities from Commerzbank, Société Générale decided to centralize the new warrants issuances into another vehicle of the SG Group. The Company will however pursue its warrants issuances activity on the Asian markets to another issuer. As expected by the Executive Board, the 2022 commission income of the Company related to Warrants issuance decreased by more than half compared to previous year.

¹ The number of issued Notes and Warrants does not take into account the issuances which have been issued and cancelled during the same financial period.

Report of the Executive Board and Corporate Governance Statement (continued)

As at 30 June 2022

5. INFORMATION ON LITIGATIONS

During the year ended 31 December 2020, SG Issuer, as the Issuer of Notes linked to the credit risk of a French corporate, and Société Générale, as the Guarantor, were brought before the Courts of Paris (alongside other French financial institutions) by end investors to obtain compensation for the financial loss they suffered on their investment in these securities. The French corporate was the subject of a “safeguard procedure”, which constitutes a credit event under the terms of the Notes which had a strong impact on the value of the Notes. These investors rely on unfounded allegations according to which SG Issuer and Société Générale were aware of the difficulties of the French corporate when setting up and marketing these Notes and that in doing so, they failed to meet their regulatory obligations (to act in an honest, fair and professional manner, to provide information on the product risks and to determine the suitability of the Notes for retail investors).

For this litigation, along with any other litigation relating to securities issued by SG Issuer, SG Issuer is entitled to an indemnification by Société Générale in respect of any sum due by SG Issuer regarding potential damages or attorneys' fees.

6. SUBSEQUENT EVENTS

As at 30 June 2022, there was no subsequent event.

7. CORPORATE GOVERNANCE STATEMENT

The Executive Board of the Company is committed to maintaining the standards of corporate governance enforced at the level of the European Union and at level of the Société Générale Group. This statement describes the Company's governance principles and practices.

In compliance with its status, the Company is governed by an Executive Board and supervised by a dedicated Supervisory Board.

7.1. Executive board

The Executive Board supervises and controls the management and operations of the Company and is responsible for the Company system of risk management and internal control.

The Executive Board meetings are held on demand several times during the year.

The Board has quorum when more than half of its members are present. An opinion supported by more than half of the members present becomes a decision.

Key tasks of the Executive Board:

- Ensures that the supervision of accounting is organised and monitored appropriately;
- Reviews and approves the Company's financial statements and condensed interim financial statements;
- Supervises and controls operative management.

Report of the Executive Board and Corporate Governance Statement (continued)

As at 30 June 2022

7.2. Supervisory board

The Supervisory Board ensures permanently and by all necessary means the control of the management of the Company carried out by the Executive Board. However, this supervision has to be translated in no way by an intervention in the management of the Company. The Supervisory Board can mandate advisory committees comprised of members of the Supervisory Board and/or of other non-members to lead different missions. The Supervisory Board can confer power or mandates permanently or temporary to these advisory committees. These advisory committees cannot have the effect of restricting the powers of the Executive Board.

7.3. Audit committee

The mission of the Audit Committee is to monitor the issues related to the preparation and control of accounting and financial information, to monitor the independence of the statutory auditors, as well as to monitor the efficiency of the internal control, measurement, supervision and risk control systems related to the accounting and financial processes. If needed, it gives recommendations and its opinion to the Supervisory Board.

An Audit Committee took place on 25 April 2022, during which the financial statements for the financial period ended 31 December 2021 and the external audit results were presented. At least one member of the committee must be independent, which is the case of the Chairman of the Company's Audit Committee.

7.4. Internal audit

The Internal Audit of both Société Générale Luxembourg S.A. ("SG Luxembourg") and Société Générale Group support the Company's Executive Board in overseeing the Company's activities and securing its operations by carrying out internal audits and providing consultative assistance. The objective of Internal Audit is to add value by making recommendations designed to improve the Company's functioning. Internal Audit is an independent function and its activities are based on international professional internal audit standards and rules of ethics.

The central task of Internal Audit is to audit the functioning of SG Issuer on a regular basis and evaluate its internal controls, risk management, and administrative function. The areas to be audited are determined by the projected financial and operational risks concerned. Internal Audit can also carry out special assignments at the request of management.

Internal Audit does not have any direct authority over the activities it reviews.

7.5. Controls framework

First level of controls is related to the execution of the procedures, guidelines and instructions established to ensure the proper and efficient functioning of the Company. They are executed by the involved teams in charge of the production.

A second level of control is ensured by SG Luxembourg: Outsourced Essential Services ("OES") supervision (ensured by the Corporate department), Market Risk and Operational Risk (ensured by the Risk department), "Level 2 permanent control" activity (monitoring and assessment of the level 1 permanent control system)."

The Chief Financial Officer of the Company ensures the completeness of the procedural framework.

Report of the Executive Board and Corporate Governance Statement (continued)

As at 30 June 2022

7.6. New products committee

All the new activities and businesses of the Company are analysed and authorised by a dedicated New Products Committee (NPC). All involved departments within SG Luxembourg are represented (operations, finance, risk, accounting standards, etc...) to assess the impact for the Company.

7.7. Service level agreements

The Company and several of its service providers are subsidiaries of the Société Générale Group and therefore benefit from the Group's internal control systems.

Service Level Agreements ("SLAs") were signed by the Company with SG Luxembourg and with Société Générale. The SLAs govern the relations between the entities as well as their respective obligations. The services supplied by SG Luxembourg and Société Générale are listed in the appendices of the agreements (mainly General services, legal services, business continuity management services and financial services from SG Luxembourg and operational services – Middle Office and Back Office – from Société Générale). In particular, the calculation of the remuneration related to the issuance of the Notes is delegated to Société Générale Paris Middle office within the framework of the SLA.

Luxembourg, 30 September 2022
For the Executive Board



Yves CACCLIN
Chairman of the Executive Board



Thierry BODSON
Member of the Executive Board

Global Statement for the condensed interim financial statements

As at 30 June 2022

To the best of our knowledge, the condensed interim financial statements are prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and give a true and fair view of the financial position and performance of SG Issuer as at and for the six-month period ended 30 June 2022. The condensed interim financial statements comprise the interim statement of financial position as at 30 June 2022, the interim statement of profit and loss and other comprehensive income, the interim statement of changes in equity and the interim statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

To the best of our knowledge, the report of the Executive Board and Corporate Governance Statement includes a fair review of the development and performance of the Company, and a description of the principal risks and uncertainties that the Company faces.

Luxembourg, 30 September 2022

A handwritten signature in blue ink, appearing to read 'Yves CACCLIN', with a long horizontal stroke extending to the right.

Yves CACCLIN
Chairman of the Executive Board

A handwritten signature in blue ink, appearing to read 'Thierry BODSON', with a large loop at the start and a horizontal stroke at the end.

Thierry BODSON
Member of the Executive Board

Report of the Réviseur d'entreprises agréé on review of the condensed interim financial statements

To the Shareholders of
SG Issuer S.A.
16, boulevard Royal
L-2449 Luxembourg

Introduction

We have reviewed the accompanying condensed interim financial statements of SG Issuer as at and for the six-month period ended 30 June 2022, which comprise the interim statement of financial position as at 30 June 2022 and the related interim statement of profit and loss and other comprehensive income, the interim statement of changes in equity, the interim statement of cash flows for the six-month period then ended and a summary of significant accounting policies and explanatory notes. The Executive Board is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

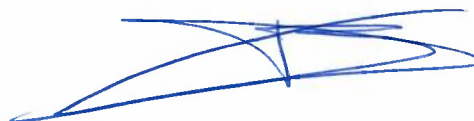
Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information 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 International 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 accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Dorian Rigaud

Luxembourg, 30 September 2022

Condensed interim financial statements

As at 30 June 2022

Interim statement of financial position

		('000 EUR)	('000 EUR)
	Note	30.06.2022	31.12.2021
Cash and cash equivalents	3	23 537	36 384
Financial assets at fair value through profit or loss			
- <i>Mandatorily measured at fair value through profit or loss</i>	4.1	38 846 422	40 322 401
- <i>Trading derivatives</i>	4.1	781 375	714 838
Loans and receivables	5	50 001	50 021
Other assets		479 902	497 267
Total assets		40 181 237	41 620 911
Financial liabilities at amortised cost	4.3	58 820	76 412
Financial liabilities at fair value through profit or loss			
- <i>Designated at fair value through profit or loss</i>	4.2	38 846 530	40 323 850
- <i>Trading derivatives</i>	4.2, 10	781 301	714 854
Other liabilities		492 212	503 809
Tax liabilities	6	98	-
Total liabilities		40 178 961	41 618 925
Share capital	7.1	2 000	2 000
Share premium	7.1	-	-
Legal reserve	7.2.1	200	200
Other reserves	7.2.2	(214)	1
Profit for the financial period/year		290	(215)
Total equity		2 276	1 986
Total equity and liabilities		40 181 237	41 620 911



Condensed interim financial statements (continued)

As at 30 June 2022

Interim statement of profit and loss and other comprehensive income

		('000 EUR) 1 st half of 2022	('000 EUR) 1 st half of 2021
Interest income		66	381
Commission income	8	18 456	23 539
Net gains from financial instruments at fair value through profit or loss		127	55
Total revenues		18 649	23 975
Interest expenses		(10 470)	(14 254)
Personnel expenses		(136)	(143)
Other operating expenses		(7 656)	(9 524)
Total expenses		(18 262)	(23 921)
Cost of risk	5	1	3
Profit before tax		388	57
Income tax	6	(98)	(16)
Profit for the financial period		290	41
Total comprehensive income for the period		290	41




Condensed interim financial statements (continued)

As at 30 June 2022

Interim statement of changes in equity

	('000 EUR) Share capital	('000 EUR) Share premium	('000 EUR) Legal reserve	('000 EUR) Other reserves	('000 EUR) Total reserves	('000 EUR) Profit for the financial year/period	('000 EUR) Total equity
As at 31 December 2020	2 000	-	200	0	200	199	2 399
Allocation of the result of the previous year before dividend distribution	-	-	-	199	199	(199)	-
Capital increase / Allocation to the share premium account (Note 7.1)	-	16 926	-	-	-	-	16 926
Dividend paid (Note 7.1)	-	-	-	(199)	(199)	-	(199)
Reimbursement of the share premium (Note 7.1)	-	(16 926)	-	-	-	-	(16 926)
Profit and other comprehensive income for the period from 1 January 2021 to 30 June 2021	-	-	-	-	-	41	41
As at 30 June 2021	2 000	-	200	1*	201	41	2 242
Profit and other comprehensive income for the period from 1 July 2021 to 31 December 2021	-	-	-	-	-	(256)	(256)
As at 31 December 2021	2 000	-	200	1*	201	(215)	1 986
Allocation of the result of the previous year before dividend distribution	-	-	-	-	-	215	215
Allocation to loss brought forward	-	-	-	(215)	(215)	-	(215)
Capital increase / Allocation to the share premium account (Note 7.1)	-	28 244	-	-	-	-	28 244
Dividend paid (Note 7.1)	-	-	-	-	-	-	-
Reimbursement of the share premium (Note 7.1)	-	(28 244)	-	-	-	-	(28 244)
Profit and other comprehensive income for the period from 1 January 2022 to 30 June 2022	-	-	-	-	-	290	290
As at 30 June 2022	2 000	-	200	(214)	(14)	290	2 276

* Other reserves as at 31.12.2021 amount to KEUR 1 and relate to the retained earnings which the Company was not able to distribute as a dividend as they were indivisible by the number of shares. Due to rounding in KEUR, this KEUR 1 difference between the 2020 profit and the dividend distribution does not appear in the above table.

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed interim financial statements (continued)

As at 30 June 2022

Interim statement of cash flows

	Notes	('000 EUR) 1 st half of 2022	('000 EUR) 1 st half of 2021
OPERATING ACTIVITIES			
Profit for the financial period		290	41
Net (increase)/decrease in financial assets	4.1	(10 618 051)	(9 598 256)
Net increase/(decrease) in financial liabilities	4.2	10 592 495	9 412 474
(Increase)/decrease in other assets		17 365	524 939
Increase/(decrease) in tax liabilities and other liabilities		(11 499)	(531 015)
Taxes paid	7	-	-
<i>Non cash adjustments :</i>			
Net change in fair value and foreign exchange difference	4.1, 4.2	34 798	193 409
Change in cost of risk	5	(1)	(3)
NET CASH FLOWS FROM OPERATING ACTIVITIES		15 397	1 589
FINANCING ACTIVITIES			
Payment of capital surplus*	7.1	(28 244)	(16 926)
Dividend paid		-	(199)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(28 244)	(17 125)
Cash and cash equivalents as at the beginning of the period	3	36 384	44 293
Net increase/(decrease) in cash and cash equivalents		(12 847)	(15 536)
Cash and cash equivalents as at the end of the period		23 537	28 757
Additional information on operational cash flows from interest and dividends			
Interest paid		28 309	17 291
Interest received		66	384
Dividend received		-	-

* KEUR 28 244 for the period ended 30 June 2022 (and KEUR 16 926 for the year ended 30 June 2021) represent the share premium reimbursed by the Company to the shareholder (refer to Note 7.1).

Notes to the condensed interim financial statements

As at 30 June 2022

NOTE 1 – CORPORATE INFORMATION

SG Issuer (hereafter the "Company" or "SGIS") is a Luxembourg company incorporated on 16 November 2006 as a public limited liability company (Société Anonyme) for an unlimited period.

Since April 2013, the Company's corporate objects are to issue debt securities, bonds, certificates, warrants and any other debt securities or acknowledgements of debts or financial securities, whether or not accompanied by guarantees, with any type of underlying security, including, without limitation, company stock, any other capital security or security other than capital, index, currency, exchange rate, interest rate, dividend, credit risk, fund unit, investment company stock, term deposit, life assurance contract, loan, merchandise, term contract, option, warrant or option coupons, allocated or unallocated precious metals, unit of account, basket or any other factor or any other type of underlying securities and any combination of the latter.

To that effect, the Company may purchase, hold, dispose of, lend, loan or resell, by any means, including in particular the use of trusts, in trust or repurchase, any type of assets whatever their names and forms and whether or not accompanied by guarantees, in particular financial instruments (financial securities - stocks, fund units, bonds, certificates, warrants - or financial contracts - swaps, options or other) or any other debt securities, acknowledgements of debts or capital securities, receive or issue monetary loans (including loans convertible into shares of the Company) - within the group of companies to which the Company belongs - and to supply guarantees in any form (actual guarantees such as pledges, securities, mortgages or other - personal guarantees or any other form of guarantee) for their own account, for the account of the group of companies to which the Company belongs or on behalf of third parties.

The Company's financial year begins on 1 January and ends on 31 December each year.

The Company's capital is divided into 50 009 shares, of which 49 909 are held by SG Luxembourg and 100 are held by Société Générale.

The accounts of the Company are included in the consolidated accounts of Société Générale S.A. (hereafter "Société Générale" or the "parent Company"), which is the largest body of undertakings of which the Company forms a part as a subsidiary undertaking, and whose head-office is located at 29, boulevard Haussmann, 75009 Paris, France.

Notes to the condensed interim financial statements (continued)
As at 30 June 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

2.1.1. Statement of compliance

The financial statements of the Company as at and for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and interpretations adopted by the International Accounting Standards Board ("IASB").

The financial statements as at and for the year ended 31 December 2021 were authorised for issue by the Supervisory Board on 27 April 2022.

The condensed interim financial statements as at and for the six-month period ended 30 June 2022 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and interpretations adopted by the International Accounting Standards Board ("IASB"). The condensed interim financial statements as at and for the six-month period ended 30 June 2022 were approved and authorised for issue by the Supervisory Board on 30 September 2022.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements as at 31 December 2021.

