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 assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

2,000,000 European Style Cash Settled Long Certificates relating to

the Class B ordinary shares of Xiaomi Corporation

with a Daily Leverage of 3x

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Société Générale

Issue Price: S$5.00 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 14 June 2024 including such further base listing documents as may be issued from time to time, as supplemented by an addendum dated 30 September 2024 (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 products[1] 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 14 June 2024 (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 27 May 2025.

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

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

26 May 2025

[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 has not been and 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) in respect of certain corporate adjustment events on the Underlying Stock, trading in the Certificates may be suspended on the relevant ex-date of the Underlying Stock and trading in the Certificates will resume on the next immediate trading day on the SGX-ST. Please note that trading in the Certificates on the SGX-ST may be suspended for more than one trading day in certain circumstances;

(b) 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;

(c) 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;

(d) 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;

(e) in the event that the Company is subject to any sanction by governmental authorities, (i) such sanction may impact general investor interest in the Underlying Stock, which may in turn affect the liquidity and market price of the Underlying Stock, and (ii) investors should consult their own legal advisers to check whether and to what extent investing in the Certificates will be in violation of applicable laws and regulations;

(f) in the event that the Company is controlled through weighted voting rights, certain individuals who own shares of a class which is being given more votes per share may have the ability to determine the outcome of most matters, and depending on the action taken by the Company, the market price of the Certificates could be adversely affected;

(g) 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;

(h) 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;

(i) 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;

(j) 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;

(k) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 32 to 37 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;

(l) 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;

(m) 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);

(n) 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);

(o) investors should note that there may be an exchange rate risk relating to the Certificates where the Cash Settlement Amount is converted from a foreign currency into Singapore dollars.

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

(p) 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;

(q) 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 trading day. This process, referred to as compounding, may lead to a performance difference from 3 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 sideway trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

(r) 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);

(s) 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;

(t) 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 an approximately 33% or greater gap between the previous trading day closing price and the opening price of the Underlying Stock the following trading day, as the Air Bag Mechanism will only be triggered when market opens (including pre-opening session or opening auction, as the case may be) the following trading day or (ii) a sharp intraday fall in the price of the Underlying Stock of approximately 33% 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 53 to 54 of this document for more information;

(u) 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 Certificates may be terminated prior to its Expiry Date for the following reasons which are not exhaustive: Illegality and force majeure, occurrence of a Holding Limit Event (as defined in the Conditions of the Certificates) or Hedging Disruption (as defined in the Conditions of the Certificates). For more detailed examples of when early termination may occur, please refer to the FAQ section under the “Education” tab on the website at dlc.socgen.com.

The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, 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 substantially less than the amount initially invested, and at the worst case, be zero. Investors may refer to the Condition 13 on pages 39 to 42 of this document for more information;

(v) 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;

(w) 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;

(x) 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;

(y) 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;

(z) 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;

(aa) 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;

(bb) 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;

(cc) 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;

(dd) 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;

(ee) the reform of HIBOR may adversely affect the value of the Certificates

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

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

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

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

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

(ff) 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 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;

(gg) 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;

(hh) risks arising from the taxation of securities

Tax law and practice are subject to change, possibly with retroactive effect. This may have a negative impact on the value of the Certificates and/or the market price of the Certificates. For example, the specific tax assessment of the Certificates may change compared to its assessment at the time of purchase of the Certificates. This is especially true with regard to derivative Certificates and their tax treatment. Holders of Certificates therefore bear the risk that they may misjudge the taxation of the income from the purchase of the Certificates. However, there is also the possibility that the taxation of the income from the purchase of the Certificates will change to the detriment of the holders.

Holders of the Certificates bear the risk that the specific tax assessment of the Certificates will change. This can have a negative impact on the value of the Certificates and the investor may incur a corresponding loss. The stronger this negative effect, the greater the loss may be; and

(ii) 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, as amended, 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*).

In April 2023, the EU Commission released a proposal to amend, in particular, the BRRD according to which senior preferred debt instruments would no longer rank pari passu with any non covered non preferred deposits of the Issuer; instead, senior preferred debt instruments would rank junior in right of payment to the claims of all depositors.

This proposal has been discussed and amended by the European Parliament and the European Council. Council and Parliament reached agreement on 6 December 2023 to make the proposal final and applicable. If the final agreement was adopted as is, there may be an increased risk of an investor in senior preferred debt instruments losing all or some of their investment in the context of the exercise of the Bail-in Power. The final agreement may also lead to a rating downgrade for senior preferred debt instruments.

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism ("**SRM**") and a Single Resolution 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 and the SRM Regulation provide 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. 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 notably 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**") and Regulation (EU) 2022/2036 of the European Parliament and of the Council of 19 October 2022 amending Regulation (EU) No 575/2013 and Directive 2014/59/EU as regards the prudential treatment of global systemically important institutions with a multiple-point-of-entry resolution strategy and methods for the indirect subscription of instruments eligible for meeting the minimum requirement for own funds and eligible liabilities, 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 notably 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:	2,000,000 European Style Cash Settled Long Certificates relating to the Class B ordinary shares of Xiaomi Corporation traded in HKD (the "**Underlying Stock**")
ISIN:	LU2079524356
Company:	Xiaomi Corporation (RIC: 1810.HK)
Underlying Price[3] and Source:	HK$51.30 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	3x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 5.00
Management Fee (p.a.)[4]:	0.40%
Gap Premium (p.a.)[5]:	10.50%, is a hedging cost against extreme market movements overnight.
Funding Cost[6]:	The annualised costs of funding, referencing a publicly published interbank offered rate plus spread.
Rebalancing Cost[6]:	The transaction costs (if applicable), computed as a function of leverage and daily performance of the Underlying Stock.
Launch Date:	20 May 2025
Closing Date:	26 May 2025
Expected Listing Date:	27 May 2025

[3] These figures are calculated as at, and based on information available to the Issuer on or about 26 May 2025. 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 26 May 2025.
[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 18 November 2027
Expiry Date:	25 November 2027 (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:	24 November 2027 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to: Closing Level multiplied by the Notional Amount per Certificate Please refer to the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section on pages 45 to 59 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of (1 – Management Fee x (ACT (t-1;t) ÷ 360)) x (1 – Gap Premium (t-1) x (ACT (t-1;t) ÷ 360)), where: "**t**" refers to "**Observation Date**" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

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

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

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

Please refer to the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section on pages 45 to 59 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to: $\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$
Initial Reference Level:	1,000
Final Reference Level:	The closing level of the Leverage Strategy (as described below) on the Valuation Date The calculation of the closing level of the Leverage Strategy is set out in the "Specific Definitions relating to the Leverage Strategy" section on pages 20 to 26 below.
Initial Exchange Rate[3]:	0.1639
Final Exchange Rate:	The rate for the conversion of HKD to SGD as at 5:00pm (Singapore Time) on the Valuation Date as shown on Reuters, provided that if the Reuters service ceases to display such information, as determined by

	the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate at such a time.
Air Bag Mechanism:	The "**Air Bag Mechanism**" refers to the mechanism built in the Leverage Strategy and which is designed to reduce the Leverage Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock falls by 20% or more ("**Air Bag Trigger Price**") during the trading day (which represents an approximately 60% loss after a 3 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 of continuous trading after the Air Bag is triggered. The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour. The Leverage Strategy is floored at 0 and the Certificates cannot be valued below zero. Please refer to the "Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")" section on pages 24 to 26 below and the "Description of Air Bag Mechanism" section on pages 51 to 52 of this document for further information of the Air Bag Mechanism.
Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
Underlying Stock Currency:	Hong Kong Dollar ("**HKD**")
Settlement Currency:	Singapore Dollar ("**SGD**")
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (the "**SGX-ST**")
Relevant Stock Exchange for the Underlying Stock:	HKEX

Business Day, Settlement Business Day and Exchange Business Day:	A "**Business Day**" or a "**Settlement Business Day**" is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore. An "**Exchange Business Day**" is a day on which the SGX-ST and the HKEX are open for dealings in Singapore and Hong Kong respectively during its normal trading hours and banks are open for business in Singapore and Hong Kong.
Warrant Agent:	The Central Depository (Pte) Limited ("**CDP**")
Clearing System:	CDP
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage 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 3 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 3 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

$\mathbf{LSL_t}$	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): $\mathrm{LSL_1} = 1000$ On each subsequent Observation Date(t): $\mathrm{LSL_t} = \mathrm{Max}\left[\mathrm{LSL_{t-1}} \times \left(1 + \mathrm{LR_{t-1,t}} - \mathrm{FC_{t-1,t}} - \mathrm{RC_{t-1,t}}\right), 0\right]$
$\mathbf{LR_{t-1,t}}$	means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows: $\mathrm{LR_{t-1,t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right)$
$\mathbf{FC_{t-1,t}}$	means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows: $\mathrm{FC_{t-1,t}} = (\mathrm{Leverage} - 1) \times \frac{\mathrm{Rate_{t-1}} \times \mathrm{ACT(t-1,t)}}{\mathrm{DayCountBasisRate}}$
$\mathbf{RC_{t-1,t}}$	means the Rebalancing Cost of the Leverage Strategy on Observation Date (t), calculated as follows: $\mathrm{RC_{t-1,t}} = \mathrm{Leverage} \times (\mathrm{Leverage} - 1) \times \left(\left\vert\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right\vert\right) \times \mathrm{TC}$
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: 0.11% "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	3
$\mathbf{S_t}$	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.

$\mathbf{Rate_t}$	means, in respect of each Observation Date(t), a rate calculated as of such day in accordance with the following formula: $$\mathrm{Rate_t} = \mathrm{CashRate_t} + \%\mathrm{SpreadLevel_t}$$
$\mathbf{Rfactor_t}$	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: $$Rfactor_t = 1 - \frac{Div_t}{\mathbf{S_{t-1}}}$$ 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.
$\mathbf{CashRate_t}$	means, in respect of each Observation Date(t), the Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKDOND= or any successor page, being the rate as of day (t), provided that if any of such rate is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of modification, the permanent or indefinite cancellation or cessation in the provision of HIBOR, or a regulator or other official sector entity prohibits the use of HIBOR, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
$\%\mathbf{SpreadLevel_t}$	means, in respect of each Observation Date(t), a rate which shall be determined with respect to such Valuation Date(t) by the Calculation Agent as the difference between (1) the 12-month HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKD1YD= and (2) Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKDOND= or any successor page, each being the rate as of day (t), provided that if any of such rates is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of modification, the permanent or indefinite cancellation or cessation in the provision of HIBOR, or a regulator or other official sector entity prohibits the use of HIBOR, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine. Provided that if such difference is negative, $\%\mathbf{SpreadLevel_t}$ should be 0%.

ACT(t-1,t)	ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).
DayCountBasisRate	365
Benchmark Fallback	upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
Reference Rate Event	means, in respect of the Reference Rate any of the following has occurred or will occur: (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	means, for a Reference Rate, the occurrence of one or more of the following events: (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.

<u>Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")</u>

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 ($\mathrm{LSL_{IRD}}$) should be computed as follows:

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

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

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

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

(1) for k = 1:

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

(2) for k > 1:

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

$\mathbf{ILR_{IR(k-1),IR(k)}}$ means the Intraday Leveraged Return between IR(k-1) and IR(k), calculated as follows:

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

$\mathbf{IRC_{IR(k-1),IR(k)}}$	means the Intraday Rebalancing Cost of the Leverage Strategy in respect of IR(k) on a given Intraday Restrike Date, calculated as follows: $\mathrm{IRC_{IR(k-1),IR(k)}} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left| \frac{\mathrm{IS_{IR(k)}}}{\mathrm{IS_{IR(k-1)}}} - 1 \right| \right) \times \mathrm{TC}$
$\mathbf{IS_{IR(k)}}$	means the Underlying Stock Price in respect of IR(k) computed as follows: (1) for k=0 $\mathrm{IS_{IR(0)}} = \mathrm{S_{IRD-1}} \times \mathrm{Rfactor_{IRD}}$ (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) $\mathrm{IS_{IR(C)}} = \mathrm{S_{IRD}}$ 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 k^{th} Intraday Restrike Event on the relevant Intraday Restrike Date.
IR(C)	means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.
n	means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.
Intraday Restrike Event	means in respect of an Observation Date(t): (1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the decrease at any Calculation Time of the Underlying Stock price by 20% or more compared with the relevant Underlying Stock Price $\mathbf{IS_{IR(0)}}$ as of such Calculation Time. (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 20% or more compared with the relevant Underlying Stock Price $\mathbf{IS_{IR(k)}}$ as of such Calculation Time.
Calculation Time	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Strategy Level.
TimeReferenceOpening	means the scheduled opening time (including pre-opening session or opening auction, as the case may be) 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	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 of continuous trading after the Intraday Restrike Event Time and (2) the TimeReferenceClosing. Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.
Intraday Restrike Event Time	means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

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

TERMS AND CONDITIONS OF

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

1. Form, Status and Guarantee, Transfer and Title

(a) *Form*. The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of: -

(i) a master instrument by way of deed poll (the "**Master Instrument**") dated 14 June 2024, 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 "**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 Code;

(2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the Code; and

(3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the Code; and

(B) which are not *titres non structurés* as defined under Article R.613-28 of the 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 Settlement Business Days (as defined in the relevant Supplemental Listing Document and subject to extension upon the occurrence of a Settlement Disruption Event (as defined below)) 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.

If the Issuer determines, in its sole discretion, that on any Settlement Business Day during the period of five Settlement Business Days following the Expiry Date a Settlement Disruption Event has occurred, such Settlement Business Day shall be postponed to the next Settlement Business Day on which the Issuer determines that the Settlement Disruption Event is no longer subsisting and such period shall be extended accordingly, provided that the Issuer and/or the Guarantor shall make their best endeavours to implement remedies as soon as reasonably practicable to eliminate the impact of the Settlement Disruption Event on its/their payment obligations under the Certificates and/or the Guarantee.

"**Settlement Disruption Event**" means the occurrence or existence of any malicious action or attempt initiated to steal, expose, alter, disable or destroy information through unauthorised access to, or maintenance or use of, the Computer Systems of the Issuer, the Guarantor, the Calculation Agent, their respective affiliates (the "SG Group"), their IT service providers, by (and without limitation) the use of malware, ransomware, phishing, denial or disruption of service or cryptojacking or any unauthorized entry, removal, reproduction, transmission, deletion, disclosure or modification preventing the Issuer, the Guarantor and/or the Calculation Agent to perform their obligations under the Certificates, and notwithstanding the implementation of processes, required, as the case may be, by the laws and regulations applicable to the Issuer, the Guarantor, the Calculation Agent and their affiliates, or their IT service providers to improve their resilience to these actions and attempts.

"**Computer System**" means all the computer resources including, in particular: hardware, software packages, software, databases and peripherals, equipment, networks, electronic installations for storing computer data, including Data. The Computer System shall be understood to be that which (i) belongs to the SG Group and/or (ii) is rented, operated or legally held by the SG Group under a contract with the holder of the rights to the said system and/or (iii) is operated on behalf of the SG Group by a third party within the scope of a contractual relationship and/or (iv) is made available to the SG Group under a contract within the framework of a shared system (in particular cloud computing).

"**Data**" means any digital information, stored or used by the Computer System, including confidential data.

(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) *Subdivision or Consolidation of the Certificates*. The Issuer reserves the right to subdivide or consolidate the Certificates, provided that such adjustment 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) and subject to the approval of the SGX-ST.

(f) *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).

(g) *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.

6A. US withholding tax implications on the Payment

Notwithstanding any other provision of these Conditions, in no event will the Issuer or the Guarantor be required to pay any additional amounts in respect of the Certificates for, or on account of, any withholding or deduction (i) required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**US Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the US Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto, (ii) imposed pursuant to the Section 871(m) Regulations ("**Section 871(m) Withholding**") or (iii) imposed by any other law of the United States. In addition, in determining the amount of Section 871(m) Withholding imposed on any payments on the Certificates, the Issuer shall be entitled to withhold on any "dividend equivalent" (as defined for purposes of Section 871(m) of the US Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law.

With respect to Specified Warrants that provide for net dividend reinvestment in respect of either an underlying U.S. security (i.e. a security that pays U.S. source dividends) or an index that includes U.S. securities, all payments on Certificates that reference such U.S. securities or an index that includes U.S. securities may be calculated by reference to dividends on such U.S. securities that are reinvested at a rate of 70%. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer or the Guarantor will be deemed to withhold, 30% of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer or the Guarantor will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

For the purpose of this Condition:

"**Section 871(m) Regulations**" means the U.S. Treasury regulations issued under Section 871(m) of the Code.