2.1.2. Basis of measurement of financial assets and financial liabilities

Financial assets and financial liabilities linked to the activity of the Company are measured at fair value through profit or loss. Other financial assets and financial liabilities are measured at amortised cost.

2.1.3. Functional and presentation currency

These condensed interim financial statements are prepared in Euro ("EUR"), which is the Company's functional currency and the currency of its share capital. Unless stated otherwise, the amounts in the condensed interim financial statements are expressed in thousands of EUR (KEUR). The value "0" indicates the presence of a number, which is rounded to zero, while "-" represents the value nil.

2.1.4. Use of estimates and judgements

The preparation of the Company's condensed interim financial statements requires the Executive Board to make judgments, estimates and assumptions that affect the reported amount of figures recorded in the statement of profit and loss, on the unrealised or deferred gains and losses, on the valuation of assets and liabilities in the statement of financial position, and on information disclosed in the notes to the condensed interim financial statements.

In order to make these assumptions and estimates, the Executive Board uses information available at the date of preparation of the condensed interim financial statements and can exercise its judgment. By nature, valuations based on estimates include risks and uncertainties relating to their occurrence in the future. Consequently, actual future results may differ from these estimates and may then have a significant impact on the condensed interim financial statements.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company's accounting policies, the Executive Board has made the following judgments and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond Company's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the condensed interim financial statements with substantial Executive Board judgment and/or estimates are listed below with respect to judgments/estimates involved.

The use of significant estimates and judgment mainly concerns the following topics:

- Fair value in the interim statement of financial position of financial instruments not quoted in an active market which are classified as financial assets and liabilities at fair value through profit or loss (see Notes 4.1 and 4.2);
- The amount of impairment and provisions for credit risk related to financial assets measured at amortised cost (see Note 5);
- The analysis of the contractual cash flow characteristics of financial assets (see Note 2.3.3.1).

2.1.5. Segment reporting

No dedicated management reporting information is presented for SGIS to a chief decision maker; only the annual financial statements and the condensed interim financial statements are presented to the Executive Board of SGIS in analysing the performance of the Company. The Company has only one geographical area related to its revenue, which is France.

The business of the Company is not seasonal. Therefore, the additional disclosure of financial information for the twelve months up to the end of the interim period and comparative information for the prior twelve-month period, encouraged in IAS 34.21, are not necessary and not provided.

2.2. New accounting standards

2.2.1. New accounting standards applicable as at 1 January 2022

2.2.1.1. Amendments to IAS 37 "provisions, contingent liabilities and contingent assets "onerous contracts - contract execution costs "

Issued by the IASB in May 2020 and adopted by European Union on 2 July 2021

These amendments specify the costs to be used in determining the costs of fulfilling a contract when analyzing onerous contracts.

No material impact has been identified as at 30 June 2022.

2.2.1.2. Amendments to IAS 16 "tangible fixed assets - proceeds before intended use"

Issued by the IASB in May 2020 and adopted by European Union on 2 July 2021

These amendments prohibit an entity deducting from the cost of a tangible fixed assets any proceeds from selling items produced while bringing that asset to its location or condition necessary for its operating state. Instead, an entity would recognise the proceeds from selling such items, and the cost of producing those items, in profit or loss.

No material impact has been identified as at 30 June 2022.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

2.2.1.3. Annual IFRS improvements (2018 - 2020 cycle)

Issued by the IASB on 14 May 2020 and adopted by European Union on 2 July 2021

As part of the annual procedure for improving IFRS, the IASB published minor changes to IFRS 9 "Financial instruments" and IFRS 16 "Leases". The IASB also published minor changes to IFRS 1 "First time adoption of International Financial Reporting Standards" and IAS 41 "Agriculture", which is not applicable to the Group. The amendment on IFRS 9 "Financial instruments" clarifies which fees an entity includes when performing the "10 per cent" test to assess whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment to IFRS 16 clarifies the treatment of lease incentives related to reimbursement of leasehold improvements by the lessor. The amendment only relates to an illustrative example.

No material impact has been identified as at 30 June 2022.

2.2.1.4. IFRS interpretations committee (ifric) decision on ias 38

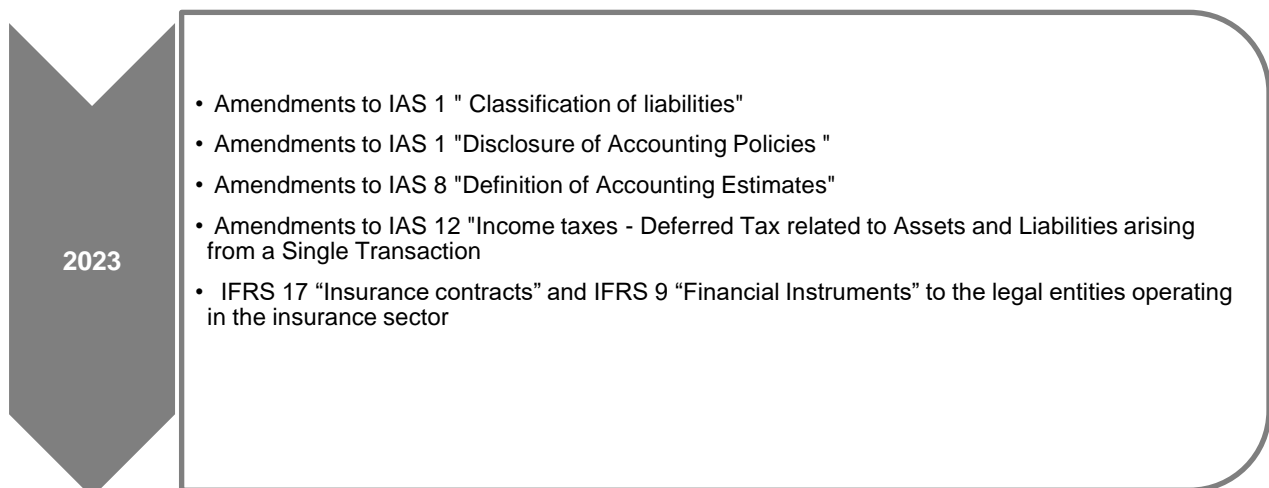
Issued by IFRIC on 27 April 2021

During its 27 April 2021 meeting, the IFRIC reiterated the accounting rules for a customer's costs of configuring or customizing the supplier's application in a 'Software as a Service' (SaaS) arrangement. The Company has not identified any material impact as at 30 June 2022.

2.2.2. Accounting standards, amendments or interpretations to be applied by the Company in the future

IASB publishes accounting standards, amendments and interpretations, some of which have not been adopted by the European Union as at 30 June 2022. They are required to be applied from annual periods beginning on 1 January 2023 at the earliest or on the date of their adoption by the European Union. They have not been applied by the Company as at 30 June 2022.

These standards are expected to be applied according to the following schedule:



Notes to the condensed interim financial statements (continued)

As at 30 June 2022

2.2.2.1. Amendments to IAS 1 "Classification of liabilities"

Issued by the IASB on 23 January 2020

On 23 January 2020, the International Accounting Standards Board (IASB) issued amendments to IAS 1 "Presentation of Financial Statements" to clarify the requirements for classifying liabilities as current or non-current. More specifically:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
- Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant.
- The amendments clarify the situations that are considered settlement of a liability.

The new guidance will be effective for annual periods starting on or after 1 January 2022.

On 15 July 2020, the IASB issued Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1) deferring the effective date of the January 2020 amendments to IAS 1 for annual reporting periods beginning on or after 1 January 2023. The Accounting Standards Board approved this amendment to IAS 1 on October 2020.

At this stage, the Company does not expect any significant impact from these amendments.

2.2.2.2. Amendments to IAS 1 "Disclosure of Accounting policies"

Adopted by the European Union on 2 March 2022

These amendments aim to help companies to improve the relevance of the information on accounting methods provided in the Notes and its usefulness for investors and users of financial statements.

At this stage, the Company does not expect any significant impact from these amendments.

2.2.2.3. Amendments to IAS 8 "Definition of an Accounting estimate"

Adopted by the European Union on 2 March 2022

These amendments aim to facilitate the distinction between changes in accounting policies and changes in accounting estimates.

At this stage, the Company does not expect any significant impact from these amendments

2.2.2.4. Amendments to IAS 12 "Income tax – Deferred tax for assets and liabilities related to the same transaction"

Issued by the IASB on 7 May 2021

These amendments clarify and narrow the scope of the exemption of not recognize deferred tax during the initial recognition of an asset and a liability, offered by IAS 12. Therefore, lease contracts and decommissioning obligations for which companies record both assets and liabilities are excluded and they will have now to book deferred taxes.

The objective of these amendments is to reduce the heterogeneity in the recognition of deferred tax relating to leases and decommissioning obligations.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

Since the implementation of IFRS 16, the Group has considered rights of use and lease debts as a single transaction. Thus, on the date of first recognition, no deferred tax is recognized, as the value of the deferred tax assets generated offsets the value of the deferred tax liability. The differences due to subsequent variations in the right of use and lease liability lead to the recognition of deferred tax. As such, this amendment has no effect on the Company accounts.

2.2.2.5. Preparation for the first-time application of IFRS 17 “insurance contracts” and of IFRS 9 “Financial instruments” to the legal entities operating in the insurance sector

Issued by the IASB on 18 May 2017, amended on 25 June 2020 and 9 December 2021

The IFRS 17 standard, will replace the IFRS 4 “Insurance contracts” standard which allows for the recognition of insurance contracts using the methods specified by the local accounting regulation.

At this stage, the Company does not expect any significant impact from this new standard as it does not have insurance activity.

2.3. Summary of significant accounting policies**2.3.1. Foreign currency transactions**

The Company maintains its books in EUR, which is the currency of the capital.

Assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates ruling at the reporting date. Foreign exchange differences arising on translation and realised exchange gains and losses are recognised in the interim statement of profit and loss and other comprehensive income in the caption Net gains on financial instruments at fair value through profit or loss and Interest Expenses.

Revenues and expenses in foreign currencies are translated into EUR at the exchange rates prevailing at the date of the transactions.

The most important foreign currency positions for the Company are USD, JPY, GBP, HKD and CHF. The following foreign exchange rates were used:

	USD	JPY	GBP	HKD	CHF
30.06.2022	1.0387	141.54	0.8582	8.1493	0.9960
31.12.2021	1.1326	130.38	0.8403	8.8333	1.0331
30.06.2021	1.1884	131.43	0.8580	9.2293	1.0980

2.3.2. Cash and Cash equivalents

Cash and cash equivalents comprise only cash repayable on demand.

Cash and cash equivalents in the Company are subject to impairment under IFRS 9 and are presented net of impairment (cf. Note 2.3.3.3).

2.3.3. Financial instruments**2.3.3.1. Classification of financial instruments***Classification of financial assets*

Financial assets are classified under IFRS 9 based on the characteristics of their contractual cash flows and on how they are managed (business models).

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

For the debt instruments held, SGIS has defined its business model as “held to collect” for the FFS, for Cash and cash equivalents and for Loans and receivables. These assets are acquired in order to collect the contractual cash-flows attached to the assets. No sale has been made in the past years and no sale is anticipated in the future.

The FFS are economically assimilated to loans with embedded derivatives (the swap embedded in the FFS). These types of financial assets comply with the IFRS definition of debt instruments (fixed maturity, coupon calculated as a rate, no right nor interest/control in an entity). As these financial assets of SGIS contain embedded derivatives that modify the cash flows of the entire contract, the contract does not pass the Solely Payments of Principles and Interest (or “SPPI”) test and consequently these financial assets are mandatorily measured at Fair Value through Profit and Loss (“FVTPL”).

Cash and cash equivalents and Loans and receivables are SPPI compliant and are thus measured at amortised cost. Cash and cash equivalents and Loans and receivables are subject to impairment under IFRS 9 and are presented net of impairment.

The Options held, covering the Warrants issued, are Trading derivatives and thus measured at FVTPL.

Purchases and sales of financial assets recorded under Financial assets at fair value through profit or loss and Financial assets at fair value through other comprehensive income are recognised in the statement of financial position at the delivery-settlement date. Changes in fair value between the trade and settlement dates are recorded in the income statement or booked to shareholders’ equity depending on the accounting category of the relevant financial assets. Loans and receivables are recorded in statement of financial position on the date they are paid or at the maturity date for invoiced services. The trade date is the date on which the contractual commitment becomes binding and irrevocable for the Company.

Classification of financial liabilities

Financial liabilities are classified into one of the following two categories:

- Financial liabilities at fair value through profit or loss:

These are financial liabilities held for trading purposes, which by default include derivative financial liabilities not qualifying as hedging instruments and non-derivative financial liabilities designated by the Company upon initial recognition to be carried at fair value through profit or loss in accordance with the fair value option.

The Company has designated at fair value through profit or loss the notes issued because mirror transactions (FFS) that are used to hedge those notes are measured mandatorily at fair value through profit and loss and thus reduce the accounting mismatch.

- Financial liabilities at amortised cost:

These include the other non-derivative financial liabilities and are measured at amortised cost.

2.3.3.2. Valuation of financial instruments

Definition of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In the absence of observable prices for identical assets or liabilities, the fair value of financial instruments is determined using another measurement technique that maximises the use of observable market input based on assumptions that market operators would use to set the price of the instrument in question.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

Fair value hierarchy

The fair values of financial instruments include accrued interest as applicable.

For information purposes, in the notes to the condensed interim financial statements, the fair value of financial instruments is classified using a fair value hierarchy that reflects the significance of the inputs used according to the following levels:

Level 1 (L1): instruments valued on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 1 instruments carried at fair value on the statement of financial position include in particular shares listed in an active market, government or corporate bonds priced directly by external brokers/dealers, derivatives traded on organised markets (futures, options), and units of funds (including UCITS) whose net asset value is available on the statement of financial position date.

A financial instrument is considered as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and if they reflect actual and regular market transactions on an arm's length basis.

Determining whether a market is inactive requires the use of indicators such as a sharp decline in trading volume and the level of activity in the market, a sharp disparity in prices over time and among the various above-mentioned market participants, or the fact that the latest transactions conducted on an arm's length basis did not take place recently enough.

Where a financial instrument is traded in several markets to which the Company has immediate access, its fair value is represented by the market price at which volumes and activity levels are highest for the instrument in question.

Transactions resulting from involuntary liquidations or distressed sales are usually not taken into account to determine the market price.

Level 2 (L2): instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

These are instruments measured using a financial model based on observable market inputs. Prices published by an external source derived from the valuation of similar instruments are considered as data derived from prices.

Level 2 instruments include in particular non derivative financial instruments carried at fair value on the statement of financial position that are not directly quoted or do not have a quoted price on a sufficiently active market (e.g. corporate bonds, repos transactions, mortgage-backed securities, units of funds), and firm derivatives and options traded over-the-counter: interest rate swaps, caps, floors, swaptions, equity options, index options, foreign exchange options, commodity options and credit derivatives. The maturities of these instruments are linked to ranges of terms commonly traded in the market, and the instruments themselves can be simple or offer a more complex remuneration profile (e.g. barrier options, products with multiple underlying instruments), with said complexity remaining limited however. The valuation techniques used in this category are based on common methods shared by the main market participants.

Level 3 (L3): instruments valued using inputs that are not based on observable market data (referred to as unobservable inputs)

Level 3 instruments carried at fair value on the statement of financial position are predominantly instruments for which the sales margin is not immediately recognised in profit or loss.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

Accordingly, Level 3 financial instruments include derivatives with longer maturities than those usually traded and/or with specifically tailored return profiles. Similarly, debt measured at fair value is classified as Level 3 where the valuation of the associated embedded derivatives is also based on unobservable inputs.

The main L3 complex derivatives are:

- Equity derivatives: options with long maturities and/or incorporating bespoke remuneration mechanisms. These instruments are sensitive to market inputs (volatility, dividend rates, correlations, etc.). In the absence of market depth and an objective approach made possible by regularly observed prices, their valuation is based on proprietary methods (e.g. extrapolation from observable data, historical analysis). Hybrid equity instruments (i.e. having at least one non-equity underlying instrument) are also classified as L3 insofar as correlations between the different underlyings are generally unobservable;
- Interest rate derivatives: long-term and/or exotic options, products sensitive to correlation between different interest rates, different exchange rates, or between interest rates and exchange rates, for example for quanto products (in which the instrument is settled in a currency different from the currency of the underlying); they are liable to be classified as L3 because the valuation inputs are unobservable due to the liquidity of the correlated pair and the residual maturity of the transactions (e.g. exchange rate correlations are deemed unobservable for the USD/JPY);
- Credit derivatives: L3 credit derivatives mainly include baskets of instruments exposed to time to default correlation ("N to default" products in which the buyer of the hedge is compensated as of the Nth default, which are exposed to the credit quality of the issuers comprising the basket and to their correlation, or CDO Bespoke products, which are Collateralised Debt Obligations created specifically for a group of investors and structured according to their needs), as well as products subject to credit spread volatility;
- Commodity derivatives: this category includes products involving unobservable volatility or correlation inputs (i.e. options on commodity swaps or instruments based on baskets of underlyings).

At the level of the SG Group, valuation models are determined in order to fully embed the impact of IFRS 13 as described above and use appropriate parameters and methodologies in order to determine L3 instruments valuation. Counterparty credit risk estimates relies on Credit Value Adjustments (CVA) and Debit Value Adjustments (DVA) calculations.

Different calculation methods can exist regarding the CVA-DVA / OCA (Own Credit Adjustment) impact calculation: derived from the yield discounting methodology, other from the Monte-Carlo EPE/ENE (Expected Positive / Negative Exposure). The methodology for calculation of CVA-DVA (OCA not applicable to the Company) applied to SGIS (the same as the Société Générale Group) is the yield discounting methodology.

The valuation methods used by the Company to establish the fair value of financial instruments are detailed below.

The fair values of financial instruments include accrued interest as applicable.

- For Unsecured Notes and Fully Funded Swaps

The fair value for both the unsecured Notes (liabilities) and the Fully Funded Swap (FFS) (assets) is calculated by discounting the expected future cash flows with the risk-free curve. To take the credit adjustment into account, the risk-free curve is adjusted with Société Générale Group's credit spread curve. A dedicated process has been implemented using Société Générale Group and SGIS operational teams' input. This process is fully functional, constantly monitored as of today.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

- For Secured and Repack Notes

Secured Notes are Notes which are collateralised with assets deposited on segregated or pooled accounts with external custodian (The Bank of New York Mellon S.A., Luxembourg Branch, hereafter “BNY Mellon Luxembourg”) and pledged in favor of the Note holders.

Repack Notes are Notes which allow investors to calibrate the funding yield of their structure by selecting a bond (the “Reference Bond”) issued by a third-party issuer (the “Reference Bond Issuer”).

The collateral assets are composed of eligible securities.

Should Société Générale default, the pledge on the assets is to be enforced; the Notes holders are exposed to credit risk of the collateral (external securities). Therefore, as Société Générale and SGIS are mere risk pass-through, the credit risk premium (external bonds issuers) shall not be adjusted with Société Générale credit spread. Thus, no additional credit adjustment is needed for the secured Notes.

The fair value of the Secured Notes, of the Repack Notes and of the associated FFS is computed, for each accounting period, by discounting the expected future cash flows by a composite Repo rate curve.

- For Warrants and Options

For financial instruments recognised at fair value in the interim statement of financial position, fair value is determined primarily on the basis of the prices quoted in an active market. These prices can be adjusted if none are available on the interim statement of financial position date or if the clearing value does not reflect transaction prices.

However, especially due to the varied characteristics of financial instruments traded over-the-counter on the financial markets, a large number of financial products traded by the Company does not have quoted prices in the markets.

The base models may not fully capture all factors relevant to the valuation of SGIS on these financial instruments such as credit risk (CVA), own credit (DVA) and/or funding costs (Funding Valuation Adjustment or “FVA”). Therefore, SGIS applies various techniques (from the Group) to estimate the credit risk associated with its financial instruments measured at fair value.

The reevaluation differences attributable to the Company’s credit risk are thus determined using valuation models which take into account the most recent financing terms and conditions on the markets along with the residual maturity of the related liabilities.

- For secured notes issued by the Company, as investors are not exposed to the Company’s risk, no own credit risk should impact the fair value of the instruments and as such, no adjustment has to be calculated.
- For unsecured notes, investors are not contractually exposed to the Company’s credit risk but to Société Générale Group’s own credit risk.

SGIS valuation models therefore reflect the absence of credit risk, and structured bonds are not impacted by Own Credit Adjustments within the entity.

Deferred margin related to main unobservable inputs

The Company does not apply deferred margin related to its main unobservable inputs as margin on Notes and Warrants issued are offset by a similar margin on Fully Funded Swaps and Options purchased.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

2.3.3.3. Impairments and provisions

Some financial assets involve credit risk which exposes the Company to a potential loss if the counterparties were to be unable to respect their financial commitments. The Company is remunerated for bearing this risk by a portion of the contractual interest that it receives on those assets; this is known as the credit margin.

This potential loss, or expected credit loss, is recognised in profit or loss without waiting for the occurrence of a default event on a specific counterparty.

For loans and receivables measured at amortised cost or, if any, fair value through other comprehensive income, the expected credit loss, as assessed by the Company, is recognised in profit or loss. In the interim statement of financial position, this potential loss is recognised as an impairment that reduces the carrying amount of assets measured at amortised cost. Impairments are written-back in case of a subsequent decrease of credit risk. No significant impairment is recognized on cash and cash equivalents. The Company does not have loan commitments or financial guarantees contracts.

Impairment and provisions for credit risk

To determine the amount of impairment or loss allowances to be recorded at each reporting date, these exposures are classified into one of three categories based on the increase in credit risk observed since initial recognition. An impairment or loss allowance shall be recognised for the exposures in each category as follows:

- Exposures classified in Stage 1: At the initial recognition date, the exposures are systematically classified in Stage 1, unless they are underperforming/credit-impaired on acquisition. Stage 1 exposures are impaired for the amount of credit losses that the Company expects to incur within 12 months (12-month expected credit losses), based on past data and the current situation;
- Exposures classified in Stage 2: To identify Stage 2 exposures, the significant increase in credit risk is assessed by the Company, taking into account the counterparty's credit risk rating, the magnitude of the change in the counterparty's credit rating and the existence of payments of more than 30 days;
- Exposures classified in Stage 3 (doubtful outstandings): The Company determines whether or not there is objective evidence of impairment (default event).

Stage 2 and 3 exposures are impaired for the amount of credit losses that the Company expects to incur over the life of the exposures (lifetime expected credit losses), taking into consideration past data, the present situation and reasonable forecast changes in economic conditions, and relevant macroeconomic factors through to maturity.

Impairments / Reversal of impairments

Impairments / Reversal of impairments include net reversals of impairment and loss allowances for credit risk, losses on irrecoverable loans and amounts recovered on amortised receivables.

2.3.3.4. Offsetting financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount presented on the interim statement of financial position when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously. The legal right to set off the recognised amounts must be enforceable in all circumstances, in both the normal course of business and in the event of default of one of the counterparties.

The financial instruments issued by the Company are subscribed by the investors through Société Générale as a lead manager during the issuance period and as a market maker for a secondary market. The instruments which are unsold are held by Société Générale.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

The treatment is applied based on IAS 32 paragraph 42: "A financial asset and a financial liability shall be offset and the net amount presented in the interim statement of financial position when, and only when, an entity:

- a. Currently has a legally enforceable right to set off the recognised amounts; and
- b. Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously."

In December 2014, a cash netting clause was added in the legal framework with Société Générale Personne Morale and the Company consequently acquired a legally enforceable right to offset the recognised amount with the same counterparty (Société Générale). The assets (the Fully Funded Swaps) and the liabilities (the Notes) are settled (and intended to be settled) simultaneously.

In June 2017, the Company added a new cash netting clause in the legal framework with Société Générale Personne Morale and the Company consequently acquired a legally enforceable right to offset the recognised amount with the same counterparty (Société Générale). The assets (OTC Options) and the liabilities (the Warrants) are settled (and intended to be settled) simultaneously.

In application of IAS 32 - Offsetting a financial asset and a financial liability, the Company proceeds to the accounting netting of the non-sold amounts. The impact of the off-setting for the non-sold Notes and the corresponding Fully Funded Swaps and impact of the off-setting for the non-sold Warrants and the corresponding options are described in Note 4.1 and Note 4.2.

2.3.4. Other assets and other liabilities

Settlement accounts for trades are included in other assets or other liabilities and are presented separately in distinctive captions on assets or liabilities side.

2.3.5. Shareholders' equity

Equity are the resources contributed to the Company by external shareholders as capital, as well as the cumulative and undistributed results (retained earnings).

The statement "Changes in Shareholders' Equity" presents the various changes that affect the components of equity over the reporting period.

2.3.6. Interest income and expense

Interest is recognized as expense or income over the life of the financing service granted or received, proportionally to the principal amount outstanding.

Interest income and expense are recorded in the statement of profit and loss under Interest and similar income and Interest and similar expense for all financial instruments measured using the effective interest method (instruments at amortised cost and debt instruments at fair value through other comprehensive income).

The effective interest rate is taken to be the rate used to net discount future cash inflows and outflows over the expected life of the instrument in order to establish the net book value of the financial asset or liability. The calculation of this rate considers the future cash flows estimated on the basis of the contractual provisions of the financial instrument without taking account of possible future credit losses and also includes commissions paid or received between the parties where these may be assimilated to interest, directly linked transaction costs, and all types of premiums and discounts.

Where a financial asset is classified in Stage 3 for impairment, subsequent interest income is measured at the effective interest rate applied to the net carrying amount of the financial asset with an offsetting entry equal to the outstanding financial asset before impairment.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

2.3.7. Fee income and expense

Fee income and Fee expense combine fees on services rendered and received, as well as fees on pledge security granted that cannot be assimilated to interest. Fees that can be assimilated to interest are integrated into the effective interest rate on the associated financial instrument and are recorded under Interest income and Interest expenses.

The Company recognizes fee income or expense for an amount equivalent to the remuneration for the service provided and depending on the progress transferring control of these services:

- Fees for ongoing services, such as custody fees and administration costs are recognized as income over the life of the service;
- Fees for one-off services, such as issuance and listing fees are recognized as income when the service is provided.

The possible mismatch between the payment date of the service provided and the date of execution of the service gives assets and liabilities depending on the type of contract and mismatch which are recognized under Other Assets and Other Liabilities. For example: supplier contracts generate trade payables, accrued expenses or prepaid expenses.

Income related to the issuance of Notes and Warrants falls under the scope of IFRS 15 and as such, is considered separately as income generated by two services when the Company performs its activities:

- The issuing fee, which is recognized upfront for the initiation and the structuration of the issuance;
- Account and security servicing fee during the lifecycle of the security.

2.3.8. Other operating expenses

The Company records operating expenses according to the type of services to which they refer.

Other operating expenses mainly include lease payments, building maintenance and other costs, travel and business expenses, outsourcing and advisory fees and marketing and advertising expenses.

2.3.9. Income tax

Income tax includes current taxes and deferred taxes:

- Current taxes correspond to the amount of taxes due (or refundable) as calculated according to the taxable profit base for the reporting period;
- Deferred taxes correspond to the amount of taxes resulting from past transactions and that will be payable (or refundable) in a future reporting period.

2.3.9.1. Current tax

Current tax is based on the taxable profit and determined in accordance with the rules established by the local taxation authorities, upon which income taxes are payable. This tax expense also includes net allowances for tax adjustments pertaining to income tax.

Tax credits arising in respect of interest from loans and income from securities are recorded in the relevant interest account as they are applied in settlement of income taxes for the year. The related tax charge is included under Income tax in the statement of profit and loss

2.3.9.2. Deferred tax

Deferred taxes are recognized whenever the Company identifies a temporary difference between the accounting base and tax base for assets and liabilities that will affect future tax payments or from tax loss carried forward.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

The amount is based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realized or the liability settled. These deferred taxes are adjusted in the event of changes to tax rates. This amount is not discounted to present value. The Company off-sets its deferred tax assets against liabilities as there is both legal right to offset its current tax assets and liabilities and it is the Company's intention to settle on a net basis.

2.3.9.3. Other commitments linked to secured Notes

In relation to each Serie of Secured Notes, in order to secure its obligations in respect of such Notes, the Company enters into a pledge agreement which is governed by the Luxembourg act dated 5 August 2005 on financial collateral arrangements, as amended. Under each pledge agreement, the Company grants first ranking security over the Collateral Assets contained in one or more accounts held by the Company with BNY Mellon Luxembourg (or such other custodian or account bank as is specified in the applicable Final Terms, pursuant to the terms of a custodian agreement between, inter alia, the Company and the collateral custodian).

The security granted under each pledge agreement is granted either in favour of:

- (i) in the case of English Law Notes, The Bank of New York Mellon Corporate Trustee Services Limited or such other security trustee as is specified in the applicable Final Terms as security trustee on behalf of itself and the relevant Noteholders and the other relevant Secured Parties (as defined in the Additional Terms and Conditions for Secured Notes) or,
- (ii) in the case of French Law Notes, directly in favour of the relevant Noteholders and the other relevant Secured Parties as represented by The Bank of New York Mellon Corporate Trustee Services Limited or such other security agent as is specified in the applicable Final Terms as security agent.

Following the occurrence of a Secured Note Acceleration Event (as defined in the Additional Terms and Conditions for Secured Notes), all Noteholders whose Notes have become immediately due and payable is first entitled to claim for any outstanding amounts due to them under the terms of the Guarantee. If neither the Issuer nor the Guarantor (pursuant to the terms of the Guarantee) has paid all amounts due to Noteholders within a period of 3 Collateral Business Days following the occurrence of a Secured Note Acceleration Event, Noteholders may send a notice in writing to the Security Trustee (in the case of English Law Notes) or the Security Agent (in the case of French Law Notes) requesting that the relevant Pledge Agreement be enforced in accordance with the terms of the Base Prospectus.

The Company borrows the securities to be pledged from Société Générale Group. In accordance with IFRS 9, the borrowing of the securities to be pledged by the Company is not assimilated to the transfer of assets and thus does not result in recognition in the interim statement of financial position. The risks and rewards associated to the securities remain in Société Générale Group and as such are not presented in the Company's interim statement of financial position.

The pledged securities are accounted as an off balance-sheet commitment "Securities pledged". The committed amount is re-measured at each closing to reflect the value of the securities pledged.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

2.4. CRISIS: COVID-19 AND WAR IN UKRAINE

The lifting of the Covid-19-related restrictions in several major economies supports economic activity without, however, excluding the risk of new lockdowns as it has occurred in some geographic areas during the first half-year 2022 (in Hong-Kong for example).

On the other hand, the first semester of 2022 has been strongly impacted, since 24 February, by the war in Ukraine. The conflict, with its human casualties and suffering, has significant economic costs along with considerable uncertainties.