"**Specified Warrants**" means, subject to special rules from 2017 through 2026 set out in Notice 2024-44 (the **Notice**), Warrants issued on or after 1 January 2017 that substantially replicate the economic performance of one or more U.S. underlying equities as determined by the Issuer on the date for such Warrants as of which the expected delta of the product is determined by the Issuer, based on tests set out in the applicable Section 871(m) Regulations, such that the Warrants are subject to withholding under the Section 871(m) Regulations.

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(e).

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(e) 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 Hedging Disruption*. If the Issuer or any of its affiliates is, following commercially reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any Hedge Positions (as defined below) or (ii) to freely realize, recover, receive, repatriate, remit, regain or transfer the proceeds of any Hedge Position (where either (i) or (ii) shall constitute a "**Hedging Disruption**"), the Issuer may terminate the Certificates early in accordance with Condition 13(e) provided that the intrinsic value on the previous trading day of the relevant Certificate is at or above the Issue Price. The Issuer's decision on whether a Hedging Disruption has occurred is final and conclusive. For the avoidance of doubt, Hedging Disruptions shall include the scenario where any Hedge Position cannot be maintained up to the amount necessary to cover all of the Issuer's obligations under the Certificates.

For the purposes hereof, "**Hedge Positions**" means any one or more commercially reasonable (i) positions (including long or short positions) or contracts in, or relating to, securities, options, futures, other derivatives contracts or foreign exchange, (ii) stock loan or borrowing transactions or (iii) other instruments, contracts, transactions or arrangements (howsoever described) that the Issuer or any of its affiliates determines necessary to hedge, individually or on a portfolio basis, any risk (including, without limitation, market risk, price risk, foreign exchange risk and interest rate risk) in relation to the assumption and fulfilment of the Issuer's obligations under the Certificates.

(d) *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(e) 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.

(e) *Termination*. If the Issuer terminates the Certificates early, 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. The determination of the fair market value may deviate from the determination of the Cash Settlement Amount under different scenarios, including but not limited to, where (i) the Daily Reset (as defined in the relevant Supplemental Listing Document) mechanism is suspended and/or (ii) the Final Reference Level is determined based on the closing price of the Underlying Stock on multiple Underlying Stock Business Days or Exchange Business Days, as the case may be. 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:	Xiaomi Corporation
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	2,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 14 June 2024 (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 (as amended and/or supplemented from time to time).
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 27 May 2025.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 4 Shenton Way #02-01 SGX Centre 2 Singapore 068807
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) <u>For Certificate Holders who trade the Certificates intraday</u>: 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) <u>For Certificate Holders who hold the Certificates overnight</u>: 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

Daily Fees	=	**Daily Management Fee Adjustment** 1 – Management Fee x ACT (t-1;t) / 360 x **Daily Gap Premium Adjustment** 1 – Gap Premium (t-1) x ACT (t-1;t) / 360

Illustration of the Calculation of Cash Settlement Amount

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

Value of Certificates	=	t[7]=0 Notional Amount	x	t=1 Leverage Strategy daily performance[8] x Daily Fees	x	t=2 Leverage Strategy daily performance x Daily Fees	x …	t=i Leverage Strategy Daily performance x Daily Fees

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

Final Value of Certificates	=	t=0 Notional Amount	x	Final Reference Level x Final Exchange Rate ÷ Initial Reference Level x Initial Exchange Rate	x	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 Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date.
[8] Leverage Strategy daily performance is computed as the Leverage Strategy Closing Level on Business Day (t) divided by the Leverage Strategy Closing Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

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

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

Underlying Stock:	Class B ordinary shares of Xiaomi Corporation traded in HKD
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:	**5.00 SGD**
Notional Amount per Certificate:	**5.00 SGD**
Management Fee (p.a.):	**0.40%**
Gap Premium (p.a.):	**10.50%**
Strike Level:	Zero

Hedging Fee Factor

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

HFF(0) = 100%

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

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

$$\mathrm{HFF}\ (1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 10.50\% \times \frac{1}{360}\right)$$

$$\mathrm{HFF}\ (1) = 100\% \times 99.9989\% \times 99.9708\% \approx 99.9697\%$$

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

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

$$\mathrm{HFF}\ (2) = \ 99.9697\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 10.50\% \times \frac{3}{360}\right)$$

HFF (2) = 99.9697% x 99.9967% x 99.9125% ≈ 99.8789%

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

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

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.5467% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9697%
5/7/2018	99.9395%
6/7/2018	99.9092%
9/7/2018	99.8184%
10/7/2018	99.7882%
11/7/2018	99.7580%
12/7/2018	99.7278%
13/7/2018	99.6976%
16/7/2018	99.6071%
17/7/2018	99.5769%
18/7/2018	99.5467%

Cash Settlement Amount

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

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

= [(1200 x 1) / (1000 x 1) – 0] x 99.5467%

= 119.46%

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

= 119.46% x 5.00 SGD

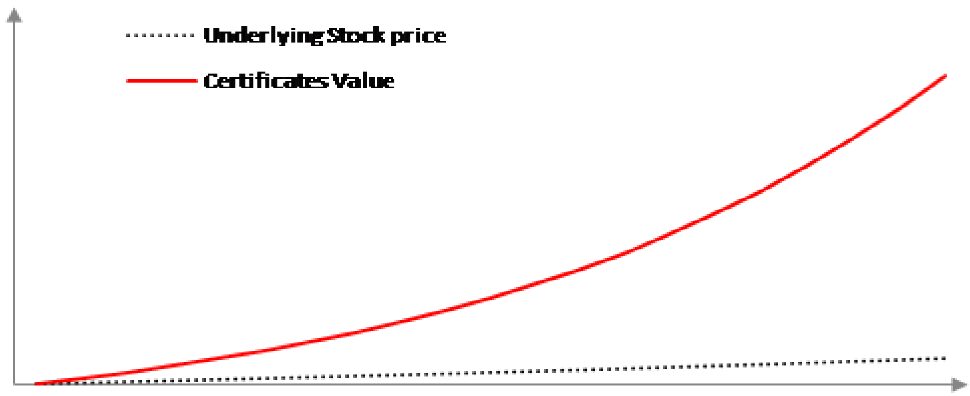
= 5.973 SGD

Illustration on how returns and losses can occur under different scenarios

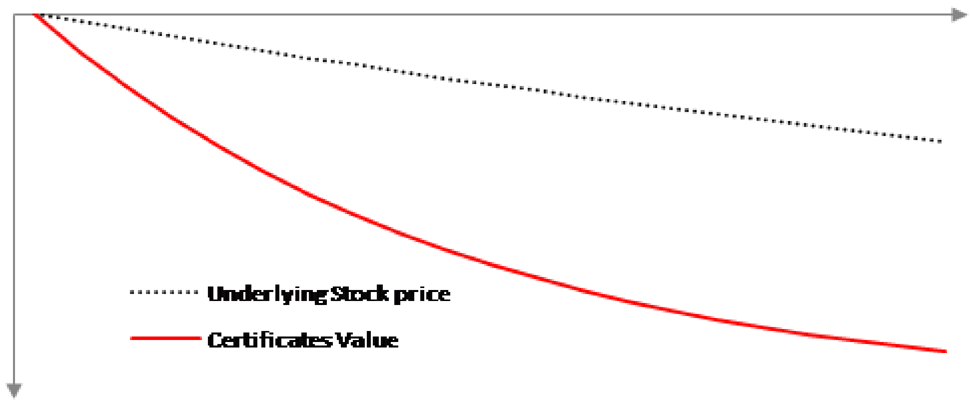
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends,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

1. Illustrative examples

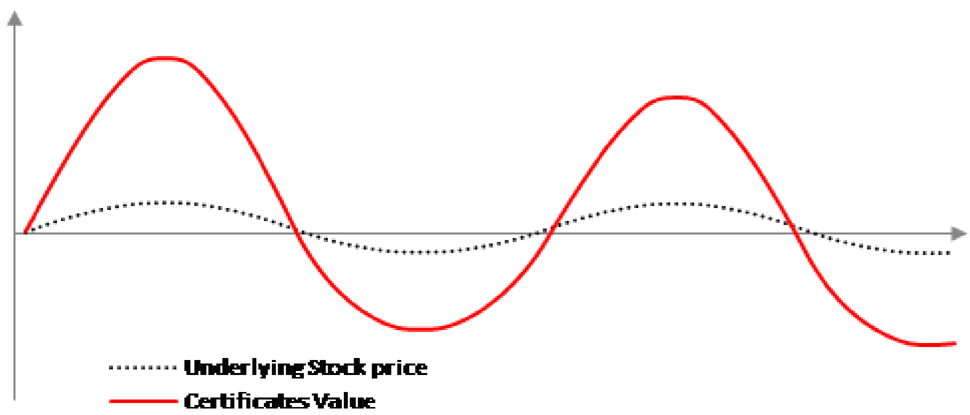
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

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

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		6.0%	6.0%	6.0%	6.0%	6.0%
Price at end of day	5.00	5.30	5.62	5.96	6.31	6.69
Accumulated Return		6.00%	12.36%	19.10%	26.25%	33.82%

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		-6.0%	-6.0%	-6.0%	-6.0%	-6.0%
Price at end of day	5.00	4.70	4.42	4.15	3.90	3.67
Accumulated Return		-6.00%	-11.64%	-16.94%	-21.93%	-26.61%

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		6.0%	-6.0%	6.0%	-6.0%	6.0%
Price at end of day	5.00	5.30	4.98	5.28	4.96	5.26
Accumulated Return		6.00%	-0.36%	5.62%	-0.72%	5.24%

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, this is followed by a period which is divided into two sub-periods:

- Observation Period: the price of the Underlying Stock is observed and its minimum price is recorded (i) during 15 minutes of continuous trading after the Air Bag is triggered, or (ii) until Market Close if there is less than 15 minutes of continuous trading until Market Close when the Air Bag Mechanism is triggered; and

- Reset Period: the Leverage Strategy is then 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.

During the Observation Period and Reset Period, trading of Certificates is suspended for a period of at least 30 minutes of continuous trading after the Air Bag is triggered, and such suspension will be based on instructions provided by the Issuer to the SGX-ST for suspension of trading. Investors cannot sell or purchase any Certificates during this period.

For the avoidance of doubt, if the Air Bag Mechanism was triggered more than 60 minutes of continuous trading before Market Close, trading of Certificates will resume the same trading day after the Reset Period has elapsed, subject to the SGX-ST's approval to resume trading. If the Air Bag Mechanism was triggered between 45 minutes and 60 minutes of continuous trading before Market Close, trading of Certificates may or may not resume the same trading day after the Reset Period has elapsed. If the Air Bag Mechanism was triggered with only 45 minutes or less of continuous trading before Market Close, trading of Certificates resumes on the next trading day.

The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour. The Issuer will provide at least 15 minutes' notice of the resumption of trading by making an SGXNET announcement.

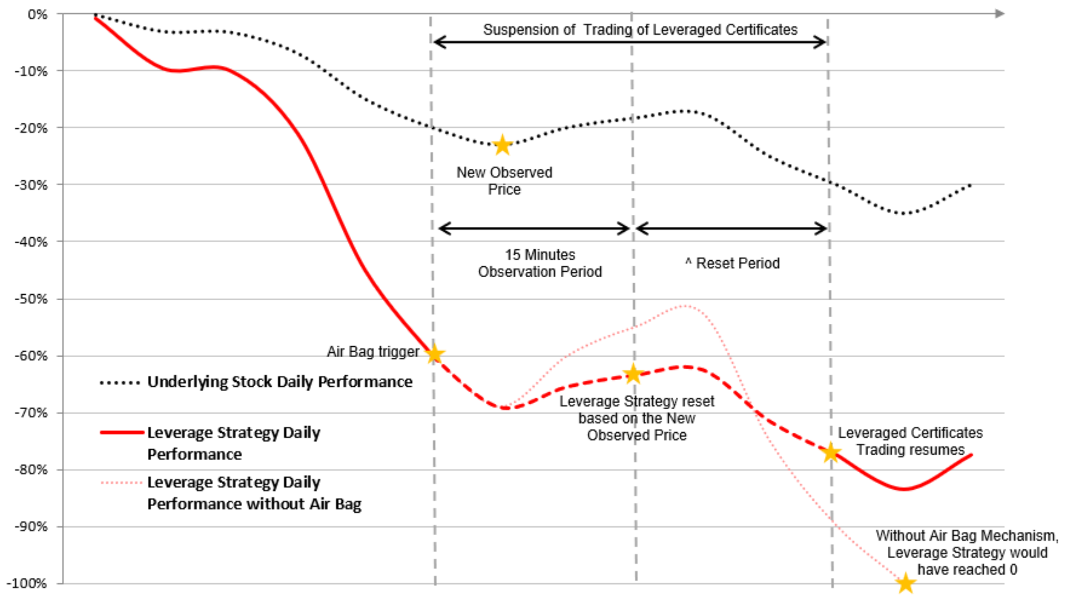
With **Market Close** defined as:

- the Underlying Stock closing time, including the closing auction session, with respect to the Observation Period; and

- the sooner of (i) the Underlying Stock closing time for continuous trading and (ii) the SGX-ST closing time, with respect to the Resumption of Trading

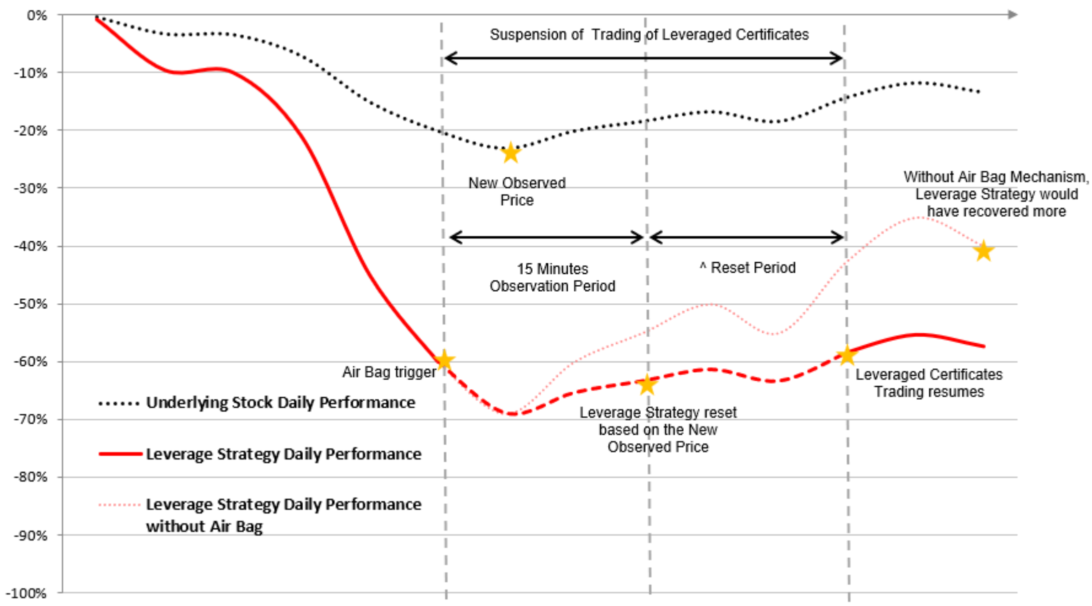
Illustrative examples of the Air Bag Mechanism[9]

Scenario 1 – Downward Trend after Air Bag trigger



^ The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour.

Scenario 2 – Upward Trend after Air Bag trigger



^ The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour.

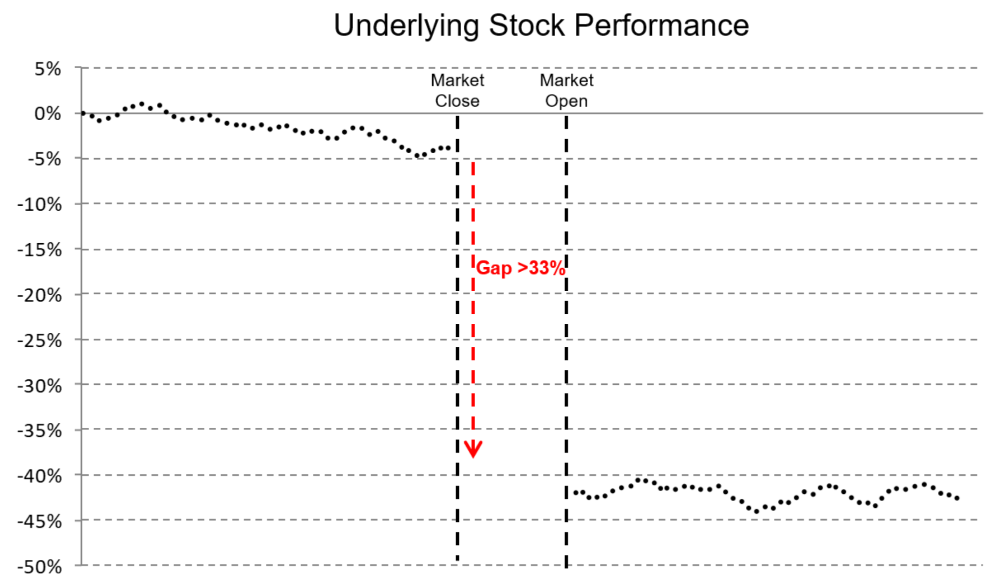
[9] The illustrative examples are not exhaustive.

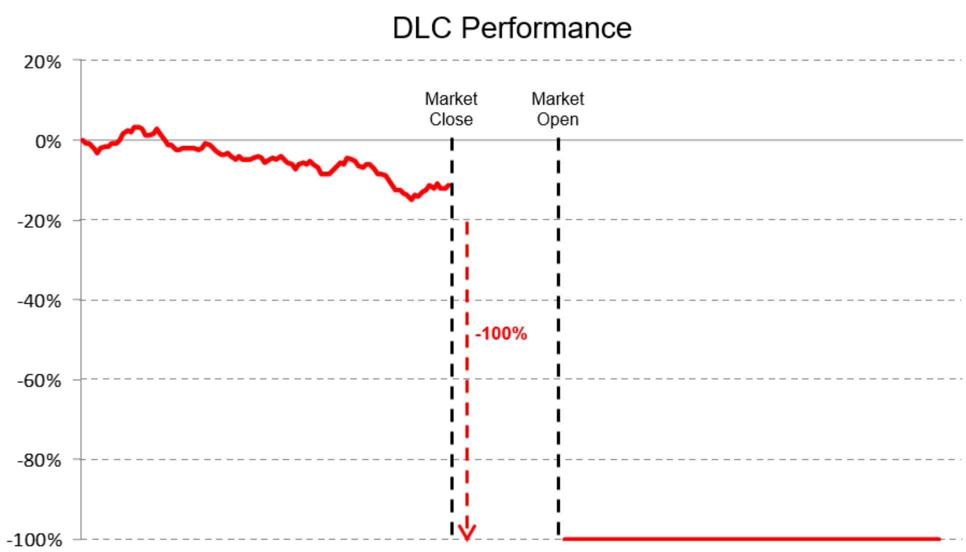
Scenarios where the investor may lose the entire value of the investment

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.

<u>*Scenario 1 – Overnight fall of the Underlying Stock*</u>

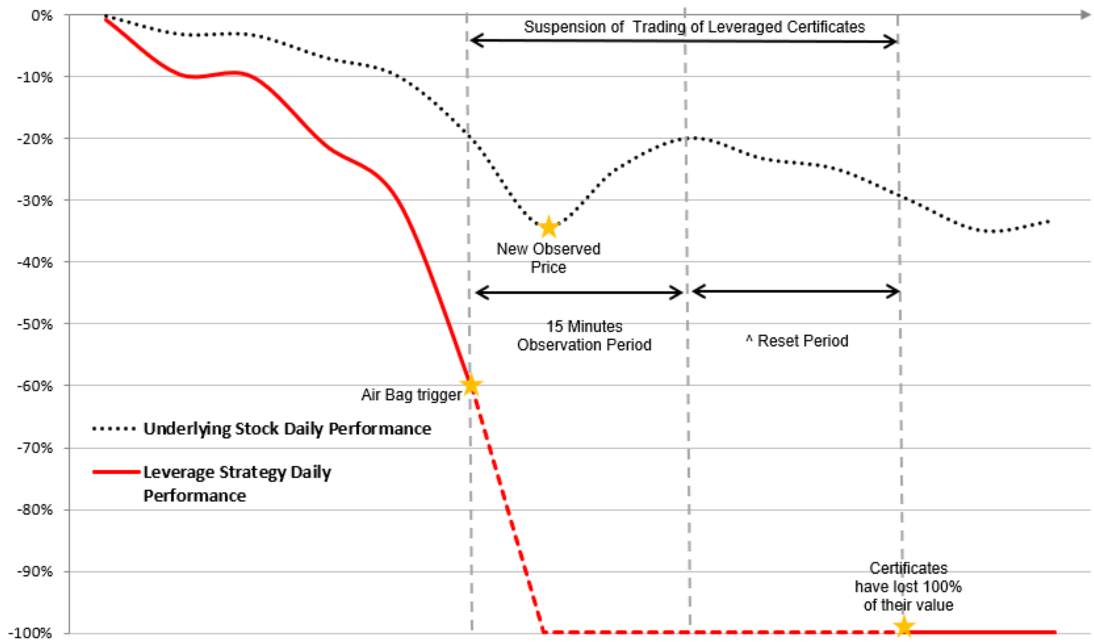
On any Underlying Stock Business Day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous trading day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a "gap". If the opening price of the Underlying Stock is approximately 33% or more below the previous trading day closing price, the Air Bag Mechanism would only be triggered when the market opens (including pre-opening session or opening auction, as the case may be) the following trading 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 approximately 33% 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:

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

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 20% exclusively because of the dilutive effect of a corporate action.

Where:

$\mathrm{DivExc_t}$ 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. <u>Stock split</u>

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

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

$\mathrm{S_t}$ = $51

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

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

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

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

As a consequence:

$$\mathrm{LR}_{\mathrm{t-1,t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = 3 \times \left(\frac{51}{100 \times 50\%} - 1\right) = 6\%$$

$\mathrm{S_{t-1}}$	$\mathrm{S_{t-1}} \times Rfactor_t$	$\mathrm{S_t}$	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)
5.00	5.30	6%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $40.0, which is 20% below $50, the Underlying Stock Reference Price.

2. <u>Share Consolidation</u>

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

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

$\mathrm{S_t}$ = $202

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

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

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

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

As a consequence:

$$\mathrm{LR}_{\mathrm{t-1,t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = 3 \times \left(\frac{202}{100 \times 200\%} - 1\right) = 3\%$$

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)
5.00	5.15	3%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$160, which is 20% 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

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

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

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

M = 0.5 (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:

$$\mathrm{LR}_{t-1,t} = \mathrm{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = 3 \times \left(\frac{84}{100 \times 80\%} - 1\right) = 15\%$$

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)
5.00	5.75	15%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$64, which is 20% 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

$Div_t = \$0$

$DivExc_t = \$0$

R = \$0

M = 0.2 (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:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = 3 \times \left(\frac{85}{100 \times 83.33\%} - 1\right) = 6\%$$

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)
5.00	5.30	6%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$66.66, which is 20% 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

$Div_t = \$0$

$DivExc_t = \$20$

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:

$$\mathrm{LR}_{t-1,t} = \text{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = 3 \times \left(\frac{84}{100 \times 80\%} - 1\right) = 15\%$$

$\mathrm{S_{t-1}}$	$\mathrm{S_{t-1}} \times Rfactor_t$	$\mathrm{S_t}$	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)
5.00	5.75	15%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $64, which is 20% below $80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

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

Xiaomi Corporation (the "**Company**") is an investment holding company primarily engaged in the research and development and sales of smartphones, the Internet of Things (IoT) and consumer products. The Company conducts its businesses primarily through four segments. The Smartphone segment is primarily engaged in the sales of smartphones. The IoT and lifestyle products segment primarily sells other in-house products (including smart TVs, laptops, artificial intelligence (AI) speakers and smart routers), ecological chain products (including IoT and other smart hardware products) and some consumer products. The Internet Services segment provides advertising services and Internet value-added services such as online games and fintech businesses. The Other segment provides hardware product repair services. The Company is also engaged in smart electric vehicles and other related businesses.

The information set out in Appendix I of this document relates to the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2024 and has been extracted and reproduced from an announcement by the Company released on 24 April 2025 in relation to the same. Further information relating to the Company may be located on the web-site of the HKExCL at http://www.hkex.com.hk.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

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

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

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

(i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;

(ii) if the Certificates are valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);

(iii) before the Relevant Stock Exchange for the Underlying Stock has opened and after the Relevant Stock Exchange for the Underlying Stock has closed on any trading day;

(iv) when trading in the Underlying Stock is suspended or limited in a material way for any reason, for the avoidance of doubt, the DMM is not obliged to provide quotations for the Certificates at any time when the Underlying Stock is not negotiated/traded for any reason;

(v) where the Certificates are suspended from trading for any reason;

(vi) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;

(vii) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;

(viii) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;

(ix) in cases where the Issuer has no Certificates to sell, then the DMM will only provide bid quotations. The DMM may provide intermittent offer quotations when it has inventory of the Certificates;

(x) if the stock market experiences exceptional price movement and volatility;

(xi) when it is a public holiday in Singapore and/or Hong Kong and the SGX-ST and/or the HKEX are not open for dealings; and

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

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

SUPPLEMENTAL INFORMATION RELATING TO THE ISSUER

The information set out in Appendix II of this document is a reproduction of the annual financial statements of the Issuer as at and for the year ended 31 December 2024 and its auditor’s report.

SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR

The information set out in Appendix III of this document is a reproduction of the press release dated 30 April 2025 containing the Guarantor's consolidated financial results for the first quarter ended 31 March 2025.

SUPPLEMENTAL GENERAL INFORMATION

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

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.

2. Settlement of trades done on a normal "ready basis" on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed "Summary of the Issue" above.

3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.

4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2024 or the Guarantor since 31 March 2025, 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 reports of the Auditors of the Issuer and the Guarantor were 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 Base Listing Document (which can also be viewed at: https://www.sgx.com/securities/prospectus-circulars-offer-documents);

(e) this document; and

(f) 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 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 has not been and 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, (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), or (iv) a U.S. Person for purposes of the final rules implementing the credit risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended.

APPENDIX I

REPRODUCTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 OF XIAOMI CORPORATION AND ITS SUBSIDIARIES

The information set out below is a reproduction of the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2024 and has been extracted and reproduced from an announcement by the Company released on 24 April 2025 in relation to the same.

INDEPENDENT AUDITOR'S REPORT

羅兵咸永道

To the Shareholders of Xiaomi Corporation
(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Xiaomi Corporation (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 228 to 369, comprise:

- The consolidated balance sheet as of December 31, 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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INDEPENDENT AUDITOR'S REPORT

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("**IESBA Code**"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to the classification and fair value determination for unlisted securities classified as "long-term investments measured at fair value through profit or loss".

Key Audit Matter	How our audit addressed the Key Audit Matter
The classification and fair value determination for unlisted securities classified as "long-term investments measured at fair value through profit or loss" Refer to Note 3.3, Note 4(a) and Note 19 to the consolidated financial statements. The Group measures ordinary share investments and preferred share investments in unlisted companies other than those accounted for using equity method at fair value through profit or loss (collectively the "**Unlisted Securities**"). The total amount of Unlisted Securities as of December 31, 2024 was RMB35,751,031,000, accounting for 9% of the Group's total assets.	We understood and evaluated management's key controls over the capturing, measurement and recording of the Unlisted Securities and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors of related accounting estimate. For the classification and initial recognition of the Unlisted Securities, we have selected samples to perform the following procedures: (1) We checked relevant legal documents such as shareholder agreements, share purchase agreements and articles of association of the investees to understand the commercial rationale for these Unlisted Securities investments; (2) We evaluated management's analysis on contract terms and assessed the reasonableness of management's accounting treatments.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How our audit addressed the Key Audit Matter
The classification, initial recognition and subsequent measurement of the Unlisted Securities require management to analyze certain complex contract terms, make corresponding judgments on the Group's business models of managing them, as well as estimate their cashflows. Management engaged an external valuer to assist determining the fair value of these Unlisted Securities when necessary. The fair value determination of such Unlisted Securities required management to make judgments and estimates, including the appropriateness of using various unobservable inputs. We focused on this area due to the significance of the balances of these investments and their related fair value gain or loss for the year, as well as management judgments, assumptions and estimations involved in the initial recognition and subsequent fair value measurement of the Unlisted Securities which are subject to high degree of estimation uncertainty.	For the subsequent measurement of fair value of the Unlisted Securities, we have selected samples to perform the following procedures: (1) We assessed the objectivity, independence and competence of the external valuer engaged by the Group; (2) We assessed the appropriateness of the valuation model (being the "**market approach**" as adopted by management), interviewed management and understood the underlying assumptions and inputs used in fair value determination, and assessed the reasonableness of assumptions and inputs used, including but not limited to comparable companies and multipliers used, expected volatility and discounted for lack of marketability; (3) We tested the accuracy of the fair values calculation of Unlisted Securities. We found the judgments, assumptions and estimations made by management in relation to the classification and fair value determination of the Unlisted Securities to be supportable based on the available evidence.

INDEPENDENT AUDITOR'S REPORT

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Choi Ming Yan Brian.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, March 18, 2025

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2024

(Expressed in Renminbi ("**RMB**"))

	Note	Year ended December 31, 2024 RMB'000	2023 RMB'000
Revenue	5	365,906,350	270,970,141
Cost of sales	5, 8	(289,346,156)	(213,493,902)
Gross profit		76,560,194	57,476,239
Research and development expenses	8	(24,050,484)	(19,097,699)
Selling and marketing expenses	8	(25,389,628)	(19,226,542)
Administrative expenses	8	(5,601,248)	(5,126,798)
Fair value changes on financial instruments measured at fair value through profit or loss		1,050,772	3,501,053
Share of net profits of investments accounted for using the equity method	11(b)	276,845	45,615
Other income	6	1,666,779	740,091
Other (losses)/gains, net	7	(10,334)	1,696,711
Operating profit		24,502,896	20,008,670
Finance income	10	3,836,204	3,558,347
Finance costs	10	(212,447)	(1,555,970)
Profit before income tax		28,126,653	22,011,047
Income tax expenses	12	(4,548,204)	(4,536,851)
Profit for the year		23,578,449	17,474,196
Attributable to:			
— Owners of the Company		23,658,126	17,475,173
— Non-controlling interests		(79,677)	(977)
		23,578,449	17,474,196
Earnings per share (expressed in RMB per share):	13		
Basic		0.95	0.70
Diluted		0.93	0.69

The notes on pages 237 to 369 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2024

(Expressed in RMB)

	Note	Year ended December 31, 2024 RMB'000	2023 RMB'000
Profit for the year		**23,578,449**	17,474,196
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Share of other comprehensive (loss)/income of investments accounted for using the equity method	11(b)	**(31,402)**	9,326
Transfer of share of other comprehensive loss/(income) to profit or loss upon disposal and deemed disposal of investments accounted for using the equity method		**2,846**	(2,167)
Net losses from changes in fair value of financial assets at fair value through other comprehensive income		**(85,302)**	(26,711)
Currency translation differences		**219,838**	321,098
Item that will not be reclassified subsequently to profit or loss			
Currency translation differences		**654,256**	734,319
Other comprehensive income for the year, net of tax		**760,236**	1,035,865
Total comprehensive income for the year		**24,338,685**	18,510,061
Attributable to:			
— Owners of the Company		**24,407,696**	18,507,548
— Non-controlling interests		**(69,011)**	2,513
		24,338,685	18,510,061

The notes on pages 237 to 369 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

As of December 31, 2024

(Expressed in RMB)

	Note	As of December 31, 2024 RMB'000	2023 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	14	18,087,583	13,720,825
Intangible assets	15	8,152,721	8,628,739
Investments accounted for using the equity method	11(b)	6,151,055	6,922,241
Long-term investments measured at fair value through profit or loss	19	62,112,188	60,199,798
Deferred income tax assets	34	2,781,982	2,160,750
Term bank deposits	24(c)	58,520,305	18,293,650
Long-term investments measured at amortized cost	19	3,219,462	364,476
Other non-current assets	17	18,421,227	14,904,260
		177,446,523	125,194,739
Current assets			
Inventories	23	62,509,682	44,422,837
Trade and notes receivables	21	14,588,579	12,150,928
Loan receivables	20	12,261,490	9,772,589
Prepayments and other receivables	22	29,100,116	20,078,875
Bills receivables measured at fair value through other comprehensive income		1,255,767	125,661
Short-term investments measured at fair value through other comprehensive income	19	1,681,062	582,131
Short-term investments measured at amortized cost	19	700,163	502,816
Short-term investments measured at fair value through profit or loss	19	28,123,777	20,193,662
Term bank deposits	24(c)	36,350,271	52,797,857
Restricted cash	24(b)	5,476,417	4,794,031
Cash and cash equivalents	24(a)	33,661,442	33,631,313
		225,708,766	199,052,700
Total assets		403,155,289	324,247,439
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	25	407	407
Reserves		188,737,370	163,995,082
		188,737,777	163,995,489
Non-controlling interests		467,342	266,279
Total equity		189,205,119	164,261,768

CONSOLIDATED BALANCE SHEET

As of December 31, 2024

(Expressed in RMB)