In the euro area, the supply difficulties, the decline in purchasing power with the high inflation expected all through 2022 and the tightening of economic policies are the main bottlenecks constraining growth. If pandemic-related risks have decreased significantly in the short-term, the strong uncertainties related to the war in Ukraine jeopardise these prospects and the scenario of a more pronounced slowdown in 2022 cannot be excluded.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to KEUR 23 537 as at 30 June 2022 (31 December 2021: KEUR 36 384) and are mainly composed of cash held with SG Luxembourg and Société Générale.

As at 30 June 2022 and 31 December 2021, this caption only contains cash that is repayable on demand.

NOTE 4 – FINANCIAL INSTRUMENTS**4.1. Financial assets at fair value through profit or loss**

	30.06.2022	31.12.2021
	('000 EUR)	('000 EUR)
Financial assets at fair value through profit or loss		
- Mandatorily at fair value through profit or loss (Fully Funded Swaps)	38 846 422	40 322 401
- Trading derivatives (Options)	781 375	714 838
Total	39 627 797	41 037 239

As at 30 June 2022, financial assets mandatorily at fair value through profit or loss (Fully Funded Swaps) amount to KEUR 38 846 422 (31 December 2021: KEUR 40 322 401) and replicate all the Notes issued by the Company (see Note 4.2). Differences between Fully Funded Swaps and Notes arise due to late settlements.

As at 30 June 2022, Trading derivatives (Options) amount to KEUR 781 375 (31 December 2021: KEUR 714 838) and replicate all the Warrants issued by the Company (see Note 4.2). Differences between Options and Warrants arise due to late settlements.

As at 30 June 2022, the impact of the offsetting of financial assets and financial liabilities (decrease in the balance sheet) is KEUR 39 639 830 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2021: KEUR 34 911 227) and KEUR 3 930 937 for the non-sold Warrants and the corresponding Options (31 December 2021: KEUR 4 573 937) (see Note 4.2).

Notes to the condensed interim financial statements (continued)
As at 30 June 2022

The movements in financial assets at fair value through profit or loss were as follows:

	('000 EUR)	('000 EUR)	('000 EUR)
	Mandatorily at fair value through profit or loss	Trading derivatives	Total
As at 1 January 2022	40 322 401	714 838	41 037 239
Acquisition	41 825 691	16 941 666	58 767 357
Maturity/Disposal/Liquidation/Cancellation	(29 441 261)	(18 708 024)	(48 149 285)
Change in fair value and foreign exchange difference	(9 131 806)	1 189 895	(7 941 911)
Offsetting of Assets and Liabilities (Change)	(4 728 603)	643 000	(4 085 603)
As at 30 June 2022	38 846 422	781 375	39 627 797

	('000 EUR)	('000 EUR)	('000 EUR)
	Mandatorily at fair value through profit or loss	Trading derivatives	Total
As at 1 January 2021	43 135 651	674 352	43 810 003
Acquisition	58 001 584	37 797 100	97 798 684
Maturity/Disposal/Liquidation/Cancellation	(61 564 451)	(43 346 069)	(104 910 520)
Change in fair value and foreign exchange difference	(7 379 336)	(1 161 153)	(8 540 489)
Offsetting of Assets and Liabilities (Change)	8 128 953	4 750 608	12 879 561
As at 31 December 2021	40 322 401	714 838	41 037 239

4.2. Financial liabilities at fair value through profit or loss

	30.06.2022	31.12.2021
	('000 EUR)	('000 EUR)
Financial liabilities at fair value through profit or loss		
- Designated at fair value through profit or loss (Notes)	38 846 530	40 323 850
- Trading derivatives (Warrants)	781 301	714 854
Total	39 627 831	41 038 704

As at 30 June 2022, the Company has issued secured and unsecured Notes for a total amount of KEUR 38 846 530 (31 December 2021: KEUR 40 323 850):

- 21 742 unsecured Notes were issued (stock) for a total amount of KEUR 31 034 524 (31 December 2021: 21 230 unsecured Notes were issued (stock) for a total amount of KEUR 33 959 581);
- 577 secured Notes were issued (stock) for a total amount of KEUR 7 812 006 (31 December 2021: 592 secured Notes were issued (stock) for a total amount of KEUR 6 364 269).

In addition to the guarantee on first demand granted by Société Générale on unsecured and secured Notes, subscribers of the secured Notes issued by the Company benefit from additional collateral assets securing the payment due under the Notes terms, structured in form of a pledge governed by Luxembourg Law. This pledge may only be enforced following a default of the Company or Société Générale in its role of Guarantor.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

Pledged collateral assets are deposited on an account held in the name of the Company with an authorised custodian not belonging to the Société Générale Group and are pledged in favour of the Notes holders.

As at 30 June 2022, securities deposited at BNY Mellon Luxembourg as collateral for secured issuances amount to KEUR 5 349 370 (31 December 2021: KEUR 4 836 039).

As at 30 June 2022, the Company also issued Warrants for a total amount of KEUR 781 301 (31 December 2021: KEUR 714 854). Refer to Note 9 for further details on Off-balance sheet items related to the Warrants activity.

As at 30 June 2022, the impact of the offsetting (decrease in the balance sheet) is KEUR 39 639 830 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2021: KEUR 34 911 227) and KEUR 3 930 937 for the non-sold Warrants and the corresponding Options (31 December 2021: KEUR 4 573 937) (see Note 4.1).

The movements in financial liabilities at fair value through profit or loss were as follows:

	('000 EUR) Designated at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2022	40 323 850	714 854	41 038 704
Acquisition	41 842 971	16 997 129	58 840 100
Cancelled/Liquidation/Maturity Disposal	(29 504 186)	(18 754 071)	(48 258 257)
Change in fair value and foreign exchange difference	(9 087 502)	1 180 389	(7 907 113)
Offsetting of Assets and Liabilities (Change)	(4 728 603)	643 000	(4 085 603)
As at 30 June 2022	38 846 530	781 301	39 627 831
	('000 EUR) Designated at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2021	43 146 652	676 965	43 823 617
Acquisition	58 009 740	38 802 115	97 811 855
Cancelled/Liquidation/Maturity Disposal	(61 547 326)	(43 355 236)	(104 902 562)
Change in fair value and foreign exchange difference	(7 414 169)	(1 159 598)	(8 573 767)
Offsetting of Assets and Liabilities (Change)	8 128 953	4 750 608	12 879 561
As at 31 December 2021	40 323 850	714 854	41 038 704

4.3. Financial liabilities at amortised cost

As at 30 June 2022 and 31 December 2021, financial liabilities at amortised cost are mainly composed of a convertible bond of KEUR 48 000 issued by the Company and fully subscribed by SG Luxembourg, with maturity in 2023. Conversion may occur each year.

On this convertible bond, the Company pays to SG Luxembourg both variable interests calculated on Euribor 3M plus a margin of 0.065% (total rate of (0.41)% as at 30 June 2022) and activity related interests. Activity related interests mean an amount equal to 100% of the activity related profit generated by the Company.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

The convertible bond maturity shall be automatically extended by successive periods of one year, unless either the Issuer or the Holder has exercised its right to terminate the bond on the scheduled maturity date. The conversion option belongs to the Holder.

NOTE 5 – LOANS AND RECEIVABLES

As at 30 June 2022 and 31 December 2021, loans and receivables only consist in term deposits with SG Luxembourg, which represent the reinvestment of the Company's share capital, reserves and other available funds.

As at 31 December 2021, expected credit losses calculated on loans and receivables in accordance with IFRS 9 amounted to KEUR (1). As at 30 June 2022, the diminution of the expected credit losses resulted in a reversal of the IFRS9 impairment amounting to KEUR 1, as presented in the Caption reversal of Cost of Risk in the Statements of Profit and Loss.

NOTE 6 – TAXATION

The Company is liable for all taxes applicable to Luxembourg commercial companies.

Since 2007, the Company has been part of a tax integration group led by SG Luxembourg with regard to Net Worth Tax and Income Tax, as authorised by the article 164 bis LIR and has concluded a Tax Sharing Agreement (the "Agreement") with SG Luxembourg. Under the Agreement, the Company pays to SG Luxembourg, with respect to each financial year, an amount equal to the tax which would be levied on the profits of the Company in the absence of any tax consolidation with the Parent.

The rate of current tax applied as of 30 June 2022 is 24.94% (30 June 2021: 24.94%). The current tax rate includes the corporate tax and the municipal tax.

For the period ended 30 June 2022, tax expenses amount to KEUR 98 (30 June 2021: KEUR 16).

NOTE 7 – SHAREHOLDERS' EQUITY

7.1. Share capital and Share premium

On 30 November 2020, 100 shares were sold by SG Luxembourg to Société Générale for a total amount of EUR 4 000. SG Luxembourg still held 49 907 shares amounting to EUR 1 996 280 for which it waived its entire voting rights. As at 31 December 2021, the subscribed and fully paid share capital amounted to EUR 2 000 320, divided into 50 008 shares with nominal value of EUR 40 each.

By resolution adopted on 14 January 2022, the Executive Board decided to increase the capital of the Company from EUR 2 000 320 to EUR 2 000 360 by the issue of a new share with a nominal value of EUR 40, subscribed by SG Luxembourg. In the context of the capital increase, the 2021 activity related interests amounting to KEUR 28 244 have been allocated to the Share premium. It was then paid to the shareholders in June 2022.

As at 30 June 2022, the subscribed and fully paid share capital is EUR 2 000 360, divided into 50 009 shares with nominal value of EUR 40 each.

The Company manages its capital to ensure it will be able to continue as a going concern. The capital amount may be increased, subject to the approval of the Shareholders, if the Company's activity evolves, incurring specific additional risks.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

7.2. Reserves**7.2.1. Legal reserve**

In accordance with the Luxembourg law, the Company is required to allocate a minimum of 5% of its annual net profit to a Legal reserve until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As at 30 June 2022, the legal reserve amounts to KEUR 200 (31 December 2021: KEUR 200).

7.2.2. Other reserves

Since 2013, the Company is fiscally integrated in its parent company SG Luxembourg. SG Luxembourg constitutes the Net Wealth Tax reserve for the Company. As a consequence, no Net Wealth Tax reserve has been constituted by the Company since 2013.

As at 30 June 2022, the amount of other reserves amounts to KEUR (214) (31 December 2021: KEUR 1) and is mainly composed of the loss brought forward of KEUR (215) generated during the year ending as at 31 December 2021.

NOTE 8 – COMMISSION INCOME

Commission income can be broken down as follows:

	30.06.2022 (‘000 EUR)	30.06.2021 (‘000 EUR)
Issuing upfront fees on Notes	14 367	17 601
Servicing fees on Notes	3 484	4 468
Commission on Warrants	605	1 470
Total	18 456	23 539

As at 30 June 2022, KEUR 3 956 are retained as deferred income under the caption “other liabilities” (30 June 2021 : KEUR 5 836).

NOTE 9 – OFF-BALANCE SHEET

As at 30 June 2022, financial instruments to be issued (commitment taken before 30 June 2022 with value date after 30 June 2022) amount to KEUR 4 810 392 (31 December 2021: KEUR 3 302 045).

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

Warrants issuance summary

The Warrants issued as at 30 June 2022 and 31 December 2021 break down as follows:

Warrant Type	Category of Underlying	Type of Underlying	Option Type	30 June 2022			31 December 2021		
				Quantity	Notional ('000 EUR)	Fair Value ('000 EUR)	Quantity	Notional ('000 EUR)	Fair Value ('000 EUR)
Basket Warrant	Basket	Index	Call	-	-	-	1	12 361	14 230
Commodity Future Warrant	Future	Mutual Fund	Put	-	-	-	-	-	-
		Commodity Future	Call	-	-	-	4	10 118	15
			Put	1	1 860	7 520	12	19 243	6 755
Commodity Warrant	Commodity	Bruts	Call	6	515 683	0	6	472 930	0
		Commodity Future	Call	-	-	-	-	-	-
		Index	Call	-	-	-	-	-	-
		Mutual Fund	Call	3	7 112	0	11	19 085	2
			Put	12	25 642	0	15	27 211	0
		Precious metals	Call	-	-	-	-	-	-
			Put	10	27 061	0	10	24 817	0
Currency Warrant	Currency	Currency	Call	-	-	-	42	0	0
			Put	-	-	-	48	117 867	0
Equity Warrant	Equity	American Depositary Receipt	Call	3	30 134	1	3	27 636	51
			Put	-	-	-	-	-	-
		Mutual fund	Call	3	95 787	63	4	119 231	25
		Ordinary Share	Call	1 055	13 215 186	43 775	1 247	20 296 419	147 944
			Put	350	3 438 645	5 568	411	4 902 718	27 245
		Own Share	Call	4	22 850	35	4	22 850	322
			Put	1	750	0	1	750	0
		Preference	Call	-	-	-	-	-	-
			Put	1	1 500	0	1	1 500	0

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

				30 June 2022			31 December 2021			
Warrant Type	Category of Underlying	Type of Underlying	Option Type	Quantity	Notional ('000 EUR)	Fair Value ('000 EUR)	Quantity	Notional ('000 EUR)	Fair Value ('000 EUR)	
Real Estate Investment Trust	Real Estate Investment Trust	Real Estate Investment Trust	Call	4	89 083	30	5	124 066	48	
			Put	2	1 381	11	2	1 309	9	
Index Warrant	Index	Index	Call	392	13 618 599	705 234	301	11 226 503	458 857	
			Put	199	8 549 746	13 440	200	11 032 836	44 857	
Fund Warrant	Fund	Mutual Fund	Call	71	408 287	3 153	121	492 810	11 653	
			Put	-	-	-	-	-	-	
		Fund	Call	1	10 000	2 471	1	10 000	2 841	
Total Call			Call	1 542	28 012 721	754 762	1 750	32 834 009	635 988	
Total Put			Put	576	12 046 585	26 539	700	16 128 251	78 866	
Total Warrants					2 118	40 059 306		2 450	48 962 260	714 854

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

NOTE 10 – RISK MANAGEMENT

The Company and several of its service providers are subsidiaries of the Société Générale Group and therefore benefit from Société Générale's internal control systems.

For any further information on the risks relating to the Group, investors and/or Noteholders should refer to the "Risk and Capital Adequacy" section of the Registration Document (<https://www.societegenerale.com>).

10.1. Market risk

Market risk is the risk that changes in market prices, such as interest rates, securities prices, and foreign exchange rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Company issues Notes and Warrants. The Notes are systematically hedged with Fully Funded Swaps concluded with Société Générale, with strictly identical characteristics. In the same way, the Warrants issued are hedged with Options concluded with Société Générale, with strictly identical characteristics.

The risks associated with the investment in the Notes and Warrants depend on several factors. Such factors vary depending on the characteristics of the Notes and Warrants issued, in particular depending on the underlying, the maturity of the Notes, the secured / unsecured status of the Notes, the interest rates incurred, the volatility of the underlying, etc. The main risks in relation to investments in Notes and Warrants issued by the Company are described in the Base Prospectus under the section "Risk Factor".

Because of its structure (perfect match between the assets and the liabilities), the impact of an immediate change of a market parameter would have no consequence on the net profit of the Company.

The Company is also exposed to structural interest rate risk, namely through the following transactions: reinvestment of available equity by participating interests or loans to the Company's treasury (SG Luxembourg) with hedged interest rate risk (fixed rate contracted with SG Luxembourg). The structural interest rate risk is monitored via the sensitivity of the economic value of the positions measured through modified duration.

Modified duration is calculated based on the change in the net present value of positions subsequent to a 1% change in the rate curve. Exposure monitoring is based on the determination of modified duration over the short (up to one year), medium (one to five years) and long (more than five years) term.

10.2. Credit risk

Credit risk is the risk that a third party will not be able to meet its contractual obligation.

The Company only contracts financial instruments with its parent companies, SG Luxembourg and Société Générale. Therefore, the credit risk of the Company is limited to the credit risk on SG Luxembourg and Société Générale. Should this situation evolve, specific limits would be proposed to limit the credit risk incurred.

As at 30 June 2022 and 31 December 2021, no financial assets were past due. An Expected Credit Loss is calculated on deposits, amounting to KEUR 2 as of 30 June 2022 following a reversal of impairment of KEUR 1 on the period (see note 5).

All the Notes and Warrants issued by the Company benefit from a guarantee provided by Société Générale, meaning that payments in respect of the instruments issued by the Company are unconditionally and irrevocably guaranteed by Société Générale (the Guarantor).

As at 30 June 2022, the rating of Société Générale is A from Standard & Poor's and A1 from Moody's.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

10.3. Interest rate risk

Interest rate risk is the risk that changes in market interest rates may adversely affect the value of the assets and liabilities of the Company. Due to the financial instruments contracted by the Company with Société Générale to hedge the financial instruments issued, the Company is not significantly exposed to interest rate risk.

10.4. Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet the payment obligations associated with its financial liabilities when they fall due.

The Company does not face any liquidity risk thanks to the perfect replication between the contractual obligations of:

- i) The financial instruments issued by the Company; and
- ii) The financial assets held for hedging by the Company.

As at 30 June 2022, analysis per remaining maturities is as follows:

30.06.2022 - EUR' 000	< 3 months	From 3 months to 1 year	From 1 to 5 years	> 5 years	Total
Cash and cash equivalents	23 537	-	-	-	23 537
Financial assets at fair value through profit or loss					
- Mandatorily at fair value through profit or loss	2 792 188	6 187 806	14 216 849	15 649 579	38 846 422
- Trading derivatives	666 289	48 327	66 759	0	781 375
Loans and receivables	-	48 201	800	1 000	50 001
Other assets	479 902	-	-	-	479 902
Total assets	3 961 916	6 284 334	14 284 408	15 650 579	40 181 237
Financial liabilities at amortised cost	582	58 238	-	-	58 820
Financial liabilities at fair value through profit or loss					
- Designated at fair value through profit or loss	2 791 132	6 188 549	14 217 423	15 649 426	38 846 530
- Trading derivatives	666 305	48 270	66 726	0	781 301
Other liabilities	492 212	-	-	-	492 212
Tax liabilities	-	98	-	-	98
Total liabilities	3 950 231	6 295 155	14 284 149	15 649 426	40 178 961

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

As at 31 December 2021, analysis per remaining maturities is as follows:

31.12.2021 - EUR' 000	< 3 months	From 3 months to 1 year	From 1 to 5 years	> 5 years	Total
Cash and cash equivalents	36 384	-	-	-	36 384
Financial assets at fair value through profit or loss					
- <i>Mandatorily at fair value through profit or loss</i>	4 962 258	5 330 466	14 553 618	15 476 059	40 322 401
- <i>Trading derivatives</i>	446 656	137 616	129 885	681	714 838
Loans and receivables	48 021	200	800	1 000	50 021
Other assets	497 267	-	-	-	497 267
Total assets	5 990 586	5 468 282	14 684 303	15 477 740	41 620 911
Financial liabilities at amortised cost	48 152	28 260	-	-	76 412
Financial liabilities at fair value through profit or loss					
- <i>Designated at fair value through profit or loss</i>	4 960 778	5 330 013	14 557 368	15 475 691	40 323 850
- <i>Trading derivatives</i>	446 143	137 603	130 427	681	714 854
Other liabilities	503 809	-	-	-	503 809
Tax liabilities	-	-	-	-	-
Total liabilities	5 958 882	5 495 876	14 687 795	15 476 372	41 618 925

10.5. Fair Value measurement

According to the fair value hierarchy established by IFRS 13, Level 3 (L3) comprises products valued using inputs that are not based on observable market data (referred to as unobservable inputs).

For these products, fair value is determined using models based on valuation techniques commonly used by market participants to measure financial instruments, such as discounted future cash flows for Notes or the Black & Scholes formula for certain options and using valuation parameters that reflect current market conditions as at the interim statement of financial position date. These valuation models are validated independently by the experts from the Market Risk Department of the Group's Risk Division.

Furthermore, the parameters used in the valuation models, whether derived from observable market data or not, are checked by the Finance Division of Société Générale, in accordance with the methodologies defined by the Market Risk Department.

The Notes and the related Fully Funded Swaps are classified as Level 3 when the valuation of the associated embedded derivatives (underlyings of the Notes) is also based on unobservable market data.

On each element of an identified list of unobservable parameters, it comes to determining the uncertainty of marking, and cross sensitivities with this uncertainty for a confidence interval of the value of the positions.

In parallel, marking the levels of each of these parameters is collected and reported in the Note.

The methods for determining the level of uncertainty, as well as calculating the confidence interval from sensitivities depend on each parameter.

Transfers from Level 2 to Level 3 are determined at the end of each month and occur in case of a modification within a parameter (e.g. no longer linked to the deal, modification of the observability rule of the parameter).

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

10.5.1. Estimates of Level 3 instruments and other most significant unobservable inputs as at 30 June 2022 (by type of underlyings)

Type of underlyings	Assets In KEUR	Liabilities In KEUR	Main products	Valuation techniques used	Significant unobservable inputs	Range of inputs Min & Max
Equity / Funds	19 022	19 021	Derivatives on funds, equities or baskets of stocks derivatives on funds, equities or baskets of stocks	Various option models on funds, equities or baskets on stocks	Equity volatilities	[3.2% ; 196.2%]
					Equity dividends	[0.0% ; 20.1%]
					Unobservable correlations	[-80% ; 99.6%]
					Hedge funds volatilities	[7.6% ; 20.0%]
					Mutual fund volatilities	[1.7% ; 34.6%]
Rates, Forex and others	3 666	3 666	Hybrid forex / interest rate or credit / interest rate derivatives	Hybrid forex interest rate or credit interest rate option pricing models	Correlations	[-33.55% ; 90%]
			Forex derivatives	Forex option pricing models	Forex volatilities	[0.0% ; 51.0%]
			Interest rate derivatives whose notional is indexed on the prepayment behaviour on European collateral pools	Prepayment modeling	Constant prepayment rates	[0.0% ; 20.0%]
			Inflation instruments and derivatives	Inflation pricing models	Inflation correlations	[55.0% ; 88.90%]
			Collateralised Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations Recovery rate variance for single name underlyings	[0% ; 100%] [0% ; 100%]
Credit	3 116	3 116	Other credit derivatives	Credit default models	Time to default correlations	[0% ; 100%]
					Quanto correlations	[-50% ; 40%]
					Unobservable credit spreads	[0 bps ; 1 000 bps]
Commodity	-	-	Derivatives on commodities baskets	Option models on commodities	Commodities correlations	NA NA
Total	25 804	25 803				

Unobservable inputs add a degree of uncertainty in the valuation of Level 3 instruments. However, by its very nature, and considering mirror transactions are concluded with Société Générale to hedge the financial liabilities issued by the Company, the Company has no market risk exposure. The impact of an immediate change in an unobservable parameter would have no consequence on the net profit or net equity of the Company.

Moreover, changes in an unobservable parameter would have by underlying a mirror effect on both assets and liabilities.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

10.5.2. Carrying amounts and fair values of assets and liabilities not measured at fair value in the interim statement of financial position

	Carrying amount	Fair value
30.06.2022 - EUR' 000		
Cash and cash equivalents	23 537	23 537
Financial assets at fair value through profit or loss		
- <i>Mandatorily at fair value through profit or loss</i>	38 846 422	38 846 422
- <i>Trading derivatives</i>	781 375	781 375
Loans and receivables *	50 001	49 852
Other assets	479 902	479 902
Total	40 181 237	40 181 088
Financial liabilities at amortised cost *	58 820	58 837
Financial liabilities at fair value through profit or loss		
- <i>Designated at fair value through profit or loss</i>	38 846 530	38 846 530
- <i>Trading derivatives</i>	781 301	781 301
Other liabilities	492 212	492 212
Tax liabilities	98	98
Total	40 178 961	40 178 978
31.12.2021 - EUR' 000		
Cash and cash equivalents	36 384	36 384
Financial assets at fair value through profit or loss		
- <i>Mandatorily at fair value through profit or loss</i>	40 322 401	40 322 401
- <i>Trading derivatives</i>	714 838	714 838
Loans and receivables *	50 021	50 141
Other assets	497 267	497 267
Total assets	41 620 911	41 621 031
Financial liabilities at amortised cost *	76 412	76 456
Financial liabilities at fair value through profit or loss		
- <i>Designated at fair value through profit or loss</i>	40 323 850	40 323 850
- <i>Trading derivatives</i>	714 854	714 854
Other liabilities	503 809	503 809
Tax liabilities	-	-
Total	41 618 925	41 618 969

* For Loans and receivables and Financial liabilities at amortised cost, the fair values are calculated by discounting the expected future cash flows under a EUR risk free curve adjusted with Société Générale Group credit spread curve (EUR swap curve from Bloomberg and Société Générale credit spread curve provided by Risk department Paris).

Determining fair value is dependent on many factors and can be an estimate of what value may be obtained in the open market at any point in time.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

10.5.3. The fair value hierarchy of IFRS 13

As at 30 June 2022, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

30.06.2022 - EUR' 000	Level 1	Level 2	Level 3	Total
<i>Financial assets at fair value through profit or loss</i>				
- <i>Mandatorily at fair value through profit or loss</i>	-	13 710 494	25 135 928	38 846 422
<i>Commodities instruments</i>	-	39 689	-	39 689
<i>Credit derivatives/securities</i>	-	675 722	2 868 765	3 544 487
<i>Equity and index securities</i>	-	10 407 738	18 368 228	28 775 966
<i>Foreign exchange instruments/securities</i>	-	568 094	267 158	835 252
<i>Interest rate instruments/securities</i>	-	1 811 160	3 399 126	5 210 286
<i>Other financial instruments</i>	-	208 091	232 651	440 742
- <i>Trading derivatives</i>	-	112 666	668 709	781 375
<i>Equity and Index instruments</i>	-	112 398	654 211	766 609
<i>Foreign exchange instruments / securities</i>	-	-	-	-
<i>Other financial instruments</i>	-	268	14 498	14 766
<i>Financial liabilities at fair value through profit or loss</i>				
- <i>Designated at fair value through profit or loss</i>	-	13 712 116	25 134 414	38 846 530
<i>Commodities instruments</i>	-	39 689	-	39 689
<i>Credit derivatives/securities</i>	-	675 178	2 868 743	3 543 921
<i>Equity and index securities</i>	-	10 409 760	18 366 684	28 776 444
<i>Foreign exchange instruments / securities</i>	-	568 392	267 211	835 603
<i>Interest rate instruments/securities</i>	-	1 811 219	3 399 126	5 210 345
<i>Other financial instruments</i>	-	207 878	232 650	440 528
- <i>Trading derivatives</i>	-	112 592	668 709	781 301
<i>Equity and Index instruments</i>	-	112 325	654 211	766 536
<i>Foreign exchange instruments / securities</i>	-	-	-	-
<i>Other financial instruments</i>	-	267	14 498	14 765

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

As at 31 December 2021, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

31.12.2021 - EUR' 000	Level 1	Level 2	Level 3	Total
<i>Financial assets at fair value through profit or loss</i>				
- <i>Mandatorily at fair value through profit or loss</i>	-	16 020 681	24 301 720	40 322 401
<i>Commodities instruments</i>	-	26 454	217	26 671
<i>Credit derivatives/securities</i>	-	697 098	3 251 872	3 948 970
<i>Equity and index securities</i>	-	12 016 561	16 759 072	28 775 633
<i>Foreign exchange instruments/securities</i>	-	1 834 388	278 068	2 112 456
<i>Interest rate instruments/securities</i>	-	1 240 393	3 739 272	4 975 665
<i>Other financial instruments</i>	-	205 787	273 219	479 006
- <i>Trading derivatives</i>	-	288 790	426 048	714 838
<i>Equity and Index instruments</i>	-	273 342	404 530	677 872
<i>Foreign exchange instruments / securities</i>	-	-	-	-
<i>Other financial instruments</i>	-	15 448	21 518	36 966
<i>Financial liabilities at fair value through profit or loss</i>				
- <i>Designated at fair value through profit or loss</i>	-	16 021 886	24 301 964	40 323 850
<i>Commodities instruments</i>	-	26 454	217	26 671
<i>Credit derivatives/securities</i>	-	697 094	3 251 908	3 949 002
<i>Equity and index securities</i>	-	12 016 515	16 759 108	28 775 623
<i>Foreign exchange instruments/securities</i>	-	1 834 393	278 240	2 112 633
<i>Interest rate instruments/securities</i>	-	1 241 541	3 739 272	4 980 813
<i>Other financial instrument</i>	-	205 889	273 219	479 108
- <i>Trading derivatives</i>	-	290 305	424 549	714 854
<i>Equity and Index instruments</i>	-	274 869	403 031	677 900
<i>Foreign exchange instruments / securities</i>	-	-	-	-
<i>Other financial instruments</i>	-	15 436	21 518	36 954

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

The following table describes the variation in Level 3 by financial instruments (in KEUR):

Financial liabilities at fair value through profit or loss	Balance at 01.01.2022	Acquisitions	Change in fair value	Reimbursements	Transfers from L2 to L3	Transfers from L3 to L2	Offsetting of the assets and liabilities	Balance at 30.06.2022
<i>Designated at fair value through profit or loss</i>	24 301 964	18 366 145	(7 271 016)	(6 481 751)	1 784 710	(3 973 570)	(1 610 262)	25 134 414
Equity and index instruments	16 759 108	16 350 339	(5 956 395)	(5 113 947)	1 635 520	(3 211 882)	(2 096 059)	18 366 684
Commodities securities	217	-	-	(700)	-	-	483	-
Credit derivatives	3 251 908	578 129	(578 088)	(547 870)	143 657	(339 509)	360 516	2 868 743
Foreign exchange instruments	278 240	36 890	(11 881)	(23 937)	3 935	(21 538)	5 502	267 211
Interest rate instruments	3 739 272	1 287 372	(664 074)	(648 617)	944	(399 961)	84 190	3 399 126
Other financial instruments	273 219	113 415	(60 578)	(128 486)	654	(680)	35 106	232 650
<i>Trading derivatives</i>	424 549	-	235 563	(22 947)	-	-	31 544	668 709
Equity and index instruments	403 031	-	240 508	(15 713)	-	-	26 385	654 211
Other financial instruments	21 518	-	(4 945)	(7 234)	-	-	5 159	14 498

The variations in Level 3 financial assets are similar.

Transfers from Level 3 to Level 2

The consensus data provided by external counterparties are considered observable if the underlying market is liquid and if the prices provided are confirmed by actual transactions. For high maturities, these consensus data are not observable. This is the case for the implied volatility used for the valuation of options with maturities of more than five years. However, when the residual maturity of the instrument falls below five years, its fair value becomes sensitive to observable parameters.

Transfers from Level 2 to Level 3

Transfers from Level 2 to Level 3 can occur in case of a modification within a parameter (no longer linked to the deal, modification of the observability rule of the parameter, etc...).