	Note	As of December 31, 2024 RMB'000	2023 RMB'000
Liabilities			
Non-current liabilities			
Borrowings	33	17,275,721	21,673,969
Deferred income tax liabilities	34	1,282,196	1,494,287
Provisions		1,695,063	1,215,546
Other non-current liabilities	29	18,312,200	20,014,273
		38,565,180	44,398,075
Current liabilities			
Trade payables	30	98,280,585	62,098,500
Other payables and accruals	31	36,372,035	25,614,650
Advance from customers	32	16,581,252	13,614,756
Borrowings	33	13,327,297	6,183,376
Income tax liabilities		3,822,134	1,838,222
Provisions		7,001,687	6,238,092
		175,384,990	115,587,596
Total liabilities		213,950,170	159,985,671
Total equity and liabilities		403,155,289	324,247,439

The notes on pages 237 to 369 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 228 to 369 were approved by the Board of Directors on March 18, 2025 and were signed on its behalf:

Lei Jun **Lin Bin**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

(Expressed in RMB)

		Attributable to owners of the Company							
				Reserves					
	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Other reserves (Note 26) RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at January 1, 2024		407	(438,291)	60,778,287	15,483,618	88,171,468	163,995,489	266,279	164,261,768
Comprehensive income									
Profit for the year		–	–	–	–	23,658,126	23,658,126	(79,677)	23,578,449
Other comprehensive income									
Items that may be reclassified subsequently to profit or loss									
Share of other comprehensive loss of investments accounted for using the equity method	11(b)	–	–	–	(31,402)	–	(31,402)	–	(31,402)
Transfer of share of other comprehensive loss to profit or loss upon disposal and deemed disposal of investments accounted for using the equity method		–	–	–	2,846	–	2,846	–	2,846
Net losses from changes in fair value of financial assets at fair value through other comprehensive income		–	–	–	(85,302)	–	(85,302)	–	(85,302)
Currency translation differences		–	–	–	209,172	–	209,172	10,666	219,838
Item that will not be reclassified subsequently to profit or loss									
Currency translation differences		–	–	–	654,256	–	654,256	–	654,256
Total comprehensive income		–	–	–	749,570	23,658,126	24,407,696	(69,011)	24,338,685

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

(Expressed in RMB)

	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Other reserves (Note 26) RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
		Attributable to owners of the Company							
			Reserves						
Transactions with owners in their capacity as owners									
Purchase of own shares	25	—	(3,531,531)	—	—	—	(3,531,531)	—	(3,531,531)
Cancellation of shares	25	(5)	3,702,569	(3,702,564)	—	—	—	—	—
Release of ordinary shares from Share Scheme Trusts	25	5	232,575	2,268,200	(2,493,210)	—	7,570	—	7,570
Share of other reserves of investments accounted for using the equity method	11(b)	—	—	—	13,327	—	13,327	—	13,327
Employees share-based compensation scheme:									
— value of employee services	28	—	—	—	3,761,843	—	3,761,843	—	3,761,843
— exercise of share options and restricted shares units ("**RSUs**")	25,28	—	—	710,988	(617,499)	—	93,489	—	93,489
Share consideration for acquisition of Zimi International Incorporation ("**Zimi**") completed in 2021	25	—	—	62,747	(62,747)	—	—	—	—
Transfer from other reserves to profit or loss upon disposal and deemed disposal of investments accounted for using the equity method		—	—	—	(32,740)	—	(32,740)	—	(32,740)
Capital injection from non-controlling interests		—	—	—	—	—	—	400,079	400,079
Capital repurchased from non-controlling interests		—	—	—	22,909	—	22,909	(106,719)	(83,810)
Appropriation to statutory reserves		—	—	—	304,467	(304,467)	—	—	—
Appropriation to general reserves		—	—	—	(16,015)	16,015	—	—	—
Dividends declared by a subsidiary to non-controlling interests		—	—	—	—	—	—	(23,286)	(23,286)
Others		—	—	—	(275)	—	(275)	—	(275)
Total transactions with owners in their capacity as owners		—	403,613	(660,629)	880,060	(288,452)	334,592	270,074	604,666
Balance at December 31, 2024		407	(34,678)	60,117,658	17,113,248	111,541,142	188,737,777	467,342	189,205,119

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

(Expressed in RMB)

	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Other reserves (Note 26) RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
		Attributable to owners of the Company							
				Reserves					
Balance at January 1, 2023		406	(190,795)	59,483,288	12,951,008	71,414,551	143,658,458	264,602	143,923,060
Comprehensive income									
Profit for the year		–	–	–	–	17,475,173	17,475,173	(977)	17,474,196
Other comprehensive income									
Items that may be reclassified subsequently to profit or loss									
Share of other comprehensive income of investments accounted for using the equity method	11(b)	–	–	–	9,326	–	9,326	–	9,326
Transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of investments accounted for using the equity method		–	–	–	(2,167)	–	(2,167)	–	(2,167)
Net losses from changes in fair value of financial assets at fair value through other comprehensive income		–	–	–	(26,711)	–	(26,711)	–	(26,711)
Currency translation differences		–	–	–	317,608	–	317,608	3,490	321,098
Item that will not be reclassified subsequently to profit or loss									
Currency translation differences		–	–	–	734,319	–	734,319	–	734,319
Total comprehensive income		–	–	–	1,032,375	17,475,173	18,507,548	2,513	18,510,061
Transactions with owners in their capacity as owners									
Purchase of own shares	25	–	(1,485,385)	–	–	–	(1,485,385)	–	(1,485,385)
Cancellation of shares	25	(2)	1,216,644	(1,216,642)	–	–	–	–	–
Release of ordinary shares from Share Scheme Trusts	25	1	21,245	1,788,344	(1,805,864)	–	3,726	–	3,726
Share of other reserves of investments accounted for using the equity method	11(b)	–	–	–	38,532	–	38,532	–	38,532
Employees share-based compensation scheme:									
– value of employee services	28	–	–	–	3,280,371	–	3,280,371	(836)	3,279,535
– exercise of share options and RSUs	25,28	2	–	658,545	(580,578)	–	77,969	–	77,969
Share consideration for acquisition of Zimi completed in 2021	25	–	–	64,752	(64,752)	–	–	–	–
Transfer from other reserves to profit or loss upon disposal and deemed disposal of investments accounted for using the equity method		–	–	–	(85,730)	–	(85,730)	–	(85,730)
Appropriation to statutory reserves		–	–	–	704,678	(704,678)	–	–	–
Appropriation to general reserves		–	–	–	15,661	(15,661)	–	–	–
Others		–	–	–	(2,083)	2,083	–	–	–
Total transactions with owners in their capacity as owners		1	(247,496)	1,294,999	1,500,235	(718,256)	1,829,483	(836)	1,828,647
Balance at December 31, 2023		407	(438,291)	60,778,287	15,483,618	88,171,468	163,995,489	266,279	164,261,768

The notes on pages 237 to 369 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

(Expressed in RMB)

	Note	Year ended December 31, 2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Cash generated from operations	35(a)	42,762,717	44,312,243
Income tax paid		(3,467,218)	(3,011,748)
Net cash generated from operating activities		39,295,499	41,300,495
Cash flows from investing activities			
Capital expenditures		(7,297,307)	(6,268,900)
Proceeds from disposal of property, plant and equipment		358,488	72,833
Proceeds from disposal of land use rights		1,544,837	—
Placement of term bank deposits		(101,062,679)	(109,373,544)
Proceeds from maturity/disposal of term bank deposits		77,615,770	85,812,165
Purchase of short-term investments measured at fair value through profit or loss		(104,506,976)	(53,357,701)
Proceeds from maturity of short-term investments measured at fair value through profit or loss		96,641,444	42,999,761
Purchase of short-term investments measured at fair value through other comprehensive income		(3,660,615)	(1,217,115)
Proceeds from maturity of short-term investments measured at fair value through other comprehensive income		2,565,698	1,092,656
Purchase of long-term investments measured at amortized cost		(2,875,360)	(9,376)
Purchase of short-term investments measured at amortized cost		(1,700,000)	(3,300,000)
Proceeds from maturity of short-term investments measured at amortized cost		1,500,000	2,800,000
Interest income received		3,646,092	3,258,117
Investment income received		446,830	272,546
Purchase of long-term investments measured at fair value through profit or loss		(5,509,309)	(4,199,240)
Proceeds from disposal of long-term investments measured at fair value through profit or loss		6,484,096	5,246,748
Purchase of investments accounted for using the equity method		(115,000)	(103,807)
Proceeds from disposal of investments accounted for using the equity method		114,245	825,070
Settlement of consideration payable for business combination completed in the prior year		(3,784)	(18,144)
Disposal of a subsidiary		—	101,294
Dividends received		427,139	197,583
Net cash used in investing activities		(35,386,391)	(35,169,054)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

(Expressed in RMB)

	Note	Year ended December 31, 2024 RMB'000	2023 RMB'000
Cash flows from financing activities			
Proceeds from borrowings		25,998,066	8,866,088
Repayment of borrowings		(19,265,488)	(4,022,423)
Finance expenses paid		(717,223)	(758,137)
Contribution from fund investors		1,653,000	1,417,086
Distribution to fund investors		(1,766,749)	(2,884,215)
Net proceeds from exercise of share options		83,880	69,919
Payments for shares repurchase		(4,047,876)	(1,356,825)
Payments to holders of employee fund		(686,587)	(31,431)
Proceeds from financial assets sold under repurchase agreements		481,000	959,650
Payments for buyback of financial assets sold under repurchase agreements		(372,505)	(173,804)
Capital injection from other non-controlling interests		400,079	—
Payment for acquisition of non-controlling interests		(75,809)	—
Dividends paid to non-controlling interests		(23,286)	—
Payments of lease liabilities		(2,476,524)	(1,197,692)
Payments of deferred consideration for acquisition of intangible assets		(3,182,954)	(1,393,188)
Net cash used in financing activities		(3,998,976)	(504,972)
Net (decrease)/increase in cash and cash equivalents		(89,868)	5,626,469
Cash and cash equivalents at the beginning of the year	24(a)	33,631,313	27,607,261
Effects of exchange rate changes on cash and cash equivalents		119,997	397,583
Cash and cash equivalents at the end of the year	24(a)	33,661,442	33,631,313

The notes on pages 237 to 369 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 General information

Xiaomi Corporation (formerly known as Top Elite Limited) (the "**Company**"), was incorporated in the Cayman Islands on January 5, 2010 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries, including controlled structured entities (together, the "**Group**") are principally engaged in development and sales of smartphones, internet of things ("**IoT**") and lifestyle products, provision of internet services, development, manufacture and sales of smart electric vehicles ("**EV**") and investments holding in the People's Republic of China ("**the PRC**") and other countries or regions.

Lei Jun is the ultimate controlling shareholder of the Company as of the date of approval of these consolidated financial statements.

The regulations in mainland China restrict foreign ownership of companies that provide internet services, e-commerce and value-added telecommunications services, etc., which include certain activities and services operated by the Group. In order to enable certain foreign companies to make investments into these businesses of the Group, on August 25, 2010, a wholly owned subsidiary of the Company, Xiaomi Communications Co., Ltd. ("**Xiaomi Communications**", a wholly foreign-owned enterprise) had entered into a series of contractual arrangements (the "**Contractual Arrangements**") with Xiaomi Inc. and its equity holders, which enable Xiaomi Communications and the Group to:

- govern the financial and operating policies of Xiaomi Inc.;
- exercise equity holders' voting rights of Xiaomi Inc.;
- receive substantially all of the economic interest returns generated by Xiaomi Inc. in consideration for the business support, technical and consulting services provided by Xiaomi Communications;
- obtain an irrevocable and exclusive right to purchase all or part of the equity interests in Xiaomi Inc. from its respective equity holders at a minimum purchase price when it is permitted under laws and regulations in mainland China. Xiaomi Communications may exercise such options at any time until it has acquired all equity interests of Xiaomi Inc.; and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 General information (continued)

- obtain a pledge over the entire equity interests of Xiaomi Inc. from its respective equity holders as collateral security for all of Xiaomi Inc.'s payments due to Xiaomi Communications and to secure performance of Xiaomi Inc.'s obligation under the Contractual Arrangements.

As a result of the Contractual Arrangements, the Group has rights to exercise power over Xiaomi Inc. and its subsidiaries, receives variable returns from its involvement in Xiaomi Inc. and its subsidiaries, has the ability to affect those returns through its power over Xiaomi Inc. and its subsidiaries and is considered to control Xiaomi Inc. and its subsidiaries. Consequently, the Company regards Xiaomi Inc. and its subsidiaries as controlled structured entities and consolidated the assets, liabilities and results of operations of Xiaomi Inc. and its subsidiaries in the consolidated financial statements of the Group.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over Xiaomi Inc. and its subsidiaries. Uncertainties presented by the legal system in mainland China could impede the Group's beneficiary rights of the results, assets and liabilities of Xiaomi Inc. and its subsidiaries. The directors of the Company, based on the advice of its legal counsel, consider that the Contractual Arrangements among Xiaomi Communications, Xiaomi Inc. and its equity holders are in compliance with the relevant laws and regulations in mainland China and are legally binding and enforceable.

Other Contractual Arrangements were also executed for other operating companies in mainland China established by the Group similar to Xiaomi Inc. subsequently. All of these operating companies are treated as controlled structured entities of the Company and their financial statements have also been consolidated by the Company. See details in Note 11(a) for the information of these controlled structured entities.

2 Summary of accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied throughout all the years presented, unless otherwise stated.

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") and disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements of the Group have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities which are carried at fair value disclosed in Note 3.3.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(i) Amended standards adopted by the Group

The following amended standards are mandatory for the first time for the Group's financial year beginning on January 1, 2024 and are applicable for the Group:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants — Amendments to IAS 1;
- Lease Liability in Sale and Leaseback — Amendments to IFRS 16; and
- Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7.

The amendments listed above did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

(ii) New and amended standards not yet adopted

Certain new and amended accounting standards have been published that are not mandatory for the year ended December 31, 2024 and have not been early adopted by the Group, which is listed as below:

	Effective date
• Amendments to IAS 21 — Lack of Exchangeability	Annual periods beginning on or after January 1, 2025
• Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7	Annual periods beginning on or after January 1, 2026
• Annual Improvement to IFRS Accounting Standards-Volume 11	Annual periods beginning on or after January 1, 2026
• IFRS 18 — Presentation and Disclosure in Financial Statements	Annual periods beginning on or after January 1, 2027
• IFRS 19 — Subsidiaries without Public Accountability: Disclosures	Annual periods beginning on or after January 1, 2027

These standards are not expected to have a material impact on the Group's financial position and performance in the current or future reporting periods and on foreseeable future transactions.

(b) Subsidiaries

(i) Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(b) Subsidiaries (continued)

(i) Consolidation (continued)

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(i) Subsidiaries controlled through Contractual Arrangements

There are entities controlled by the Group under Contractual Arrangements. The Group does not have legal ownership in equity of these structured entities or their subsidiaries. Nevertheless, under Contractual Arrangements entered into with the registered owners of these structured entities, the Company and its other legally owned subsidiaries control these companies by way of controlling the voting rights, governing their financial and operating policies, appointing or removing the majority of the members of their controlling authorities, and casting the majority of votes at meetings of such authorities. Accordingly, the Group has rights to exercise power over these structured entities, receives variable returns from its involvement in these structured entities, and has the ability to affect those returns through its power over these structured entities. As a result, they are presented as controlled structured entities of the Group, and their assets, liabilities and results are consolidated in the Group's consolidated financial statements.

(ii) Business combination

The Group applies the acquisition method to account for business combinations except for business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(b) Subsidiaries (continued)

(i) Consolidation (continued)

(ii) Business combination (continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net assets of the business acquired in the case of a bargain purchase, the difference is recognized directly in the profit or loss.

An acquisition of a business which is a business combination under common control is accounted for in a manner similar to a uniting of interests whereby the assets and liabilities acquired are accounted for at carryover predecessor values to the other party to the business combination within all periods presented as if the operations of the Group and the business acquired have always been combined. The difference between the consideration paid by the Group and the net assets or liabilities of the business acquired is adjusted against equity.

(iii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(b) Subsidiaries (continued)

(i) Consolidation (continued)

(iv) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognized in other comprehensive income ("**OCI**") are reclassified to profit or loss, or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards.

(c) Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

(i) Investments in associates in the form of ordinary shares

Investments in associates in the form of ordinary shares are accounted for using the equity method of accounting in accordance with IAS 28 "Investments in Associates and Joint Ventures". Under the equity method, the investment is initially recognized at cost and adjusted thereafter to recognize the investor's share of the profit or loss of the investee and the investor's share of other comprehensive income of the investee. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(c) Associates (continued)

(i) Investments in associates in the form of ordinary shares (continued)

Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is treated as goodwill. Notional goodwill is included in the carrying amount of the investment in associates; and bargain purchases gain or negative goodwill is included as part of the investor's share of the associate profit or loss in the period in which the investment is acquired.