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

10.5.4. The fair value hierarchy of notes issued in RUB

As at 30 June 2022, the Company has issued 206 Notes in ruble (RUB) for a total amount of KEUR 63 715 (as at 31 December 2021, 230 notes for a total amount of KEUR 89 734),

The following table describes the variation of the notes issued in RUB by financial instruments (in KEUR):

Financial liabilities at fair value through profit or loss	Balance at 01.01.2022	Acquisitions	Change in fair value	Reimbursements	Offsetting of the assets and liabilities	Balance at 30.06.2022
<i>Designated at fair value through profit or loss</i>	89 734	8 607	(14 352)	(29 820)	9 546	63 715
Equity and index instruments	74 625	8 607	(14 574)	(14 572)	7 081	61 167
Credit derivatives	12 707	-	-	(15 248)	2 541	-
Foreign exchange instruments	324	-	206	-	(50)	480
Interest rate instruments	864	-	18	-	-	882
Other financial instruments	1 214	-	(2)	-	(26)	1 186

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

10.6. Operational risk

Operational risk is the risk of loss or fraud caused by defects or failures in internal procedures or systems, human error or external events, including IT risk and management risk. Particular attention is paid to compliance risk, which receives enhanced monitoring.

The Company participates in the effort to strengthen the management and monitoring of operational risk led by the Société Générale Group. This effort is guided by the Operational Risk Department, which reports to the Société Générale Group Risk Department, and is relayed by different Group operational risk monitoring units responsible for implementing the policies and directives issued by the Société Générale Group and monitoring and controlling operational risks.

The monitoring arrangement mainly relies on four processes supervised by the operational risk departments: periodic risk and control self-assessment (RCSA), collecting internal data on losses due to operational errors with exhaustive real-time reporting of incidents, pattern analyses, and permanent control system.

These procedures are supplemented by a crisis management unit and a business continuity plan.

NOTE 11 – INFORMATION ON LITIGATIONS

During the year ended 31 December 2020, SG Issuer, as the Issuer of Notes linked to the credit risk of a French corporate, and Société Générale, as the Guarantor, were brought before the Courts of Paris (alongside other French financial institutions) by end investors to obtain compensation for the financial loss they suffered on their investment in these securities. The French corporate was the subject of a “safeguard procedure”, which constitutes a credit event under the terms of the Notes which had a strong impact on the value of the Notes. These investors rely on unfounded allegations according to which SG Issuer and Société Générale were aware of the difficulties of the French corporate when setting up and marketing these Notes and that in doing so, they failed to meet their regulatory obligations (to act in an honest, fair and professional manner, to provide information on the product risks and to determine the suitability of the Notes for retail investors).

For this litigation, along with any other litigation relating to securities issued by SG Issuer, SG Issuer is entitled to an indemnification by Société Générale in respect of any sum due by SG Issuer regarding potential damages or attorneys' fees.

NOTE 12 – SUBSEQUENT EVENTS

There was no subsequent event which could have a significant impact on the condensed interim financial information as at 30 June 2022.

APPENDIX III

REPRODUCTION OF THE PRESS RELEASE DATED 4 NOVEMBER 2022 CONTAINING THE GUARANTOR'S CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

The information set out below is a reproduction of the press release dated 4 November 2022 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 2022.

RESULTS AT SEPTEMBER 30TH, 2022

Press release

Paris, November 4th, 2022

STRONG RESULTS IN Q3 22

Good business performance with revenues up +2.3% vs. Q3 21 driven by the resilience of French Retail Banking, strong growth in International Retail Banking and in Financial Services, and a robust performance from Global Markets and Financing & Advisory

Good cost control, limited increase in operating expenses (+1.5% vs. Q3 21 published, +2.0% underlying)

Improvement in the underlying cost to income ratio, excluding contribution to the Single Resolution Fund, **at 60.7%⁽¹⁾** (vs. 61.8%⁽¹⁾ in Q3 21)

Cost of risk contained at 31 basis points, with around two-thirds consisting of prudent provisioning on performing loans, the level of defaults remaining low at ~10 basis points

Underlying Group net income of EUR 1.4 billion⁽¹⁾ (EUR 1.5 billion on a reported basis)

Underlying profitability (ROTE) of 10.5%⁽¹⁾ (11.2% on a reported basis)

EXCELLENT UNDERLYING PERFORMANCE IN 9M 22

Underlying Group net income of EUR 4.5 billion⁽¹⁾ (EUR 858 million on a reported basis), up +11.2% vs. 9M 21

Underlying cost to income ratio, excluding contribution to the Single Resolution Fund, **of 59.6%⁽¹⁾ at end-September, now expected below 64% for 2022**

Underlying profitability (ROTE) of 10.4%⁽¹⁾ (1.3% on a reported basis)

STRENGTHENED CAPITAL POSITION AND ROBUST BALANCE SHEET

CET 1 ratio of 13.1%⁽²⁾ at end-September 2022, up 13 basis points vs. end-June 2022⁽³⁾ and around 380 basis points above the regulatory requirement

CONTINUED ORDERLY EXECUTION OF STRATEGIC INITIATIVES

Merger of retail banking networks in France: all regulatory approvals obtained and legal merger date confirmed at January 1st, 2023

Successful finalisation of the partnership between Boursorama and ING in France: onboarding of around two-thirds of eligible customers to the partnership, i.e. 315,000 customers, and transfer of nearly EUR 8.5 billion of outstandings

Acquisition of Leaseplan by ALD: approval process on track, rights issue expected before the end of the year and closing of the acquisition expected during the first quarter of 2023

ESG ambition: acceleration of the decarbonisation of our loan portfolios

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

"In an increasingly complex geopolitical and economic environment, Société Générale posts, once again, excellent results, with both a very solid commercial performance and profitability. The third quarter is marked by increasing revenues, continued control of operating expenses and a contained cost of risk, while maintaining a prudent provisioning policy. We continue to make good progress on the execution of our strategic initiatives, with several major milestones achieved, notably on the merger of the retail banking networks in France and the finalisation of the partnership between Boursorama and ING. Furthermore, on September 30th, the Board of Directors decided that at the next General Meeting it would propose Slawomir Krupa as Board member to be my successor as Chief Executive Officer of the Group in May 2023. The coming months will enable us to continue to implement the strategic initiatives underway, which would ensure sustainable growth and profitability, while together ensuring an effective and orderly transition."

(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 12.9%) (3) Excluding IFRS 9 phasing effect

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

1. GROUP CONSOLIDATED RESULTS

In EURm	Q3 22	Q3 21	Change		9M 22	9M 21	Change	
Net banking income	6,828	6,672	+2.3%	+3.7%*	21,174	19,178	+10.4%	+10.9%*
Operating expenses	(4,233)	(4,170)	+1.5%	+4.3%*	(14,020)	(13,025)	+7.6%	+8.9%*
<i>Underlying operating expenses⁽¹⁾</i>	<i>(4,358)</i>	<i>(4,272)</i>	<i>+2.0%</i>	<i>+4.8%*</i>	<i>(13,273)</i>	<i>(12,594)</i>	<i>+5.4%</i>	<i>+6.7%*</i>
Gross operating income	2,595	2,502	+3.7%	+2.8%*	7,154	6,153	+16.3%	+14.9%*
<i>Underlying gross operating income⁽¹⁾</i>	<i>2,470</i>	<i>2,400</i>	<i>+2.9%</i>	<i>+1.9%*</i>	<i>7,901</i>	<i>6,584</i>	<i>+20.0%</i>	<i>+18.7%*</i>
Net cost of risk	(456)	(196)	x 2.3	x 2.3*	(1,234)	(614)	x 2.0	+52.2%*
Operating income	2,139	2,306	-7.2%	-8.1%*	5,920	5,539	+6.9%	+9.3%*
<i>Underlying operating income⁽¹⁾</i>	<i>2,014</i>	<i>2,204</i>	<i>-8.6%</i>	<i>-9.5%*</i>	<i>6,667</i>	<i>5,970</i>	<i>+11.7%</i>	<i>+14.1%*</i>
Net profits or losses from other assets	4	175	-97.7%	-97.7%*	(3,286)	186	n/s	n/s
Income tax	(396)	(699)	-43.4%	-43.4%*	(1,076)	(1,386)	-22.4%	-19.6%*
Net income	1,751	1,781	-1.7%	-2.8%*	1,566	4,343	-63.9%	-63.9%*
O.w. non-controlling interests	253	180	+40.6%	+37.3%*	708	489	+44.8%	+42.9%*
Reported Group net income	1,498	1,601	-6.4%	-7.3%*	858	3,854	-77.7%	-77.7%*
<i>Underlying Group net income⁽¹⁾</i>	<i>1,410</i>	<i>1,391</i>	<i>+1.4%</i>	<i>+0.3%*</i>	<i>4,489</i>	<i>4,038</i>	<i>+11.2%</i>	<i>+12.2%*</i>
ROE	9.9%	11.1%			1.1%	8.7%		
ROTE	11.2%	12.7%			1.3%	10.0%		
<i>Underlying ROTE⁽¹⁾</i>	<i>10.5%</i>	<i>10.9%</i>			<i>10.4%</i>	<i>10.4%</i>		

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

Societe Generale's Board of Directors, which met on November 3rd, 2022 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q3 and 9M 2022.

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 continued to enjoy good momentum despite a more uncertain economic environment, with growth of +2.3% (+3.7%*) in Q3 22 vs. Q3 21.

French Retail Banking was resilient (+0.5% vs. Q3 21). Net banking income showed a healthy momentum on service fees and in private banking.

International Retail Banking & Financial Services' revenues rose +5.6% (+13.5%*) vs. Q3 21, driven by a very good quarter for ALD and International Retail Banking. The latter saw its activities grow +13.0%* vs. Q3 21. Financial Services' net banking income was substantially higher (+19.0%* vs. Q3 21) while Insurance net banking income increased by +2.1%* vs. Q3 21.

Global Banking & Investor Solutions continued to enjoy dynamic growth, with revenues up +6.4% (+3.9%*) vs. Q3 21. Global Markets & Investor Services was higher (+11.2%, 5.2%*) than in Q3 21 while Financing & Advisory activities increased by +7.0% (+1.5%*) vs. Q3 21.

In 9M 22, the Group posted robust revenue growth of +10.4% (+10.9%*) vs. 9M 21, with growth in all the businesses.

Operating expenses

In Q3 22, operating expenses totalled EUR 4,233 million on a reported basis and EUR 4,358 million on an underlying basis (restated for transformation costs and the linearisation of IFRIC 21), an increase of +2.0% vs. Q3 21.

In 9M 22, underlying operating expenses were up +5.4% vs. 9M 21 at EUR 13,273 million (EUR 14,020 million on a reported basis). This rise can be explained primarily by the higher contribution to the Single Resolution Fund (EUR +208 million), the increase in the variable elements of employee remuneration including the Global Employee Share Ownership Plan (EUR +142 million) and currency effects (EUR +165 million). Excluding these variable elements, the increase in other expenses was limited at EUR 164 million vs. 9M 21 (+1.3%).

Overall, underlying gross operating income increased by 2.9% in Q3 22 to EUR 2,470 million and the underlying cost to income ratio, excluding the Single Resolution Fund, decreased to 60.7%.

In 9M 22, underlying gross operating income was substantially higher (+20.0% vs. 9M 21) at EUR 7,901 million.

Cost of risk

The cost of risk remained contained at 31 basis points in Q3 22, or EUR 456 million. It breaks down into a provision on non-performing loans which remains limited at EUR 154 million (~10 basis points), and an additional provision on performing loans of EUR 302 million (21 basis points).

In 9M 2022, the cost of risk amounted to 29 basis points.

Offshore exposure to Russia was reduced to EUR 2.3 billion of EAD (Exposure At Default) at September 30th, 2022. Exposure at risk on this portfolio is estimated at less than EUR 1 billion. The total associated provisions were EUR 452 million at end-September 2022.

Moreover, at end-September 2022, the Group's residual exposure in relation to Rosbank amounted to around EUR 0.1 billion, corresponding mainly to guarantees and letters of credit that were recognised under intra-group exposure before the disposal of Rosbank.

The Group's provisions on performing loans amounted to EUR 3,754 million at end-September, an increase of EUR 399 million in 2022.

The non-performing loans ratio amounted to 2.7%⁽¹⁾ at September 30th, 2022, down ~10 basis points vs. June 30th, 2022. The Group's gross coverage ratio for doubtful outstandings was stable at 50%⁽²⁾ at September 30th, 2022.

The cost of risk is still expected to be between 30 and 35 basis points in 2022.

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

⁽²⁾ Ratio between S3 provisions and the gross book value of non-performing loans before offsetting of guarantees and collateral

Group net income

In EURm	Q3 22	Q3 21	9M 22	9M 21
Reported Group net income	1,498	1,601	858	3,854
Underlying Group net income ⁽¹⁾	1,410	1,391	4,489	4,038

In EURm	Q3 22	Q3 21	9M 22	9M 21
ROTE	11.2%	12.7%	1.3%	10.0%
Underlying ROTE ⁽¹⁾	10.5%	10.9%	10.4%	10.4%

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

Earnings per share amounts to EUR 0.55 in 9M 22 (EUR 4.02 in 9M 21). Underlying earnings per share amounts to EUR 4.68 over the same period (EUR 4.06 in 9M 21).

2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 66.3 billion at September 30th, 2022 (EUR 65.1 billion at December 31st, 2021). Net asset value per share was EUR 69.4 and tangible net asset value per share was EUR 61.5.

The consolidated balance sheet totalled EUR 1,594 billion at September 30th, 2022 (EUR 1,464 billion at December 31st, 2021). The net amount of customer loan outstandings at September 30th, 2022, including lease financing, was EUR 503 billion (EUR 488 billion at December 31st, 2021) – excluding assets and securities purchased under resale agreements. At the same time, customer deposits amounted to EUR 527 billion, vs. EUR 502 billion at December 31st, 2021 (excluding assets and securities sold under repurchase agreements).

At October 18th, 2022, the parent company had issued EUR 41.1 billion of medium/long-term debt, having an average maturity of 5.1 years and an average spread of 56 basis points (vs. the 6-month midswap, excluding subordinated debt). The subsidiaries had issued EUR 2.7 billion. In total, the Group had issued EUR 43.8 billion of medium/long-term debt.

The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 143% at end-September 2022 (143% on average in Q3), vs. 129% at end-December 2021. At the same time, the NSFR (Net Stable Funding Ratio) was at a level of 112% at end-September 2022.

The Group's **risk-weighted assets** (RWA) amounted to EUR 371.6 billion at September 30th, 2022 (vs. EUR 363.4 billion at end-December 2021) according to CRR2/CRD5 rules. Risk-weighted assets in respect of credit risk represent 83.6% of the total, at EUR 310.7 billion, up 1.9% vs. December 31st, 2021.

At September 30th, 2022, the Group's **Common Equity Tier 1** ratio stood at 13.1%, or around 380 basis points above the regulatory requirement. The CET1 ratio at September 30th, 2022 includes an effect of +15 basis points for phasing of the IFRS 9 impact. Excluding this effect, the fully-loaded ratio amounts to 12.9%. The Tier 1 ratio stood at 15.6% at end-September 2022 (15.9% at end-December 2021) and the total capital ratio amounted to 19.0% (18.8% at end-December 2021).

The **leverage ratio** stood at 4.2% at September 30th, 2022.