If the ownership interest in an associate in the form of ordinary shares is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to consolidated income statement where appropriate.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associate are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and includes the amount in "other (losses)/gains, net" in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognized in the consolidated income statement.

(ii) Investments in associates in the form of ordinary shares with preferential rights or convertible redeemable preferred shares

Investments in associates in the form of ordinary shares with preferential rights or convertible redeemable preferred shares are accounted as financial assets measured at fair value through profit or loss if the Group does not bear the substantially risk and reward of ordinary shares (Note 2.1(g)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(d) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

— Structure and leasehold improvements	Estimated useful lives or remaining lease terms, whichever is shorter
— Factory and production equipment	2–40 years
— Transport equipment	3–6 years
— Electronic equipment	2–10 years
— Office equipment	2–5 years
— Office Buildings	30–40 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Construction in progress mainly represents office buildings and factory and production equipment under construction, which is stated at actual construction cost less accumulated impairment losses. Construction in progress is transferred to appropriate categories of property, plant and equipment upon the completion of their respective construction and depreciated over their respective estimated useful lives.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.1(f)).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "other (losses)/gains, net" in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(e) Intangible assets

(i) Goodwill

Goodwill arises from the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("**CGUs**"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(ii) License

License mainly includes the licenses to use certain intellectual properties purchased from third parties and other licenses. These acquired licenses are shown at historical cost. Licenses that have an indefinite useful life are tested annually for impairment and carried at cost less accumulated impairment losses. Others are amortized over their estimated useful lives of 1 to 10 years using straight-line method.

(iii) Trademarks, patents and domain name

Separately acquired trademarks, patents and domain name are shown at historical cost. Trademarks, patents and domain name acquired in a business combination are recognized at fair value at the acquisition date. Trademarks, patents and domain name have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks, patents and domain name over their estimated useful lives of 1 to 20 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(e) Intangible assets (continued)

(iv) Other intangible assets

Other intangible assets mainly include computer software. They are initially recognized and measured at costs incurred to acquire and bring them to use. Other intangible assets are amortized on a straight-line basis over their estimated useful lives, and recorded within operating expenses in the consolidated income statement.

(v) Research and development expenditures

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are capitalized as intangible assets when recognition criteria are fulfilled. These criteria include:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(f) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use ("**VIU**"). For the purposes of assessing impairment, assets are grouped at the lowest levels of CGUs. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and

- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

See Note 18 for details of each type of financial asset.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(g) Financial assets (continued)

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recorded in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest method.

- Fair value through other comprehensive income ("**FVOCI**"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other (losses)/gains, net. Interest income from these financial assets is included in finance income using the effective interest method. Foreign exchange gains and losses are presented in other (losses)/gains, net.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(g) Financial assets (continued)

(ii) Measurement (continued)

Debt instruments (continued)

- Fair value through profit or loss ("**FVPL**"): Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognized in profit or loss and presented net in the consolidated income statement within fair value changes on financial instruments measured at FVPL in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in the consolidated income statement. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and notes receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(g) Financial assets (continued)

(iii) Impairment (continued)

Impairment on other financial assets, mainly including loan receivables, other receivables, term bank deposits, restricted cash, long-term investments measured at amortized cost and short-term investments measured at amortized cost or fair value through other comprehensive income, is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

(iv) Derecognition

Financial assets

The Group derecognizes a financial asset, if the part being considered for derecognition meets one of the following conditions: (i) the contractual rights to receive the cash flows from the financial asset expire; or (ii) the contractual rights to receive the cash flows of the financial asset have been transferred, the Group transfers substantially all the risks and rewards of ownership of the financial asset; or (iii) the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to the eventual recipient in an agreement that meets all the conditions of de-recognition of transfer of cash flows ("pass through" requirements) and transfers substantially all the risks and rewards of ownership of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognized in profit or loss:

- the carrying amount of the financial asset transferred; and

- the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized directly in equity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognize the asset to the extent of its continuing involvement and recognizes an associated liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(h) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, assembly cost and other direct costs. It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion, applicable variable selling expense and related tax.

(i) Loan receivables

Loan receivables held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the assets and subsequently measured at amortized cost using the effective interest method, less credit loss allowance. Amortized cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in the profit or loss. The loss allowance is recognized in profit or loss. See Note 2.1(g)(iii) for a description of the Group's impairment policy for loan receivables.

(j) Cash and cash equivalents and restricted cash

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Cash that is restricted from withdrawal, from use or from being pledged as security is reported separately on the face of the consolidated balance sheet, and is not included in the total cash and cash equivalents in the consolidated statements of cash flows.

(k) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(k) Borrowings (continued)

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortized cost basis until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option and is recognized and included in shareholders' equity, net of income tax effects.

Borrowings are classified as current liabilities unless the Group has the right to defer settlement of the liability for at least 12 months after the end of the reporting period.

A financial liability is derecognized when the obligation under the liability is discharged, canceled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in profit or loss.

(l) Current and deferred income tax

The income tax expense for the period comprises current and deferred tax. Income tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(l) Current and deferred income tax (continued)

(ii) Deferred income tax

Inside basis differences

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal amounts of taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the foreseeable future and there is sufficient taxable profit available against which the temporary difference can be utilized.

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(l) Current and deferred income tax (continued)

(iii) Offsetting

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets against current income tax liabilities and where the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(m) Share-based payment

(i) Equity-settled share-based payment transactions

The Group operates share incentive plan, under which it receives services from employees as consideration for equity instruments (RSUs and options) of the Group. The fair value of the services received in exchange for the grant of the equity instruments (RSUs and options) is recognized as an expense on the consolidated income statement with a corresponding increase in equity.

In terms of the RSUs and options awarded to employees, the total amount to be expensed is determined by reference to the fair value of equity instruments (RSUs and options) granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Service and non-marketing performance conditions are included in calculation of the number of RSUs and options that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(m) Share-based payment (continued)

(i) Equity-settled share-based payment transactions (continued)

At the end of each reporting period, the Group revises its estimates of the number of RSUs and options that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

In some circumstances, employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new ordinary shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

(ii) Cash-settled share-based payment transactions

The cost of cash-settled transactions is measured at fair value of the liability. The liability is re-measured at each reporting date up to and at the date of settlement, with any changes in fair value recognized in profit or loss for the year.

(n) Revenue recognition

The Group principally derives revenue from sales of products and provision of internet services.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods sold or services performed, stated net of discounts, returns and value-added taxes. The Group recognizes revenue when the specific criteria have been met for each of the Group's activities, as described below.

(i) Sales of products

The Group sells products, mainly including smartphones, IoT and lifestyle products, to customer through its own sales channel or through distributors, who usually sell the products to end customers as a principal. In March 2024, the Group launched its smart EV and sales of smart EV to customers also became one of the main revenue generating activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(n) Revenue recognition (continued)

(i) Sales of products (continued)

Revenue from the sales of products is recognized when control of the goods has been transferred, being when the products are accepted by the customers. Since the acceptance of the products, the customers have full discretion over the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

In some sales transactions, customers may have right to return the products within a specified period. The Group bases its estimates of sales return on historical results, taking into consideration the type of customers, the type of products and the specifics of each arrangement.

(ii) Internet services

Internet services mainly comprise advertising services and internet value-added services.

(i) Advertising services

Advertising revenues comprise mainly display-based and performance-based advertisements.

Revenue from display-based advertisements to the users of smartphones and other devices is recognized on a straight-line basis over the contracted period in which the advertisements are displayed.

Revenue from performance-based advertisements is recognized based on actual performance measurement. The Group recognizes the revenue when the performance obligation is satisfied: (i) per-click when the users click on the content, (ii) per-impression when the advertising contents are displayed to users, or (iii) per-download when the customers' apps are downloaded by users.

(ii) Internet value-added services

The Group's internet value-added services revenue mainly includes online game and fintech business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(n) Revenue recognition (continued)

(ii) Internet services (continued)

(ii) Internet value-added services (continued)

For online game, revenue recognized on a gross or net basis depending on whether the Group is acting as a principal or an agent. Revenue is recognized over the estimated user relationship periods, given there is an explicit or implicit obligation of the Group to maintain the relevant applications and allow users to have access to them.

Fintech business

The Group's fintech revenues are primarily consist of financial interest income through provision of loan to customers in the supply chain factoring business. Financial interest income is recognized in the consolidated income statement based on carrying amount of loan receivables, the duration and the effective interest rate.

The Group also provides intermediary services to the borrowers and third-party funding parties (the lenders) as an agent and generated intermediary services income from the facilitation services; revenue is recognized when the facilitation services are completed and confirmed by each party.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(n) Revenue recognition (continued)

(iii) Principal or agent assessment

Determining whether revenue of the Group should be reported gross or net is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods or services to the customer, the Group needs to first identify who controls the specified goods or services before they are transferred to the customer. The Group is a principal if the Group obtains control through any of the following: (i) a good or another asset from the other party that the Group then transfers to the customer; (ii) a right to a service to be performed by the other party, which gives the Group the ability to direct that party to provide the service to the customer on the Group's behalf; (iii) a good or service from the other party that the Group then combines with other goods or services in providing the specified good or service to the customer. If control is unclear, when the Group is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from products sold or services provided.

(iv) Financing component

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(o) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Summary of material accounting policies (continued)

(o) Earnings per share (continued)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.2 Summary of other accounting policies

(a) Separate financial statements

Investments in subsidiaries (including controlled structured entities) are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial information of the investee's net assets including goodwill.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.2 Summary of other accounting policies (continued)

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The functional currency of the Company is United States dollar ("**US$**"). The Company's primary subsidiaries were incorporated in mainland China and these subsidiaries considered RMB as their functional currency. As the major operations of the Group are within mainland China, the Group determined to present its consolidated financial statements in RMB (unless otherwise stated).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement. Foreign exchange gains and losses are presented in the consolidated income statement within "other (losses)/gains, net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.2 Summary of other accounting policies (continued)

(c) Foreign currency translation (continued)

(iii) Group companies (continued)

- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

- all resulting currency translation differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognized in other comprehensive income.

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

(d) Investment properties

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Depreciation is recognized so as to write off the cost of investment properties to their residual values over their estimated useful lives of 30 to 40 years by using the straight-line method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.2 Summary of other accounting policies (continued)

(e) Receivables (other than loan receivables)

Trade and notes receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade and notes receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value.

Majority of other receivables are amounts due from outsourcing partners for raw material delivered in the ordinary course of business, in which the outsourcing partners do not obtain control of these raw materials. They are generally due for settlement within one year and therefore all classified as current assets.

The Group holds the trade and notes receivables and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 2.1(g)(iii) for a description of the Group's impairment policies for trade and notes receivables and other receivables.

(f) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(g) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.2 Summary of other accounting policies (continued)

(h) Employee benefits

Liabilities arising from short-term obligation for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period, and they are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

Liabilities that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. It is presented as current liabilities in the consolidated balance sheet if the entity does not have a right, at the end of the reporting period, to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(i) Pension obligations

The Group's subsidiaries operating in mainland China have to make contribution to various defined contribution retirement benefit plans organized and managed by local government authorities in accordance with the relevant rules and regulations. The contributions borne by the Group under the government mandated multi-employer defined contribution scheme are principally determined based on certain percentages of the salaries of employees, subject to certain ceilings. Contributions to these schemes are charged to the consolidated income statement as and when incurred and not reduced by contributions forfeited by those who leave the plans prior to vesting fully in the contributions. The municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees under these plans and the Group has no legal or constructive obligations to pay further contributions. The Group doesn't operate any defined benefits for its employees in mainland China.

The Group also make contributions to kinds of pension plans for its employees in other countries or regions in which the Group operated business. However, as the Group only has few employees located in these countries or regions, the impact to the Group was immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.2 Summary of other accounting policies (continued)

(h) Employee benefits (continued)

(ii) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

(iii) Bonus plans

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(i) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(i) Warranty provision

For the smartphones and IoT and lifestyle products, the Group records warranty liabilities at the time of sale for the estimated costs that will be incurred under the basic limited warranty provision provided to customers. The specific warranty terms and conditions vary depending upon the product and the country in which it was sold, but generally includes technical support, repair parts and labor associated with warranty repair and service actions. The period ranges from one to six years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.2 Summary of other accounting policies (continued)

(i) Provisions (continued)

(i) Warranty provision (continued)

For the smart EV sold, the Group also provides warranty to customers, which cover all materials and labor to repair defects of the EV. The warranty periods are categorized based on key parts, consumable parts, and the entire vehicle. The Group accrues warranty provision based on the best estimate of projected costs to repair or replace items under warranties. These estimates are made primarily based on actual claims incurred to date and the estimates of the nature, frequency and costs of future claims.

The Group revaluates its estimates on an annual basis to assess the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary.

(j) Interest income

Interest income on financial assets at amortized cost and debt instruments carried at fair value through other comprehensive income calculated using the effective interest method is presented in the consolidated income statement as part of finance income or presented as revenue, depending on whether it is generated from the ordinary business of the Group.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

Interest income earned from loan receivables that generated from the factoring business (Note 2.1(n)(ii)(ii)) is presented as revenue.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(k) Government grants

Grants from government are recognized at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the consolidated income statement over the period necessary to match them with the expense that they are intended to compensate.

2 Summary of accounting policies (continued)

2.2 Summary of other accounting policies (continued)

(k) Government grants (continued)

Government grants relating to the property, plant and equipment, and other non-current assets are included in the liabilities and are credited to consolidated income statement on a straight-line basis over the expected lives of the related assets.

(l) Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as of the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.2 Summary of other accounting policies (continued)

(l) Leases (continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

2 Summary of accounting policies (continued)

2.2 Summary of other accounting policies (continued)

(l) Leases (continued)

Payments associated with short-term leases of cloud servers are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

(n) Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

(o) Dividend income

Dividends are received from financial assets measured at fair value through profit or loss and at fair value through other comprehensive income. Dividends are recognized as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income. However, the investment may need to be tested for impairment as a consequence.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The transactions of the Company are denominated and settled majority in its functional currency, US$. The Group's subsidiaries operate in mainland China have transactions that with recognized assets and liabilities denominated in US$ and expose the Group to foreign exchange risk when receiving or to receive foreign currencies from or paying or to pay foreign currencies to overseas business partners.

For the group entities whose functional currency is RMB, if RMB had strengthened/weakened by 5% against US$ with all other variables held constant, the profit before income tax for the year ended December 31, 2024 would have been approximately RMB35,096,000 lower/higher (2023: RMB148,572,000 higher/lower), as a result of net foreign exchange loss (2023: net foreign exchange gain) on translation of net monetary assets (2023: net monetary liabilities) denominated in US$.

The Group's oversea subsidiaries also have transactions with their business partners (sometimes the business partners were also the group entities) that denominated in US$ or RMB, which are different with their respective functional currencies. This also exposes the Group to foreign exchange risk.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

For the group entities whose functional currency is US$, if RMB had strengthened/weakened by 5% against US$ with all other variables held constant, the profit before income tax for the year ended December 31, 2024 would have been approximately RMB370,124,000 (2023: RMB63,629,000) higher/lower, as a result of net foreign exchange gains on translation of net monetary assets denominated in RMB.

(ii) Interest rate risk

The Group's interest rate risk primarily arose from borrowings with floating and fixed rates, long-term investments measured at amortized cost, term bank deposits, short-term investments measured at fair value through other comprehensive income, short-term investments measured at amortized cost, loan receivables, and cash and cash equivalents. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk. The Group's floating rates assets or liabilities are mainly cash and cash equivalents and bank borrowings.

If the interest rate of cash and cash equivalents had been 50 basis points higher/lower, the profit before income tax for the year ended December 31, 2024 would have been RMB168,307,000 (2023: RMB168,157,000) higher/lower.

If the interest rate of borrowings with floating rate had been 50 basis points higher/lower, the profit before income tax for the year ended December 31, 2024 would have been approximately RMB23,488,000 (2023: RMB23,652,000) lower/higher. This analysis does not include the effect of interest capitalized.

The fair value interest rate risk arises from financial assets and liabilities carried at fixed rates is not significant for the Group.

The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate movements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Price risk

The Group is exposed to price risk primarily in respect of its investments in ordinary shares and preferred shares that classified in the consolidated balance sheet as at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from the investments, the Group diversifies its portfolio. Each investment is managed by senior management on a case by case basis. The sensitivity analysis is performed by management, see Note 3.3 for detail.

(b) Credit risk

The Group is exposed to credit risk in relation to its long-term investments measured at amortized cost, term bank deposits, loan receivables, trade and notes receivables, other receivables, short-term investments measured at amortized cost, short-term investments measured at fair value through other comprehensive income, short-term investments measured at fair value through profit or loss, bills receivables measured at fair value through other comprehensive income (which were bank acceptance notes), cash and cash equivalents, and restricted cash. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage risk arising from cash and cash equivalents, term bank deposits, restricted cash, short-term investments measured at fair value through profit or loss and bills receivables measured at fair value through other comprehensive income, the Group only transacts with state-owned or reputable financial institutions in mainland China and reputable international financial institutions outside of mainland China. There has been no recent history of default in relation to those financial institutions.

For short-term investments measured at fair value through other comprehensive income, long-term investments measured at amortized cost and short-term investments measured at amortized cost, mainly including debt securities whose contractual cash flows are solely principal and interest, management makes periodic collective assessments as well as individual assessment on the recoverability based on historical settlement records and past experiences. In view of the sound rating of debtors, management believes that the credit risk inherent in those investments is not significant.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Trade and notes receivables and bills receivables measured at FVOCI

To manage risk arising from trade and notes receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers is usually no more than 180 days and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors.

For trade receivables, the Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. The Group's expected loss rates are mainly determined based on the corresponding historical credit loss rates which are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has considered the expected changes in macroeconomic factors, such as Consumer Price Index ("**CPI**"), Gross Domestic Product ("**GDP**") and Retail Sales of Consumer Goods, etc., and accordingly adjusts the historical loss rates based on expected changes in all factors identified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Trade and notes receivables and bills receivables measured at FVOCI (continued)

The loss allowance provisions for trade receivables as of December 31, 2024 and 2023 are determined as follows:

	Current	Up to 3 months past due	3 to 6 months past due	Over 6 months past due	Total
December 31, 2024:					
Expected loss rate	0.68%	2.60%	31.25%	38.81%	
Gross carrying amount (RMB'000)	9,992,819	1,528,001	197,994	943,246	12,662,060
Loss provision (RMB'000)	67,674	39,736	61,865	366,048	535,323
December 31, 2023:					
Expected loss rate	0.68%	3.57%	6.94%	50.64%	
Gross carrying amount (RMB'000)	6,385,387	2,896,056	753,327	219,152	10,253,922
Loss provision (RMB'000)	43,493	103,444	52,310	110,981	310,228

As of December 31, 2024 and 2023, the credit loss allowance for notes receivables and bills receivables measured at FVOCI is immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Other Receivables

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences. In view of the history of cooperation with debtors and the sound collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding other receivable balances due from them is not significant.

Loan Receivables

To manage risk arising from loan receivables, the Group performs standardized credit management procedures:

- For pre-approval assessment, the Group uses its platform and systems using big data technology to optimize the review process, including credit analysis, assessment of collectability of borrowers, possibility of misconduct and fraudulent activities.

- In terms of credit examining management, the Group has established specific policies and procedures to assess loans offering.

- For subsequent monitoring, the Group has implemented credit examination on each borrower every three months. For unqualified borrowers, credit facilities granted previously could be terminated immediately. Once the loan was issued, all borrowers would be assessed by fraud examination model to prevent fraudulent behaviors.

- In post-loan supervision, the Group has established risk monitoring alert system through periodical monitoring, system alert, and corresponding solutions to identify impaired loans.

The Group rarely modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximizing recovery. The Group considers the impact from such modification is not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Loan Receivables (continued)

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default ("**PD**"), Exposure at Default ("**EAD**") and Loss Given Default ("**LGD**").

Expected credit loss model for loan receivables, as summarized below:

- The loan receivables that are not credit-impaired on initial recognition are classified in 'Stage 1' and have their credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis.

- If a significant increase in credit risk (as defined below) since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. The expected credit loss is measured on lifetime basis.

- If the financial instrument is credit-impaired (as defined below), the financial instrument is then moved to 'Stage 3'. The expected credit loss is measured on lifetime basis.

- In Stages 1 and 2, interest income is calculated on the gross carrying amount (without deducting the loss allowance). If a financial asset subsequently becomes credit-impaired (Stage 3), the Group is required to calculate the interest income by applying the effective interest method in subsequent reporting periods to the amortized cost of the financial asset (the gross carrying amount net of loss allowance) rather than the gross carrying amount.

The impairment of loan receivables was provided based on the 'three-stages' model by referring to the changes in credit quality since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Loan Receivables (continued)

The key judgments and assumptions adopted by the Group in addressing the requirements of the standard are discussed below:

(1) *Significant increase in credit risk (SICR)*

The Group considers loan receivables to have experienced a significant increase in credit risk when backstop criteria has been met. A backstop is applied and the loan receivables considered to have experienced a significant increase in credit risk if the borrower is more than 1 day past due on its contractual payments.

(2) *Definition of default and credit-impaired assets*

The Group defines a financial instrument as in default, when the borrower is more than 90 days past due on its contractual payments. This has been applied to all loan receivables held by the Group.

(3) *Measuring ECL — Explanation of inputs, assumptions and estimation techniques*

The expected credit loss is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD and LGD.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each portfolio. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summarized. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

(4) *Forward-looking information incorporated in the ECL models*

The calculation of ECL incorporate forward-looking information. The Group has performed historical analysis and identified the business climate index as the key economic variables impacting credit risk and expected credit losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Loan Receivables (continued)

(4) Forward-looking information incorporated in the ECL models (continued)

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analyzed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

(5) Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modeled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The credit loss allowance recognized in the year is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to loan receivables experiencing significant increases (or decreases) of credit risk in the year, and the subsequent "step up" (or "step down") between 12-month and lifetime ECL;

- Additional allowances for new financial instruments recognized, as well as releases for loan receivables derecognized in the year;

- Loan receivables derecognized and write-offs of allowances related to assets that were written off during the year.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Loan Receivables (continued)

The following tables explains the gross carrying amount and credit loss allowance of loan receivables:

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
As of December 31, 2024				
Gross carrying amount	12,323,506	10,394	4,848	12,338,748
Loss allowance	(65,562)	(6,848)	(4,848)	(77,258)
	12,257,944	3,546	—	12,261,490
As of December 31, 2023				
Gross carrying amount	9,832,099	6,237	806,808	10,645,144
Loss allowance	(62,755)	(4,075)	(805,725)	(872,555)
	9,769,344	2,162	1,083	9,772,589

Note:

During the years ended December 31, 2024 and 2023, majority of new loans receivables were originated from the factoring loan business; and the transfer between stages were immaterial during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Loan Receivables (continued)

The following tables explain the movement of the credit loss allowance for loan receivables for the years ended December 31, 2024 and 2023:

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
Loss allowance as of January 1, 2024	62,755	4,075	805,725	872,555
Transfer between stages	(1,882)	1,187	695	—
Provision of expected credit losses	4,383	1,556	12,659	18,598
Write-offs	—	—	(814,439)	(814,439)
Foreign exchange	306	30	208	544
Loss allowance as of December 31, 2024	65,562	6,848	4,848	77,258
Loss allowance as of January 1, 2023	42,429	16,950	736,738	796,117
Transfer between stages	(902)	(21,006)	21,908	—
Provision of expected credit losses	21,051	8,119	110,918	140,088
Write-offs	—	—	(63,904)	(63,904)
Foreign exchange	177	12	65	254
Loss allowance as of December 31, 2023	62,755	4,075	805,725	872,555

Write-off policy

The Group writes off loan receivables, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity.

The Group may write off loan receivables that are still subject to enforcement activity. The Group still seeks to recover amounts it is legally owed in full, but which have been written off due to no reasonable expectation of full recovery.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents or adjust financing arrangements to meet the Group's liquidity requirements. There are loan covenants terms for certain borrowings. As of December 31, 2024 and 2023, there is no breach of such loan covenants.

The table below analyzes the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining year at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 year and 2 years RMB'000	Between 2 years and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Group					
At December 31, 2024					
Borrowings	**13,995,172**	**553,647**	**4,036,079**	**18,351,515**	**36,936,413**
Trade payables	**98,280,585**	**—**	**—**	**—**	**98,280,585**
Other payables	**20,385,746**	**—**	**—**	**—**	**20,385,746**
Lease liabilities	**2,722,181**	**1,660,925**	**1,126,426**	**975,922**	**6,485,454**
Payables for purchase of intangible assets	**2,481,254**	**1,223,345**	**279,615**	**—**	**3,984,214**
Liabilities to investors	**916,457**	**—**	**8,281,420**	**3,247,812**	**12,445,689**
At December 31, 2023					
Borrowings	6,740,387	8,359,245	2,454,025	15,826,470	33,380,127
Trade payables	62,098,500	—	—	—	62,098,500
Other payables	14,972,032	—	—	—	14,972,032
Lease liabilities	804,641	425,136	708,479	268,386	2,206,642
Payables for purchase of intangible assets	2,503,564	2,014,199	843,978	—	5,361,741
Liabilities to investors	—	—	11,574,737	2,228,308	13,803,045
Off-balance sheet guarantee liabilities	5,772	—	—	—	5,772

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long-term.

The Group monitors capital (including share capital and share premium) by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group has strong cash positions, continuously generating operating profits with a low level of indebtedness.

3.3 Fair value estimation

The table below analyzes the Group's main financial instruments carried at fair value as of each balance sheet date, by level of the inputs to valuation techniques used to measure fair value.

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2024:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Long-term investments measured at fair value through profit or loss (Note 19)	6,613,312	—	55,498,876	62,112,188
Short-term investments measured at fair value through profit or loss (Note 19)	—	—	28,123,777	28,123,777
Short-term investments measured at fair value through other comprehensive income (Note 19)	1,681,062	—	—	1,681,062
Bills receivables measured at fair value through other comprehensive income	—	—	1,255,767	1,255,767
	8,294,374	—	84,878,420	93,172,794
Liabilities				
Liabilities to investors (Note 29(a))	—	—	3,757,399	3,757,399

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2023:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Long-term investments measured at fair value through profit or loss (Note 19)	5,992,430	—	54,207,368	60,199,798
Short-term investments measured at fair value through profit or loss (Note 19)	—	—	20,193,662	20,193,662
Short-term investments measured at fair value through other comprehensive income (Note 19)	582,131	—	—	582,131
Bills receivables measured at fair value through other comprehensive income	—	—	125,661	125,661
	6,574,561	—	74,526,691	81,101,252
Liabilities				
Liabilities to investors (Note 29(a))	—	—	2,228,308	2,228,308

(a) **Financial instruments in level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at each of the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;

- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and

- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

Level 3 instruments of the Group's assets mainly include long-term investments measured at fair value through profit or loss and short-term investments measured at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

(c) Financial instruments in level 3 (continued)

The following table presents the changes in level 3 instruments of long-term investments measured at fair value through profit or loss for the years ended December 31, 2024 and 2023:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**54,207,368**	51,432,588
Additions	**5,399,872**	3,789,213
Disposals	**(5,506,801)**	(2,458,853)
Changes in fair value	**527,641**	2,427,596
Transfer to investments accounted for using the equity method	**—**	(458,544)
Transfer from investments accounted for using the equity method	**1,315,051**	1,975,719
Transfer to level 1 financial instruments	**(813,011)**	(2,872,137)
Currency translation differences	**368,756**	371,786
At the end of the year	**55,498,876**	54,207,368
Net unrealized gains for the year	**1,683,292**	1,631,788

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

(c) Financial instruments in level 3 (continued)

The following table presents the changes in level 3 instruments of short-term investments measured at fair value through profit or loss for the years ended December 31, 2024 and 2023:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	20,193,662	9,845,910
Additions	104,506,976	53,357,701
Disposals	(97,088,274)	(43,272,307)
Changes in fair value	495,734	292,701
Currency translation differences	15,679	(30,343)
At the end of the year	28,123,777	20,193,662
Net unrealized gains for the year	120,090	71,186

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

The valuation of the level 3 instruments mainly included long-term investments measured at fair value through profit or loss in unlisted companies and certain listed companies for which sale is restricted for a specified period (Note 19), and short-term investments measured at fair value through profit or loss (Note 19). As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including discounted cash flows or market approach, etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

(c) Financial instruments in level 3 (continued)

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Description	Fair values		Significant unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair values
	As of December 31,			As of December 31,		
	2024	2023		**2024**	2023	
	RMB'000	RMB'000				
Long-term investments measured at fair value through profit or loss (Note 19)	**41,326,558**	43,743,711	Expected volatility	**33%–96%**	15%–103%	The higher the expected volatility, the lower the fair value
— Ordinary shares investments and preferred shares investments			Discount for lack of marketability ("**DLOM**")	**3%–30%**	4%–30%	The higher the DLOM, the lower the fair value
			Risk-free rate	**1.1%–6.7%**	1.9%–7%	
— Treasury investments and other investments	**14,172,318**	10,463,657	Note(a)			
Short-term investments measured at fair value through profit or loss (Note 19)	**28,123,777**	20,193,662	Expected rate of return	**0.65%–5.85%**	0.25%–3.25%	The higher the expected rate of return, the higher the fair value

Note:

(a) The fair value of these investments (treasure investments and other investments) was determined based on the net asset value of the investments, whose underlying assets and liabilities were measured at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

If the fair values of the ordinary shares and preferred shares held by the Group, which was included in long-term investments measured at fair value through profit or loss had been 5% higher/lower, the profit before income tax for the year ended December 31, 2024 would have been approximately RMB2,396,994,000 (2023: RMB2,486,807,000) higher/lower.

There were no material transfers between level 1, 2 and 3 of fair value hierarchy classifications during the year ended December 31, 2024, except that certain financial assets were transferred out of level 3 of fair value hierarchy to level 1 classifications due to the conversion to ordinary shares as the result of the initial public offering or lifting of sale restriction of the investee companies.

The carrying amounts of the Group's financial assets that are not measured at fair value, including cash and cash equivalents, restricted cash, term bank deposits, short-term investments measured at amortized cost, long-term investments measured at amortized cost, trade and notes receivables, loan receivables and other receivables, and the Group's financial liabilities that are not measured at fair value, including borrowings, trade payables and other payables, approximate their fair values due to short maturities or the interest rates are close to the market interest rates.

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Classification and measurement of the value of unlisted securities

The Group measures ordinary share investments and preferred share investments in unlisted companies other than those accounted for using the equity method at fair value through profit or loss (collectively the "**Unlisted Securities**"), amounting to RMB35,751,031,000 as of December 31, 2024. The classification, initial recognition and subsequent measurement of the Unlisted Securities require management to analyze certain complex contract terms, make corresponding judgments on the Group's business models of managing them, as well as estimate their cashflows. The Group identified its various rights and evaluated the financial impacts based on key terms from relevant legal documents.

Fair value of these Unlisted Securities, in the absence of an active market, is estimated by using appropriate valuation techniques. Such valuations were based on certain assumptions about volatility and liquidity risks associated with the instruments, which are subject to uncertainty and might materially differ from the actual results. Further details are included in Note 3.3.

(b) Impairment of loan receivables

The Group follows the guidance of IFRS 9 to determine the expected credit loss of a loan receivable. This determination requires significant judgment and estimation. In making this judgment and estimation, the Group evaluates, among other factors, the duration of receivables and the financial health, collection history of debtors and expected future change of credit risks, including the consideration of factors such as general economy measures, changes in macroeconomic indicators etc. Further details are included in Note 3.1 to the consolidated financial statements.

(c) Taxation

The Group is subject to income taxes in different jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be probable due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

4 Critical accounting estimates and judgments (continued)

(c) Taxation (continued)

For temporary differences which give rise to deferred tax assets, the Group assesses the likelihood that the deferred income tax assets could be recovered. Deferred tax assets are recognized based on the Group's estimates and assumptions that they will be recovered from taxable income arising from continuing operations in the foreseeable future or the reversal of temporarily taxable difference.

The Group is also subject to other taxation in different jurisdictions. Significant judgment is required in determining the worldwide provision of other taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain.

(d) Inventory provision

Inventories are stated at the lower of cost and net realizable value. Management makes provision for inventories based on historical experience and estimation of future market condition and sales. The actual net realizable value maybe higher or lower than previously estimated. This requires significant judgment and estimation.

(e) Recoverability of non-financial assets and investments accounted for using the equity method

The Group tests annually or more frequently if events or changes in circumstances indicate a potential impairment whether goodwill has suffered any impairment. Other non-financial assets, mainly including property, plant and equipment, intangible assets, investment properties, right-of-use assets as well as investments accounted for using the equity method are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount of non-financial assets is the greater of its fair value less costs of disposal and value in use. In determining fair values, various applicable valuation techniques (e.g. discounted cash flows or market approach) are used, with significant unobservable inputs including expected volatility, discount for lack of marketability and risk-free rates, etc. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, which requires significant judgment relating to level of revenue, operating costs and discount rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

4 Critical accounting estimates and judgments (continued)

(e) Recoverability of non-financial assets and investments accounted for using the equity method (continued)

Judgment is required select key assumptions applied in the adopted valuation models, including projected cash flows, discount rates and volatility, etc. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and in turn affect the Group's financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated income statement.