With a level of 32.4% of RWA and 8.6% of leverage exposure at end-September 2022, the Group's TLAC ratio is above the Financial Stability Board's requirements for 2022. At September 30th, 2022, 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

In EURm	Q3 22	Q3 21	Change	9M 22	9M 21	Change
Net banking income	2,176	2,165	+0.5%	6,620	6,268	+5.6%
<i>Net banking income excl. PEL/CEL</i>	<i>2,123</i>	<i>2,152</i>	<i>-1.3%</i>	<i>6,473</i>	<i>6,250</i>	<i>+3.6%</i>
Operating expenses	(1,523)	(1,502)	+1.4%	(4,756)	(4,560)	+4.3%
<i>Underlying operating expenses⁽¹⁾</i>	<i>(1,579)</i>	<i>(1,545)</i>	<i>+2.2%</i>	<i>(4,700)</i>	<i>(4,517)</i>	<i>+4.0%</i>
Gross operating income	653	663	-1.5%	1,864	1,708	+9.1%
<i>Underlying gross operating income⁽¹⁾</i>	<i>597</i>	<i>620</i>	<i>-3.7%</i>	<i>1,920</i>	<i>1,751</i>	<i>+9.7%</i>
Net cost of risk	(196)	(8)	x 24.5	(264)	(145)	+82.1%
Operating income	457	655	-30.2%	1,600	1,563	+2.4%
Net profits or losses from other assets	3	(2)	n/s	6	2	x 3.0
Reported Group net income	343	470	-27.0%	1,195	1,136	+5.2%
<i>Underlying Group net income⁽¹⁾</i>	<i>301</i>	<i>439</i>	<i>-31.3%</i>	<i>1,237</i>	<i>1,167</i>	<i>+5.9%</i>
RONE	10.7%	15.8%		12.9%	12.6%	
<i>Underlying RONE⁽¹⁾</i>	<i>9.4%</i>	<i>14.8%</i>		<i>13.4%</i>	<i>12.9%</i>	

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

NB: including Private Banking activities as per Q1 22 restatement (France and international), includes other businesses transferred following the disposal of Lyxor

Societe Generale and Cr dit du Nord networks

Average loan outstandings were 3.7% higher than in Q3 21 at EUR 215 billion.

Home loan outstandings rose +3.5% vs. Q3 21. Outstanding loans to corporate and professional customers were 4% higher than in Q3 21.

Average outstanding balance sheet deposits including BMTN (negotiable medium-term notes) continued to rise (+1.5% vs. Q3 21) to EUR 243 billion.

As a result, the average loan/deposit ratio stood at 88% in Q3 22 vs. 87% in Q3 21.

Life insurance assets under management totalled EUR 109 billion at end-September 2022, unchanged year-on-year (with the unit-linked share accounting for 32%). Gross life insurance inflow amounted to EUR 1.8 billion in Q3 22.

Personal protection insurance premiums were up +8% vs. Q3 21 and property/casualty insurance premiums were up +4% vs. Q3 21.

Boursorama

The bank consolidated its position as the leading online bank in France, with more than 4.3 million clients at end-September 2022 (+40% vs. Q3 21), thanks to the onboarding of 365,000 new clients in Q3 22 (x2.2 vs. Q3 21).

Average outstanding loans rose +21% vs. Q3 21 to EUR 15 billion. Home loan outstandings were up +20% vs. Q3 21, while consumer loan outstandings climbed +28% vs. Q3 21.

Average outstanding savings including deposits and financial savings were 32% higher than in Q3 21 at EUR 46 billion, with deposits increasing by +37% vs. Q3 21. Brokerage recorded more than 1.5 million transactions in Q3 22.

The exclusive offering reserved for ING customers ended successfully on September 30th. The customer acquisition rate was 63% or around 315,000 ING customers out of the 500,000 eligible customers. They consist mainly of affluent customers. The outstandings collected total around EUR 8.5 billion and consist mainly of life insurance outstandings.

Private Banking

Private Banking activities, which were transferred to French Retail Banking at the beginning of 2022, cover the activities in France and internationally. Assets under management totalled EUR 146 billion at end-September. Net inflow totalled EUR 1.3 billion in Q3 22. Net banking income amounted to EUR 325 million in Q3 22 (+11.5% vs. Q3 21).

Net banking income

Q3 22: revenues totalled EUR 2,176 million, up +0.5% vs. Q3 21 including PEL/CEL, due to good commercial activity. Net interest income and other revenues, including PEL/CEL, was down -4.5% vs. Q3 21, impacted primarily by the higher rate on regulated savings accounts and a time lag effect in the rise in rates on new home loans due to the usury rate. Fees increased by +6.5% vs. Q3 21, driven by the sharp rise in service fees and the performance of financial fees.

9M 22: revenues totalled EUR 6,620 million, up +5.6% vs. 9M 21, including PEL/CEL. Net interest income and other revenues, including PEL/CEL, was up +4.6% vs. 9M 21. Fees were 6.8% higher than in 9M 21, benefiting from the strong growth in service fees.

Operating expenses

Q3 22: operating expenses totalled EUR 1,523 million (+1.4% vs. Q3 21) and EUR 1,579 million on an underlying basis (+2.2% vs. Q3 21). The cost to income ratio stood at 70%, an increase of 0.6 points vs. Q3 21.

9M 22: operating expenses totalled EUR 4,756 million (+4.3% vs. 9M 21). The cost to income ratio stood at 72%, down 1 point vs. 9M 21.

Cost of risk

Q3 22: the commercial cost of risk amounted to EUR 196 million or 32 basis points, including in particular EUR 123 million on performing loans (20 basis points). It was higher than in Q3 21 (1 basis point).

9M 22: the commercial cost of risk amounted to EUR 264 million or 14 basis points, higher than in 9M 21 (8 basis points).

Contribution to Group net income

Q3 22: the contribution to Group net income was EUR 343 million in Q3 22, down 27.0% vs. Q3 21 (EUR 470 million in Q3 21). RONE (after linearisation of the IFRIC 21 charge) stood at 9.4% in Q3 22 (10.9% excluding Boursorama).

9M 22: the contribution to Group net income was EUR 1,195 million, up +5.2% vs. 9M 21. RONE (after linearisation of the IFRIC 21 charge) stood at 13.4% in 9M 22.

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

In EURm	Q3 22	Q3 21	Change		9M 22	9M 21	Change	
Net banking income	2,226	2,107	+5.6%	+13.5%*	6,753	5,958	+13.3%	+17.9%*
Operating expenses	(1,006)	(1,015)	-0.9%	+10.6%*	(3,234)	(3,115)	+3.8%	+9.5%*
<i>Underlying operating expenses⁽¹⁾</i>	<i>(1,037)</i>	<i>(1,039)</i>	<i>-0.2%</i>	<i>+11.1%*</i>	<i>(3,203)</i>	<i>(3,091)</i>	<i>+3.6%</i>	<i>+9.3%*</i>
Gross operating income	1,220	1,092	+11.7%	+16.1%*	3,519	2,843	+23.8%	+26.8%*
<i>Underlying gross operating income⁽¹⁾</i>	<i>1,189</i>	<i>1,068</i>	<i>+11.3%</i>	<i>+15.8%*</i>	<i>3,550</i>	<i>2,867</i>	<i>+23.8%</i>	<i>+26.8%*</i>
Net cost of risk	(150)	(145)	+3.4%	+7.3%*	(572)	(408)	+40.2%	-4.6%*
Operating income	1,070	947	+13.0%	+17.4%*	2,947	2,435	+21.0%	+35.5%*
Net profits or losses from other assets	2	4	-50.0%	-50.0%*	12	10	+20.0%	+19.3%*
Reported Group net income	624	584	+6.8%	+13.2%*	1,718	1,498	+14.7%	+29.4%*
<i>Underlying Group net income⁽¹⁾</i>	<i>606</i>	<i>570</i>	<i>+6.3%</i>	<i>+12.8%*</i>	<i>1,736</i>	<i>1,512</i>	<i>+14.8%</i>	<i>+29.4%*</i>
RONE	23.8%	22.6%			21.4%	19.7%		
<i>Underlying RONE⁽¹⁾</i>	<i>23.1%</i>	<i>22.1%</i>			<i>21.7%</i>	<i>19.9%</i>		

(1) Adjusted for the linearisation of IFRIC 21

International Retail Banking's outstanding loans totalled EUR 86.7 billion, up +6.2%* vs. Q3 21. Outstanding deposits were slightly higher (+0.8%*) than in Q3 21, at EUR 80.9 billion.

For the Europe scope, outstanding loans were up +5.9%* vs. end-September 2021 at EUR 62.7 billion, driven by a positive momentum in the Czech Republic (+9.1%*) and in Romania (+8.6%*). Outstanding deposits declined -1.7%* to EUR 54.3 billion. The good momentum in Romania and Western Europe was offset by a slowdown in the Czech Republic notably due to a shift towards financial savings.

In Africa, Mediterranean Basin and French Overseas Territories, outstanding loans confirmed their rebound, with an increase of +7.0%*. Outstanding deposits continued to enjoy a good momentum, up +6.2%*.

In the Insurance business, life insurance outstandings totalled EUR 130 billion at end-September 2022. The share of unit-linked products in outstandings was still high at 35%, stable vs. September 2021. Gross life insurance savings inflow amounted to EUR 2,573 million in Q3 22 in a highly volatile market. The share of unit-linked products remained high at 39% in Q3 22. Protection insurance saw an increase of +2.8%* vs. Q3 21, with a good momentum for property/casualty insurance premiums.

Financial Services also enjoyed a very good momentum. Operational Vehicle Leasing and Fleet Management posted growth of +5.2% vs. end-September 2021 and the number of contracts totalled 1.8 million. Equipment Finance outstanding loans were slightly higher (+0.5%) than at end-September 2021, at EUR 14.5 billion (excluding factoring).

Net banking income

Net banking income amounted to EUR 2,226 million in Q3 22, up +13.5%* vs. Q3 21. Revenues amounted to EUR 6,753 million in 9M 22, up +17.9%* vs. 9M 21.

International Retail Banking's net banking income totalled EUR 1,260 million in Q3 22, up +13.0%*. International Retail Banking's net banking income totalled EUR 3,873 million in 9M 22, up +12.6%* vs. 9M 21.

Revenues in Europe climbed +14.5%* vs. Q3 21, due primarily to substantial growth in net interest income (+16.2%* vs. Q3 21), driven by the Czech Republic (+41.1%* vs. Q3 21) and Romania (+20.1%* vs. Q3 21).

The Africa, Mediterranean Basin and French Overseas Territories scope posted revenues up +10.5%* vs. Q3 21 at EUR 485 million, driven by all the entities.

The Insurance business posted net banking income up +2.1%* vs. Q3 21, at EUR 247 million. The Insurance business' net banking income was 5.1%* higher in 9M 22 than in 9M 21 at EUR 749 million.

Financial Services' net banking income was substantially higher (+19.0%*) than in Q3 21, at EUR 719 million. This performance is due primarily at ALD level to a good commercial momentum, a strong used car sale result (EUR 3,149 per vehicle in 9M 22), a depreciation adjustment and, to a lesser extent, the transfer to hyperinflation accounting for activities in Turkey. Financial Services' net banking income totalled EUR 2,131 million in 9M 22, up +35.0%* vs. 9M 21.

Operating expenses

Operating expenses increased by +11.1%^{*(1)} vs. Q3 21 to EUR 1,037 million⁽¹⁾, resulting in a positive jaws effect. The cost to income ratio (after linearisation of the IFRIC 21 charge) stood at 46.6%⁽¹⁾ in Q3 22, lower than in Q3 21 (49.3%⁽¹⁾). Operating expenses totalled EUR 3,203 million⁽¹⁾ in 9M 22, up +9.3%^{*(1)} vs. 9M 21.

In International Retail Banking, operating expenses were up +6.2%^{*(1)} vs. Q3 21.

In the **Insurance** business, operating expenses rose +5.7%^{*(1)} vs. Q3 21, with a cost to income ratio (after linearisation of the IFRIC 21 charge) of 38.7%⁽¹⁾.

In **Financial Services**, operating expenses increased by +26.9%^{*(1)} vs. Q3 21. This rise is due in particular to the recognition in Q3 22 of charges related to the preparation of the acquisition of Leaseplan.

Cost of risk

In Q3 22, the cost of risk was higher at 47 basis points (EUR 150 million), vs. 43 basis points in Q3 21.

On 9M 22, the cost of risk amounted to 56 basis points (EUR 572 million). It was 41 basis points in 9M 21.

Contribution to Group net income

The contribution to Group net income totalled EUR 606 million⁽¹⁾ in Q3 22, up +12.8%^{*(1)} vs. Q3 21. The contribution to Group net income totalled EUR 1,736 million⁽¹⁾ in 9M 22 (+29.4%^{*(1)} vs. 9M 21).

Underlying RONE stood at 23.1% in Q3 22 and 21.7% in 9M 22. Underlying RONE was 18.4% in International Retail Banking and 28.0% in Financial Services and Insurance in Q3 22.

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EURm	Q3 22	Q3 21	Variation		9M 22	9M 21	Variation	
Net banking income	2,312	2,172	+6.4%	+3.9%*	7,630	6,671	+14.4%	+12.4%*
Operating expenses	(1,428)	(1,457)	-2.0%	-2.7%*	(5,165)	(4,848)	+6.5%	+6.4%*
<i>Underlying operating expenses⁽¹⁾</i>	<i>(1,613)</i>	<i>(1,578)</i>	+2.2%	+1.6%*	<i>(4,980)</i>	<i>(4,727)</i>	+5.3%	+5.2%*
Gross operating income	884	715	+23.6%	+16.6%*	2,465	1,823	+35.2%	+27.4%*
<i>Underlying gross operating income⁽¹⁾</i>	<i>699</i>	<i>594</i>	+17.6%	+9.6%*	<i>2,650</i>	<i>1,944</i>	+36.3%	+28.9%*
Net cost of risk	(80)	(44)	+81.8%	+58.6%*	(343)	(62)	x 5.5	x 5.1*
Operating income	804	671	+19.8%	+13.6%*	2,122	1,761	+20.5%	+13.7%*
Reported Group net income	629	544	+15.6%	+10.1%*	1,673	1,397	+19.8%	+13.2%*
<i>Underlying Group net income⁽¹⁾</i>	<i>486</i>	<i>451</i>	+7.8%	+1.6%*	<i>1,816</i>	<i>1,490</i>	+21.9%	+15.6%*
RONE	16.7%	15.0%			15.3%	13.5%		
<i>Underlying RONE⁽¹⁾</i>	<i>12.9%</i>	<i>12.5%</i>			<i>16.6%</i>	<i>14.4%</i>		

(1) Adjusted for the linearisation of IFRIC 21

NB: excluding Private Banking activities as per Q1 22 restatement (France and International). Excludes businesses transferred following the disposal of Lyxor

Net banking income

Global Banking & Investor Solutions delivered a very solid performance in Q3, with revenues of EUR 2,312 million, up +6.4% vs. Q3 21.

Revenues increased substantially in 9M 22, +14.4% vs. 9M 21 (EUR 7,630 million vs. EUR 6,671 million).

In Global Markets & Investor Services, net banking income totalled EUR 1,505 million in Q3 22 (+11.2% vs. Q3 21). It amounted to EUR 5,212 million in 9M 22, +18.6% vs. 9M 21.

Global Markets turned in a strong performance in Q3 22 (EUR 1,344 million), up +12.1% vs. Q3 21, benefiting from dynamic commercial activity in a still volatile environment. Revenues were higher in 9M 22 (+18.8%) than in 9M 21 at EUR 4,637 million.

The Equity activity delivered a solid performance in Q3 (EUR 806 million, +1.0% vs. Q3 21), driven by a sustained high client demand in both flow activities and investment solutions. Revenues were up +9.6% in 9M 22 vs. 9M 21 at EUR 2,649 million.

Fixed Income & Currency activities posted substantially higher revenues (+34.2% vs. Q3 21) at EUR 538 million in a volatile rate environment. Revenues increased to EUR 1,988 million in 9M 22 (+33.8% vs. 9M 21).

Securities Services saw its revenues increase +3.9% vs. Q3 21, to EUR 161 million. Revenues were up +17.3% in 9M 22 vs. 9M 21 at EUR 575 million. Securities Services' assets under custody and assets under administration amounted to EUR 4,275 billion and EUR 598 billion respectively.