(f) Warranty provision

Warranty provision is based on the estimated cost of product warranties when revenue is recognized. Factors that affect the Group's warranty liability include the number of products sold under warranty, historical and anticipated rates of warranty claims on those products, and estimated cost per claim to satisfy the warranty obligation. The estimation basis is reviewed on an on-going basis and revised where appropriate.

(g) Revenue

Application of various accounting principles related to the measurement and recognition of revenue requires the Group to make judgments and estimates. Specifically, significant judgments include determining whether the Group is acting as the principal in a transaction. The Group is a principal in a transaction if the Group obtains control of the products sold or services provided before they are transferred to customers. If control is unclear, when the Group is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from products sold or services provided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

5 Segment information and revenue

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of the Company that makes strategic decisions.

The Group officially launched smart EV on March 28, 2024 and also launched other new initiatives to maintain its sustainable development ability. As the smart EV and other new initiatives have dissimilar products, production process and different stages of development with the Group's Smartphone × AIoT businesses, and the CODM reviewed the Smartphone × AIoT businesses and smart EV and other new initiatives separately to assess the performance and allocate resources, thus the smart EV and other new initiatives were regarded as a separate segment in the consolidated financial statements.

In this connection, the Group determined that it has the following reportable segments:

- Smartphone × AIoT
  - Smartphones
  - IoT and lifestyle products
  - Internet services
  - Other related businesses
- Smart EV and other new initiatives

These changes of presentation of segment information align with the manner in which the Group's CODM uses financial information to evaluate the performance of, and to allocate resources to, each of the segments. The prior year's segment operating results have been retrospectively recast to conform to the current year presentation as applicable.

5 Segment information and revenue (continued)

The CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. The research and development expenses, selling and marketing expenses and administrative expenses are not included in the measure of the segments' performance that reviewed by CODM as a basis for the purpose of resource allocation and assessment of segment performance. Fair value changes on financial instruments measured at fair value through profit or loss, share of net profits of investments accounted for using the equity method, other income, other (losses)/gains, net, finance income, finance costs and income tax expenses are not allocated to individual operating segments as they were centrally monitored by the Group.

The revenues from external customers reported to CODM are measured as segment revenue, which is the revenue derived from the customers in each segment:

(a) Smartphone × AIoT: Revenues from smartphones are derived from the sale of smartphones. Revenues from the IoT and lifestyle products primarily comprise revenues from sales of smart large home appliances, smart TVs, tablets, wearables and other IoT and lifestyle products. Revenues from internet services are derived from advertising services and internet value-added services (including online game and fintech business). Other related business revenues in Smartphone × AIoT segment primarily comprise revenue from the hardware repairment services for products, installation services for certain IoT products and sale of materials.

(b) Smart EV and other new initiatives: Revenues from smart EV and other new initiatives segment are mainly derived from the sale of smart EV, revenues from other new initiatives are immaterial to the Group.

The cost of sales from each segment comprises:

(a) Smartphone × AIoT: The Group's cost of sales for smartphones and IoT and lifestyle products primarily consist of (i) procurement cost of raw materials and components, (ii) assembly cost charged by the Group's outsourcing partners, (iii) royalty fees for certain technologies embedded in the products, (iv) costs, in the forms of production costs and profit-sharing, paid to the Group's partners for procuring ecosystem products, (v) warranty expenses, and (vi) provision for impairment of inventories. The Group's cost of sales for internet services primarily consists of (i) content fees to game developers, (ii) bandwidth, server custody and cloud service related costs, and (iii) fintech costs. Cost of sales for other related business in Smartphone × AIoT segment primarily consists of hardware consumed, installation costs and costs of the sold materials.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

5 Segment information and revenue (continued)

(b) Smart EV and other new initiatives: The Group's cost of sales for smart EV and other new initiatives segment primarily consist of (i) procurement cost of direct parts and raw materials, (ii) labor costs, (iii) manufacturing costs (including depreciation of assets associated with the production), (iv) provision of warranty, and (v) write-down of the inventory to its estimated net realizable value.

Other information, together with the segment information, provided to the CODM, is measured in a manner consistent with that applied in the consolidated financial statements. Other than the inventory information by segment, there were no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

There were no material inter-segment sales during the years ended December 31, 2024 and 2023. The revenues from external customers reported to the CODM are measured in a manner consistent with that applied in the consolidated income statement.

The segment results and revenue information for the years ended December 31, 2024 and 2023 are as follows:

	Year ended December 31, 2024						
	Smartphone × AIoT						
	Smartphones RMB'000	IoT and lifestyle products RMB'000	Internet services RMB'000	Other related businesses RMB'000	Subtotal RMB'000	Smart EV and other new initiatives RMB'000	Total RMB'000
Segment revenues	191,759,315	104,103,874	34,115,373	3,174,148	333,152,710	32,753,640	365,906,350
Cost of sales	(167,505,466)	(83,011,803)	(7,968,553)	(4,157,041)	(262,642,863)	(26,703,293)	(289,346,156)
Gross profit/(loss)	24,253,849	21,092,071	26,146,820	(982,893)	70,509,847	6,050,347	76,560,194

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

5 Segment information and revenue (continued)

	Year ended December 31, 2023						
	Smartphone × AIoT					Smart EV and other new initiatives	
	Smartphones RMB'000	IoT and lifestyle products RMB'000	Internet services RMB'000	Other related businesses RMB'000	Subtotal RMB'000	RMB'000	Total RMB'000
Segment revenues	157,461,309	80,107,740	30,107,494	3,293,598	270,970,141	—	270,970,141
Cost of sales	(134,480,722)	(67,029,144)	(7,773,544)	(4,210,492)	(213,493,902)	—	(213,493,902)
Gross profit/(loss)	22,980,587	13,078,596	22,333,950	(916,894)	57,476,239	—	57,476,239

The reconciliation of gross profit to profit before income tax is the same as that shown in the consolidated income statement, thus no reconciliation provided here.

For the revenue generated from contract with customers under IFRS 15, majority of revenue were recognized at point of time; and revenue from sources other than contract with customers under IFRS 15 were immaterial to the Group.

For the years ended December 31, 2024 and 2023, the geographical information on the total revenues is as follows:

	Year ended December 31,			
	2024		2023	
	RMB'000	%	RMB'000	%
Mainland China	**212,562,449**	**58.1**	149,189,720	55.1
Rest of the world (Note (a))	**153,343,901**	**41.9**	121,780,421	44.9
	365,906,350		270,970,141	

Note:

(a) Revenues outside mainland China are mainly from Europe and India.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

5 Segment information and revenue (continued)

The major customers which contributed more than 10% of the total revenue of the Group for the years ended December 31, 2024 and 2023 are listed as below:

	Year ended December 31,	
	2024	2023
	%	%
Customer A	10.5	12.2

All the revenues derived from other single external customer were less than 10% of the Group's total revenues for the years ended December 31, 2024 and 2023.

The following table shows inventory information by reportable segment as of December 31, 2024 and 2023.

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Smartphone × AIoT	60,905,907	44,354,214
Smart EV and other new initiatives	1,603,775	68,623
	62,509,682	44,422,837

6 Other income

Other income mainly includes government grants, dividend income and refunds of value-added tax and other tax.

During the year ended December 31, 2024, majority of the government grants recognized in other income was relating to expenses. As it is reasonable assurance that the Group have met these attached conditions and the related expenses have incurred, the Group credited the other income from deferred government grants in the year of 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

7 Other (losses)/gains, net

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Gains on disposal and deemed disposal of investments accounted for using the equity method	635,599	1,580,123
Foreign exchanges (losses)/gains, net	(319,630)	124,405
Impairment on investments accounted for using the equity method (Note 11(b))	(161,668)	(7,138)
Others	(164,635)	(679)
	(10,334)	1,696,711

8 Expenses by nature

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Cost of inventories sold and royalty fees	267,014,217	192,822,082
Provision for impairment of inventories (Note 23)	5,762,582	3,861,753
Employee benefit expenses (Note 9)	22,902,540	18,935,182
Depreciation of property, plant and equipment, right-of-use assets and investment properties (Note 14, 16, 17)	3,626,279	2,401,979
Amortization of intangible assets (Note 15)	2,691,990	2,434,308
Promotion and advertising expenses	8,011,251	6,996,492
Content fees to game developers and video providers	3,111,503	3,245,179
Net impairment losses on financial assets	195,938	321,528
Consultancy and professional service fees	1,761,720	1,491,329
Cloud service, bandwidth and server custody fees	2,427,860	2,208,314
Warranty expenses	4,447,006	4,801,995
Auditor's remuneration	69,569	65,283
— Audit services	54,674	52,744
— Non-audit services	14,895	12,539

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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8 Expenses by nature (continued)

During the year ended December 31, 2024, the Group incurred research and development expenses of approximately RMB24,050,484,000 (2023: RMB19,097,699,000), which mainly comprised of employee benefits expenses of RMB14,578,653,000 (2023: RMB11,845,739,000). No significant development expenses had been capitalized during the year (2023: Nil).

9 Employee benefit expenses

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Wages, salaries and bonuses	14,963,862	11,981,862
Share-based compensation expenses (Note 28)	3,726,085	3,378,670
Contributions to pension plans	1,650,417	1,410,904
Other social security costs, housing benefits and other employee benefits	2,562,176	2,163,746
	22,902,540	18,935,182

(i) Pensions — defined contribution plans

During the year ended December 31, 2024, no forfeited contributions were utilized by the Group to reduce its contributions for the current year (2023: Nil).

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9 Employee benefit expenses (continued)

(ii) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group do not include any director of the Company for the years ended December 31, 2024 and 2023. All of these individuals have not received any emolument from the Group as an inducement to join the Group or compensation for loss of office during the years ended December 31, 2024 and 2023. The emoluments payable to the five highest paid individuals during the years ended December 31, 2024 and 2023 are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Wages and salaries	10,851	10,654
Share-based compensation expenses	388,885	402,227
Contributions to pension plans	313	312
Discretionary bonuses	13,600	3,300
Other social security costs, housing benefits and other employee benefits	488	444
	414,137	416,937

The emoluments fell within the following bands:

	Number of individuals Year ended December 31,	
	2024	2023
Hong Kong dollar ("**HK$**")25,500,001 to HK$26,000,000	—	1
HK$28,500,001 to HK$29,000,000	1	—
HK$33,500,001 to HK$34,000,000	1	—
HK$37,500,001 to HK$38,000,000	2	—
HK$40,000,001 to HK$40,500,000	—	1
HK$46,000,001 to HK$46,500,000	—	1
HK$52,500,001 to HK$53,000,000	—	1
HK$298,000,001 to HK$298,500,000	—	1
HK$316,500,001 to HK$317,000,000	1	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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9 Employee benefit expenses (continued)

(iii) Benefits and interests of directors

The remuneration of every director is set out below:

During the year ended December 31, 2024:

Name of Director	Fees RMB'000	Salary RMB'000	Discretionary bonuses RMB'000	Allowances and benefits in kind RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Executive Directors						
LEI, Jun	—	—	—	—	—	—
LIN, Bin	—	—	—	—	—	—
LIU, De	—	—	—	—	—	—
Non-executive Director						
LIU, Qin	—	—	—	—	—	—
Independent non-executive Directors						
CHEN, Dongsheng	547	—	—	—	—	547
WONG, Shun Tak (a)	1,003	—	—	—	—	1,003
TONG Wai Cheung Timothy (b)(c)	22	—	—	—	—	22
CAI, Jinqing (c)	547	—	—	—	—	547

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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9 Employee benefit expenses (continued)

(iii) Benefits and interests of directors (continued)

During the year ended December 31, 2023:

Name of Director	Fees RMB'000	Salary RMB'000	Discretionary bonuses RMB'000	Allowances and benefits in kind RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Executive Directors						
LEI, Jun	–	–	–	–	–	–
LIN, Bin	–	–	–	–	–	–
LIU, De	–	–	–	–	–	–
Non-executive Director						
LIU, Qin	–	–	–	–	–	–
Independent non-executive Directors						
CHEN, Dongsheng	540	–	–	–	–	540
WONG, Shun Tak (a)	991	–	–	–	–	991
TONG Wai Cheung Timothy (b)(c)	991	–	–	–	–	991

Notes:

(a) HK$500,000 was paid to Mr. Wong Shun Tak during the years ended December 31, 2024 and 2023 in connection with his service as director or other service in respect of management of the affairs of the Company's subsidiary undertakings.

(b) HK$11,000 was paid to Prof. Tong Wai Cheung Timothy from January 1 to 8, 2024 (during the year ended December 31, 2023: HK$500,000) in connection with his service as director or other service in respect of management of the affairs of the Company's subsidiary undertakings.

(c) Prof. Tong Wai Cheung Timothy has resigned as independent non-executive director of the Company with effect from January 8, 2024. Meanwhile, Ms. Cai Jinqing was appointed as an independent non-executive director of the Company with effect from January 8, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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9 Employee benefit expenses (continued)

(iv) Directors' termination benefits

No director's termination benefit subsisted as of December 31, 2024 and 2023 or at any time during all the years presented.

(v) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available directors' services subsisted as of December 31, 2024 and 2023 or at any time during all the years presented.

(vi) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors subsisted as of December 31, 2024 and 2023 or at any time during all the years presented.

(vii) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted as of December 31, 2024 and 2023 or at any time during all the years presented.

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10 Finance income and costs

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Finance income:		
Interest income from bank deposits	3,836,204	3,558,347

Interest income mainly represents interest income from bank deposits, including bank balances and term bank deposits.

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Finance costs:		
(Gains)/losses arising from liabilities due to fund investors (Note 29)	(1,119,698)	405,724
Interest expense from borrowings (Note 33), lease liabilities (Note 16) and deferred consideration of intangible assets (Note 29, 31)	1,332,145	1,154,965
Less: amount capitalized	—	(4,719)
	212,447	1,555,970

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11(a) Major subsidiaries and controlled structured entities

As of December 31, 2024 and 2023, the Company had the following major subsidiaries (including controlled structured entities):

Name	Place of incorporation/ establishment and kind of legal entity	Date of incorporation/ establishment	Particulars of issued/ paid-in capital	Effective interest held			Principal activities
				As of December 31,		As of the date of this report	
				2024	2023		
Subsidiaries							
Directly held:							
Xiaomi H.K. Limited	Hong Kong, limited liability company	April 7, 2010	HK$10,000	100%	100%	100%	Wholesale and retail of smartphones and ecosystem partners' products
Fast Pace Limited	British Virgin Islands, limited liability company	January 8, 2013	US$2	100%	100%	100%	Investment holding and investment activities
Best Ventures Limited	British Virgin Islands, limited liability company	March 21, 2013	US$1	100%	100%	100%	Investment holding and investment activities
Xiaomi Singapore Pte. Ltd.	Singapore, limited liability company	December 23, 2013	Singapore Dollar ("**SGD**")1 and US$641,879,420	100%	100%	100%	Sales of smart hardware
Xiaomi Best Time International Limited	Hong Kong, limited liability company	December 20, 2018	US$30,000,000	100%	100%	100%	Intra-group capital supervision, collection, remittance, credit guarantee and interest rate risk management
Indirectly held:							
Xiaomi Communications Co., Ltd.	Mainland China, limited liability company	August 25, 2010	US$320,000,000	100%	100%	100%	Sales of smartphones, sales of ecosystem partners' products and provision of customer services
Beijing Xiaomi Electronics Co., Ltd.	Mainland China, limited liability company	January 9, 2012	US$27,000,000	100%	100%	100%	Sales of smart hardware

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11(a) Major subsidiaries and controlled structured entities (continued)