Financing & Advisory posted revenues of EUR 807 million, up +7.0% vs. Q3 21. They amounted to EUR 2,418 million in 9M 22, significantly higher (+14.7%) than in 9M 21.

The Global Banking & Advisory business, slightly lower (-1.4% vs. Q3 21), continued to capitalise on the good market momentum in Asset Finance and activities related to Natural Resources. These performances were also driven by the strategy focused on Environmental, Social and Governance criteria. The Asset-Backed Products platform also showed good resilience in Q3. In contrast, Investment Banking was negatively impacted by current market conditions and the decline in volumes.

Global Transaction and Payment Services continued to experience very high growth, up +50.0% vs. Q3 21. It was a record quarter as a result of a very good performance in all activities, particularly Cash Management and Correspondent Banking.

Operating expenses

Operating expenses totalled EUR 1,428 million in Q3 22, -2.0% lower than in Q3 21 on a reported basis, and slightly higher (+2.2%) on an underlying basis. The increase on an underlying basis can be explained primarily by the rise of EUR 64 million in linearised IFRIC 21 charges in Q3.

With a positive jaws effect, the underlying cost to income ratio excluding the contribution to the Single Resolution Fund improved to 63.0%.

Operating expenses were up +6.5% on a reported basis and +5.3% on an underlying basis in 9M 22.

Cost of risk

The cost of risk amounted to 17 basis points (or EUR 80 million) in Q3 22, with cost of risk amounting to EUR 43 million on the Russian offshore portfolio.

It stood at 26 basis points (or EUR 343 million) in 9M 22 given the provisioning on the Russian offshore portfolio (EUR 303 million).

Contribution to Group net income

The contribution to Group net income was EUR 629 million on a reported basis (+15.6% vs. Q3 21) and EUR 486 million on an underlying basis in Q3 22. It was EUR 1,673 million on a reported basis and EUR 1,816 million on an underlying basis in 9M 22.

Global Banking & Investor Solutions posted an underlying RONE of 12.9% in Q3 22 and 16.1% excluding the contribution to the Single Resolution Fund (vs. 14.6% in Q3 21). The underlying RONE was 16.6% in 9M 22 vs. 14.4% in 9M 21.

6. CORPORATE CENTRE

In EURm	Q3 22	Q3 21	9M 22	9M 21
Net banking income	114	228	171	281
Operating expenses	(276)	(196)	(865)	(502)
<i>Underlying operating expenses⁽¹⁾</i>	<i>(129)</i>	<i>(110)</i>	<i>(390)</i>	<i>(259)</i>
Gross operating income	(162)	32	(694)	(221)
<i>Underlying gross operating income⁽¹⁾</i>	<i>(15)</i>	<i>118</i>	<i>(219)</i>	<i>22</i>
Net cost of risk	(30)	1	(55)	1
Net profits or losses from other assets	(1)	173	(3,304)	174
Income tax	152	(166)	485	(6)
Reported Group net income	(98)	3	(3,728)	(177)
<i>Underlying Group net income⁽¹⁾</i>	<i>16</i>	<i>(69)</i>	<i>(299)</i>	<i>(132)</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 not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR 114 million in Q3 22 vs. EUR +228 million in Q3 21, and EUR +171 million in 9M 22 vs. EUR +281 million in 9M 21.

Operating expenses totalled EUR 276 million in Q3 22 vs. EUR 196 million in Q3 21. They include the Group's transformation costs for a total amount of EUR 160 million relating to the activities of French Retail Banking (EUR 100 million), Global Banking & Investor Solutions (EUR 24 million) and the Corporate Centre (EUR 36 million). Underlying costs came to EUR 129 million in Q3 22 compared to EUR 110 million in Q3 21.

In 9M 22, operating expenses totalled EUR 865 million vs. EUR 502 million in 9M 21. Transformation costs totalled EUR 462 million (EUR 301 million for the activities of French Retail Banking, EUR 63 million for Global Banking & Investor Solutions and EUR 98 million for the Corporate Centre). Underlying costs came to EUR 390 million in 9M 22 compared to EUR 259 million in 9M 21.

Gross operating income totalled EUR -162 million in Q3 22 vs. EUR 32 million in Q3 21. Underlying gross operating income came to EUR -15 million in Q3 22 vs. EUR 118 million in Q3 21. In 9M 22, gross operating income was EUR -694 million on a reported basis (vs. EUR -221 million in 9M 21) and EUR -219 million on an underlying basis (vs. EUR 22 million in 9M 21).

The Corporate Centre's contribution to Group net income was EUR -98 million in Q3 22 vs. EUR 3 million in Q3 21. The Corporate Centre's contribution to Group net income on an underlying basis was EUR 16 million. In 9M 22, the contribution to Group net income was EUR -3,728 million on a reported basis and EUR -299 million on an underlying basis.

7. 2022 AND 2023 FINANCIAL CALENDAR

2022 and 2023 Financial communication calendar

February 8 th , 2023	Fourth quarter and FY 2022 results
May 12 th , 2023	First quarter 2023 results
May 23 rd , 2023	2023 General Meeting
August 3 rd , 2023	Second quarter 2023 results

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, 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.

8. APPENDIX 1: FINANCIAL DATA

GROUP NET INCOME BY CORE BUSINESS

In EURm	Q3 22	Q3 21	Variation	9M 22	9M 21	Variation
French Retail Banking	343	470	-27.0%	1,195	1,136	+5.2%
International Retail Banking and Financial Services	624	584	+6.8%	1,718	1,498	+14.7%
Global Banking and Investor Solutions	629	544	+15.6%	1,673	1,397	+19.8%
Core Businesses	1,596	1,598	-0.1%	4,586	4,031	+13.8%
Corporate Centre	(98)	3	n/s	(3,728)	(177)	n/s
Group	1,498	1,601	-6.4%	858	3,854	-77.7%

CONSOLIDATED BALANCE SHEET

In EUR m	30.09.2022	31.12.2021
Cash, due from central banks	200,834	179,969
Financial assets at fair value through profit or loss	396,846	342,714
Hedging derivatives	30,998	13,239
Financial assets at fair value through other comprehensive income	41,337	43,450
Securities at amortised cost	20,281	19,371
Due from banks at amortised cost	77,736	55,972
Customer loans at amortised cost	513,138	497,164
Revaluation differences on portfolios hedged against interest rate risk	(1,514)	131
Investments of insurance companies	158,923	178,898
Tax assets	4,500	4,812
Other assets	112,517	92,898
Non-current assets held for sale	6	27
Deferred profit-sharing	982	-
Investments accounted for using the equity method	115	95
Tangible and intangible fixed assets	33,048	31,968
Goodwill	3,794	3,741
Total	1,593,541	1,464,449

In EUR m	30.09.2022	31.12.2021
Due to central banks	9,392	5,152
Financial liabilities at fair value through profit or loss	367,483	307,563
Hedging derivatives	44,641	10,425
Debt securities issued	125,189	135,324
Due to banks	149,785	139,177
Customer deposits	534,732	509,133
Revaluation differences on portfolios hedged against interest rate risk	(8,984)	2,832
Tax liabilities	1,735	1,577
Other liabilities	134,535	106,305
Non-current liabilities held for sale	-	1
Insurance contracts related liabilities	140,452	155,288
Provisions	4,907	4,850
Subordinated debts	17,601	15,959
Total liabilities	1,521,468	1,393,586
Shareholder's equity	-	-
Shareholders' equity, Group share	-	-
Issued common stocks and capital reserves	21,497	21,913
Other equity instruments	7,676	7,534
Retained earnings	34,622	30,631
Net income	858	5,641
Sub-total	64,653	65,719
Unrealised or deferred capital gains and losses	1,658	(652)
Sub-total equity, Group share	66,311	65,067
Non-controlling interests	5,762	5,796
Total equity	72,073	70,863
Total	1,593,541	1,464,449

9. APPENDIX 2: METHODOLOGY

1 – The financial information presented for the third quarter and the first nine months of 2022 was examined by the Board of Directors on November 3rd, 2022 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 2022 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, 2021 (pages 482 et seq. of Societe Generale's 2022 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 2022 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.

The contributions to **Single Resolution Fund (« SRF »)** are part of IFRIC21 adjusted charges, they include contributions to national resolution funds within the EU.

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:

in EUR m	Q3 22	Q3 21	9M 22	9M 21
Exceptional operating expenses (-)	(125)	(102)	747	431
IFRIC linearisation	(285)	(199)	285	199
Transformation costs ⁽¹⁾	160	97	462	232
<i>Of which related to French Retail Banking</i>	100	46	301	106
<i>Of which related to Global Banking & Investor Solutions</i>	24	23	63	66
<i>Of which related to Corporate Centre</i>	36	28	98	60
Exceptional Net profit or losses from other assets (+/-)	0	(185)	3,303	(185)
Net losses from the disposal of Russian activities ⁽¹⁾	0		3,300	
Lyxor disposal ⁽¹⁾	0		3	
Total exceptional items (pre-tax)	(125)	(287)	4,050	246
Reported Net income - Group Share	1,498	1,601	858	3,854
Total exceptional items - Group share (post-tax)	(88)	(211)	3,631	184
Underlying Net income - Group Share	1,410	1,391	4,489	4,038
<i>(1) Allocated to Corporate Centre</i>				

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

The cost of risk is defined on pages 43 and 663 of Societe Generale's 2022 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 EURm		Q3 22	Q3 21	9M 22	9M 21
French Retail Banking	Net Cost Of Risk	196	8	264	145
	Gross loan Outstandings	246,467	234,980	244,941	234,525
	Cost of Risk in bp	32	1	14	8
International Retail Banking and Financial Services	Net Cost Of Risk	150	145	572	408
	Gross loan Outstandings	127,594	134,725	136,405	132,088
	Cost of Risk in bp	47	43	56	41
Global Banking and Investor Solutions	Net Cost Of Risk	80	44	343	62
	Gross loan Outstandings	190,678	149,761	179,454	144,456
	Cost of Risk in bp	17	12	26	7
Corporate Centre	Net Cost Of Risk	30	(1)	55	(1)
	Gross loan Outstandings	15,924	14,244	15,093	13,589
	Cost of Risk in bp	75	(1)	49	(1)
Societe Generale Group	Net Cost Of Risk	456	196	1,234	614
	Gross loan Outstandings	580,663	533,711	575,893	524,659
	Cost of Risk in bp	31	15	29	16

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 2022 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 2022 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". 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 (in EURm)	Q3 22	Q3 21	9M 22	9M 21
Shareholders' equity Group share	66,311	63,638	66,311	63,638
Deeply subordinated notes	(9,350)	(7,820)	(9,350)	(7,820)
Undated subordinated notes	-	-	-	-
Interest of deeply & undated subordinated notes, issue premium amortisations ⁽¹⁾	(80)	(34)	(80)	(34)
OCI excluding conversion reserves	1,259	(613)	1,259	(613)
Distribution provision ⁽²⁾	(1,916)	(1,726)	(1,916)	(1,726)
Distribution N-1 to be paid	(334)	-	(334)	-
ROE equity end-of-period	55,891	53,445	55,891	53,445
Average ROE equity⁽³⁾	55,264	52,947	54,922	52,219
Average Goodwill	(3,667)	(3,927)	(3,646)	(3,927)
Average Intangible Assets	(2,730)	(2,599)	(2,735)	(2,549)
Average ROTE equity⁽³⁾	48,867	46,421	48,541	45,743
Group net Income	1,498	1,601	858	3,854
Interest on deeply subordinated notes and undated subordinated notes	(126)	(130)	(404)	(439)
Cancellation of goodwill impairment	1	-	3	-
Ajusted Group net Income	1,373	1,471	457	3,415
Average ROTE equity ⁽³⁾	48,867	46,421	48,541	45,743
ROTE	11.2%	12.7%	1.3%	10.0%
Underlying Group net income	1,410	1,391	4,489	4,038
Interest on deeply subordinated notes and undated subordinated notes	(126)	(130)	(404)	(439)
Cancellation of goodwill impairment	1	-	3	-
Ajusted Underlying Group net Income	1,285	1,261	4,088	3,599
Average ROTE equity (underlying) ⁽³⁾	48,779	46,210	52,172	45,927
Underlying ROTE	10.5%	10.9%	10.4%	10.4%

(1) Interest payable to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations

(2) The distribution to be paid is calculated based on a pay-out ratio of 50% of the underlying Group net income, after deduction of deeply subordinated notes and on undated subordinated notes

(3) Amounts restated compared with the financial statements published in 2021 (See Note 1.7 of the financial statements)

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

In EURm	Q3 22	Q3 21	Change	9M 22	9M 21	Change
French Retail Banking	12,876	11,867	+8.5%	12,331	12,065	+2.2%
International Retail Banking and Financial Services	10,505	10,340	+1.6%	10,681	10,154	+5.2%
Global Banking and Investor Solutions	15,072	14,486	+4.0%	14,619	13,824	+5.8%
Core Businesses	38,453	36,693	+4.8%	37,631	36,042	+4.4%
Corporate Center	16,811	16,254	+3.4%	17,291	16,177	+6.9%
Group	55,264	52,947	+4.4%	54,922	52,219	+5.2%

NB: Amounts restated in Q1 22 to take into account the transfer of Private Banking activities (French and international) to the French Retail Banking. Includes activities transferred after the disposal of Lyxor

8 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 46 of the Group's 2022 Universal Registration Document. The items used to calculate them are presented below:

End of period (in EURm)	9M 22	H1 22	2021
Shareholders' equity Group share	66,311	64,583	65,067
Deeply subordinated notes	(9,350)	(8,683)	(8,003)
Undated subordinated notes			
Interest of deeply & undated subordinated notes, issue premium amortisations ⁽¹⁾	(80)	(8)	20
Bookvalue of own shares in trading portfolio	(125)	(222)	37
Net Asset Value	56,756	55,669	57,121
Goodwill	(3,667)	(3,667)	(3,624)
Intangible Assets	(2,788)	(2,672)	(2,733)
Net Tangible Asset Value	50,301	49,330	50,764
Number of shares used to calculate NAPS ⁽²⁾	817,789	831,045	831,162
Net Asset Value per Share	69.4	67.0	68.7
Net Tangible Asset Value per Share	61.5	59.4	61.1

(1) Interest payable to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations

(2) The number of shares considered is the number of ordinary shares outstanding as at end of period, 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 2022 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 2022 Universal Registration Document, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items presented in methodology note No. 5.

The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands)	9M 22	H1 22	2021
Existing shares	844,376	842,540	853,371
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	6,050	6,041	3,861
Other own shares and treasury shares	10,566	5,416	3,249
Number of shares used to calculate EPS ⁽¹⁾	827,760	831,084	846,261
Group net Income	858	(640)	5,641
Interest on deeply subordinated notes and undated subordinated notes	(404)	(278)	(590)
Adjusted Group net income (in EURm)	454	(918)	5,051
EPS (in EUR)	0.55	(1.10)	5.97
Underlying EPS ⁽²⁾ (in EUR)	4.68	2.87	5.52

(1) The number of shares considered is the average number of ordinary shares outstanding during the period, excluding treasury shares and buybacks, but including the trading shares held by the Group.

(2) Calculated on the basis of underlying Group net income (excluding linearisation of IFRIC 21).

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. Committed to the positive transformations of the world's societies and economies, Societe Generale and its teams seek to build, day after day, together with its clients, a better and sustainable future through responsible and innovative financial solutions.

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 117,000 members of staff in 66 countries and supports on a daily basis 25 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, Credit 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**, with networks in Africa, 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 (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 the MSCI Low Carbon Leaders Index (World and Europe).

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Key figures as of 30 June 2022.

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