Name	Place of incorporation/ establishment and kind of legal entity	Date of incorporation/ establishment	Particulars of issued/ paid-in capital	Effective interest held			Principal activities
				As of December 31, 2024	As of December 31, 2023	As of the date of this report	
Subsidiaries							
Indirectly held: (continued)							
Beijing Xiaomi Mobile Software Co., Ltd. ("**Xiaomi Mobile**")	Mainland China, limited liability company	May 8, 2012	RMB1,288,000,000	100%	100%	100%	Software and hardware development and provision of software related services
Zhuhai Xiaomi Communications Co., Ltd.	Mainland China, limited liability company	January 25, 2013	RMB2,000,000	100%	100%	100%	Procurement and sales of smartphones, ecosystem partners' products and spare parts, procurement of raw materials
Guangzhou Xiaomi Communications Co., Ltd.	Mainland China, limited liability company	September 22, 2016	RMB951,000,000	100%	100%	100%	Sales of smart hardware
Xiaomi Technology India Private Limited ("**Xiaomi India**")	India, limited liability company	October 7, 2014	Indian Rupees ("**INR**")207,450	100%	100%	100%	Sales of smartphones and ecosystem partners' products
Guangzhou Xiaomi Information Service Co., Ltd.	Mainland China, limited liability company	December 29, 2016	RMB1,000,000	100%	100%	100%	Provision of advertising and promotion services
Xiaomi Home Commercial Co., Ltd.	Mainland China, limited liability company	June 27, 2017	RMB100,000,000	100%	100%	100%	Operation of retail stores
Red Better Limited	British Virgin Islands, limited liability company	October 8, 2013	–	100%	100%	100%	Investment activities
Green Better Limited	British Virgin Islands, limited liability company	December 9, 2013	US$1	100%	100%	100%	Investment activities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

11(a) Major subsidiaries and controlled structured entities (continued)

Name	Place of incorporation/ establishment and kind of legal entity	Date of incorporation/ establishment	Particulars of issued/ paid-in capital	Effective interest held As of December 31, 2024	2023	As of the date of this report	Principal activities
Subsidiaries							
Indirectly held: (continued)							
People Better Limited	British Virgin Islands, limited liability company	April 22, 2014	US$1,000,001	**100%**	100%	100%	Investment activities
Xiaomi Home Technology Co., Ltd.	Mainland China, limited liability company	January 20, 2017	RMB80,000,000	**100%**	100%	100%	Operation of retail stores
PT. Xiaomi Technology Indonesia	Indonesia, limited liability company	April 23, 2018	Indonesian Rupiah ("**IDR**") 13,000,000,000	**100%**	100%	100%	Sales and production of smartphones, sales of television
Shenzhen Xiaomi Information Technology Co., Ltd.	Mainland China, limited liability company	September 29, 2019	RMB591,000,000	**100%**	100%	100%	Sales of smart hardware and provision of advertising and promotion services
Xiaomi Technology Netherlands B.V.	Netherlands, limited liability company	October 29, 2018	Euro ("**EUR**") 1,000,000	**100%**	100%	100%	Sales of smart hardware
Tianxing Digital Technology Co., Ltd.	Mainland China, limited liability company	December 26, 2013	RMB2,313,630,000	**100%**	100%	100%	Electronic payment technology services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

11(a)Major subsidiaries and controlled structured entities (continued)

Name	Place of incorporation/ establishment and kind of legal entity	Date of incorporation/ establishment	Particulars of issued/ paid-in capital	Effective interest held			Principal activities
				As of December 31, 2024	As of December 31, 2023	As of the date of this report	
Subsidiaries							
Indirectly held: (continued)							
Xiaomi Technology (Thailand) Limited	Thailand, limited liability company	July 4, 2018	Thai Baht ("THB") 200,000,000	99.99%	99.99%	99.99%	Sales of smart hardware
Airstar (Tianjin) Commercial Factoring Co., Ltd.	Mainland China, limited liability company	October 17, 2023	RMB800,000,000	100%	100%	100%	Commercial factoring business
Xiaomi Smart Appliances (Wuhan) Co., Ltd.	Mainland China, limited liability company	October 30, 2023	RMB500,000	100%	100%	100%	Sales of smart hardware
Controlled structured entities (Note (a)):							
Xiaomi Inc.	Mainland China, limited liability company	March 3, 2010	RMB1,850,000,000	100%	100%	100%	E-commerce business
Tianjin Jinxing Venture Investment Co., Ltd.	Mainland China, limited liability company	December 26, 2013	RMB2,476,557,552	100%	100%	100%	Investment activities
Beijing Duokan Technology Co., Ltd.	Mainland China, limited liability company	February 10, 2010	RMB10,000,000	100%	100%	100%	Sales of e-book
Beijing Wali Internet Technologies Co., Ltd.	Mainland China, limited liability company	June 1, 2009	RMB2,100,000	100%	100%	100%	Provision of internet services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

11(a) Major subsidiaries and controlled structured entities (continued)

Name	Place of incorporation/ establishment and kind of legal entity	Date of incorporation/ establishment	Particulars of issued/ paid-in capital	Effective interest held As of December 31, 2024	2023	As of the date of this report	Principal activities
Controlled structured entities (Note (a)): (continued)							
Hubei Xiaomi Yangtze River Industry Investment Fund Partners (Limited Partnership)	Mainland China, limited partnership	December 7, 2017	RMB6,848,117,465	29%	24%	29%	Investment activities
Youpin Information Technology Co., Ltd.	Mainland China, limited liability company	April 4, 2018	RMB50,000,000	100%	100%	100%	E-commerce business
Beijing Xiaomi Zhizao Equity Investment Fund Partners (Limited Partnership)	Mainland China, limited partnership	September 18, 2021	RMB5,917,085,714	43%	35%	43%	Investment activities
Xiaomi EV Technology Co., Ltd.	Mainland China, limited liability company	November 18, 2021	RMB665,735,674	100%	100%	100%	Smart electric vehicle business, technical services

Notes:

(a) The Company does not have directly or indirectly legal ownership in equity of these structured entities or their subsidiaries. Nevertheless, under certain Contractual Arrangements entered into with the registered owners of these structured entities, the Company and its other legally owned subsidiaries control these companies by way of controlling the voting rights, governing their financial and operating policies, appointing or removing the majority of the members of their controlling authorities, and casting the majority of votes at meetings of such authorities. Accordingly, the Group has rights to exercise power over these structured entities, receives variable returns from its involvement in these structured entities, and has the ability to affect those returns through its power over these structured entities. As a result, they are presented as structured entities of the Company.

(b) The Company considered that the non-wholly owned subsidiaries with non-controlling interests are not significant to the Group, therefore, no summarized financial information of these non-wholly owned subsidiaries is presented separately.

(c) As of December 31, 2024, cash and cash equivalents, term bank deposits and restricted cash of the Group, amounting to RMB79,962,917,000 were held in mainland China and they are subject to local exchange control and other financial and treasury regulations. The local exchange control, and other financial and treasury regulations provide for restrictions, on payment of dividends, share repurchase and offshore investments, other than through normal activities.

(d) The English names of the subsidiaries incorporated in mainland China are direct translation or transliteration of their Chinese registered names.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

11(b) Investments accounted for using the equity method

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Investments in associate accounted for using the equity method		
— Listed entities (Note (a))	1,078,253	1,421,275
— Unlisted entities	5,072,802	5,500,966
	6,151,055	6,922,241

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	6,922,241	7,932,192
Additions	80,000	72,407
Disposals and deemed disposals	(819,796)	(1,128,679)
Share of net profits	276,845	45,615
Share of other comprehensive (loss)/income	(31,402)	9,326
Share of changes of other reserves	13,327	38,532
Dividends from associates	(128,492)	(40,014)
Impairment provision	(161,668)	(7,138)
At the end of the year	6,151,055	6,922,241

Note:

(a) As of December 31, 2024, the fair value of the investments in associates which were listed entities was RMB4,241,316,000 (2023: RMB2,284,313,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

11(b) Investments accounted for using the equity method (continued)

Management has assessed the level of influence that the Group exercises on certain associates and determined that it has significant influence through the board representation and other relevant facts and circumstances, even though the respective shareholding of some investments is below 20%. Accordingly, these investments have been classified as associates.

As of December 31, 2024, there were no individually material associates that are accounted for using the equity method.

There are no contingent liabilities relating to the Group's interests in the associates.

12 Income tax expenses

The income tax expenses of the Group during the years ended December 31, 2024 and 2023 are analyzed as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Current income tax	5,381,527	3,908,395
Deferred income tax (Note 34)	(833,323)	628,456
Income tax expenses	4,548,204	4,536,851

12 Income tax expenses (continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax rate of 25% in mainland China, being the tax rate applicable to the majority of consolidated entities as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Profit before income tax	28,126,653	22,011,047
Tax calculated at statutory income tax rate of 25%	7,031,663	5,502,762
Tax effects of:		
— Effect of different tax rates in other jurisdictions (Note (a),(b),(c))	(1,040,668)	717,310
— Preferential income tax rates applicable to subsidiaries (Note (d))	(2,395,583)	(2,641,645)
— Tax losses and temporary differences for which no deferred income tax assets was recognized	3,271,449	2,030,571
— Expenses not deductible for income tax purposes	433,856	558,903
— Utilization of previously unrecognized deductible tax losses and temporary differences	(450,887)	(91,147)
— Recognition of previously unrecognized tax losses and temporary differences	(8,936)	354,861
— Super Deduction for research and development expenses (Note (e))	(2,263,077)	(1,301,676)
— Income not subject to tax	(512,314)	(771,008)
— Reversal of deferred income tax assets	250,356	—
— Others	232,345	177,920
Income tax expenses	4,548,204	4,536,851

Notes:

(a) Cayman Islands and British Virgin Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. As such, the operating results reported by the Company, including the share-based payments (Note 28), are not subject to any income tax in Cayman Islands.

The Group entities established under the International Business Companies Acts of British Virgin Islands ("**BVI**") are exempt from BVI income taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

12 Income tax expenses (continued)

Notes: (continued)

(b) Hong Kong income tax

Entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% on the assessable profits for the years presented, based on the existing legislation, interpretations and practices in respect thereof.

(c) India income tax

The income tax provision for India entities were calculated at a rate of 25.17% on the assessable profits for the years presented, based on the existing legislation, interpretations and practices in respect thereof.

(d) Preferential EIT rate

Certain subsidiaries in mainland China are entitled to preferential tax rates ranging from 10% to 15%. Main subsidiaries with preferential EIT rates are as follows:

Xiaomi Mobile was qualified as a "Key Software Enterprise" in the third quarter of 2018 and renewed this qualification annually, hence it enjoyed a preferential income tax rate of 10% from 2017 to 2023. The directors of the Company consider Xiaomi Mobile can still be qualified upon annual renewal in the first half of 2025 and hence continues to enjoy the preferential income tax rate of 10% for the year ended December 31, 2024.

Xiaomi Technology (Wuhan) Co., Ltd was qualified as a "High and New Technology Enterprise" in December 2023, hence it enjoys a preferential income tax rate of 15% from 2023 to 2025.

(e) Super Deduction for research and development expense

According to the relevant laws and regulations promulgated by the State Council of the People's Republic of China that was effective from 2008 onwards, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("**Super Deduction**"). The State Taxation Administration of The People's Republic of China ("**STA**") announced in March 2023 that enterprises engaging in research and development activities were entitled to claim 200% of their research and development expenses as Super Deduction from January 1, 2023. The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

12 Income tax expenses (continued)

Notes: (continued)

(f) Withholding tax in mainland China ("**WHT**")

According to the New Corporate Income Tax Law ("**New EIT Law**"), distribution of profits earned by companies in mainland China since January 1, 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investors, upon the distribution of profits to overseas-incorporated immediate holding companies.

The Group does not have any plan in the foreseeable future to require its subsidiaries in mainland China to distribute their retained earnings and intends to retain them to operate and expand its business in mainland China. Accordingly, no deferred income tax liability related to WHT on undistributed earnings of these subsidiaries was accrued as of the end of each reporting period.

(g) Organization for Economic Co-operation and Development ("**OECD**") Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules and Pillar Two legislation was enacted from January 1, 2024 in several of tax jurisdictions in which the group entities are incorporated or operated. The Group applies the IAS 12 exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion ("**GloBE**") effective tax rate in each jurisdiction and the 15% minimum rate. The Group has assessed that the estimated annual effective tax rate for the year ended December 31, 2024 is not lower than 15% in all jurisdictions with Pillar Two legislation enacted in which the Group operates.

Pillar Two legislation will come into effect from January 1, 2025 in other tax jurisdictions in which the group entities are incorporated or operated. The Group would continually evaluate the impact of the Pillar Two income tax exposure in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

13 Earnings per share

(a) Basic

Basic earnings per share for the years ended December 31, 2024 and 2023 are calculated by dividing the profit attributable to the Company's owners by the weighted average number of ordinary shares in issue during the year.

	Year ended December 31,	
	2024	2023
Net profit attributable to the owners of the Company (RMB'000)	**23,658,126**	17,475,173
Weighted average number of ordinary shares in issue (thousand shares)	**24,825,170**	24,884,874
Basic earnings per share (expressed in RMB per share)	**0.95**	0.70

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As the inclusion of potential ordinary shares from the convertible bonds would be anti-dilutive, it is not included in the calculation of diluted earnings per share for the year ended December 31, 2024.

	Year ended December 31,	
	2024	2023
Net profit attributable to the owners of the Company (RMB'000)	**23,658,126**	17,475,173
Weighted average number of ordinary shares in issue (thousand shares)	**24,825,170**	24,884,874
Adjustments for RSUs and share options granted (thousand shares)	**675,563**	440,117
Weighted average number of ordinary shares for calculation of diluted earnings per share (thousand shares)	**25,500,733**	25,324,991
Diluted earnings per share (expressed in RMB per share)	**0.93**	0.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

14 Property, plant and equipment

	Factory and production equipment RMB'000	Transport equipment RMB'000	Electronic equipment RMB'000	Office equipment RMB'000	Office Buildings RMB'000	Structure and leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
At January 1, 2024								
Cost	3,387,693	69,295	2,663,208	43,016	5,014,389	2,093,698	4,226,971	17,498,270
Accumulated depreciation	(113,253)	(30,358)	(1,587,334)	(26,832)	(441,416)	(1,578,252)	—	(3,777,445)
Net book amount	3,274,440	38,937	1,075,874	16,184	4,572,973	515,446	4,226,971	13,720,825
Year ended December 31, 2024								
Opening net book amount	3,274,440	38,937	1,075,874	16,184	4,572,973	515,446	4,226,971	13,720,825
Additions	813,828	167,025	1,151,250	3,251	2,110	1,239,913	3,078,188	6,455,565
Transfers	1,785,484	—	25,267	—	1,234,119	—	(3,044,870)	—
Transfer to investment properties	—	—	—	—	(16,847)	—	—	(16,847)
Disposals	(106,051)	(21,265)	(58,091)	(90)	(3,005)	(102,579)	(139,106)	(430,187)
Depreciation charge (Note 8)	(451,088)	(42,764)	(507,970)	(4,253)	(77,153)	(557,360)	—	(1,640,588)
Currency translation differences	—	—	247	(178)	—	(1,254)	—	(1,185)
Closing net book amount	5,316,613	141,933	1,686,577	14,914	5,712,197	1,094,166	4,121,183	18,087,583
At December 31, 2024								
Cost	5,852,772	182,765	3,768,071	45,558	6,219,992	3,146,877	4,121,183	23,337,218
Accumulated depreciation	(536,159)	(40,832)	(2,081,494)	(30,644)	(507,795)	(2,052,711)	—	(5,249,635)
Net book amount	5,316,613	141,933	1,686,577	14,914	5,712,197	1,094,166	4,121,183	18,087,583

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

14 Property, plant and equipment (continued)

	Factory and production equipment RMB'000	Transport equipment RMB'000	Electronic equipment RMB'000	Office equipment RMB'000	Office Buildings RMB'000	Structure and leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
At January 1, 2023								
Cost	127,396	64,772	2,202,218	32,897	4,740,067	2,184,779	2,877,312	12,229,441
Accumulated depreciation	(3,565)	(11,431)	(1,243,284)	(22,412)	(265,572)	(1,544,956)	—	(3,091,220)
Net book amount	123,831	53,341	958,934	10,485	4,474,495	639,823	2,877,312	9,138,221
Year ended December 31, 2023								
Opening net book amount	123,831	53,341	958,934	10,485	4,474,495	639,823	2,877,312	9,138,221
Additions	209,338	3,545	512,007	8,595	—	430,947	4,416,125	5,580,557
Transfers	3,055,936	1,195	2,947	—	6,388	—	(3,066,466)	—
Transfer from investment properties	—	—	—	—	271,577	—	—	271,577
Disposals	(14,767)	(261)	(20,578)	(51)	—	(48,451)	—	(84,108)
Depreciation charge (Note 8)	(103,541)	(18,883)	(378,386)	(3,164)	(175,844)	(509,604)	—	(1,189,422)
Currency translation differences	3,643	—	950	319	(3,643)	2,731	—	4,000
Closing net book amount	3,274,440	38,937	1,075,874	16,184	4,572,973	515,446	4,226,971	13,720,825
At December 31, 2023								
Cost	3,387,693	69,295	2,663,208	43,016	5,014,389	2,093,698	4,226,971	17,498,270
Accumulated depreciation	(113,253)	(30,358)	(1,587,334)	(26,832)	(441,416)	(1,578,252)	—	(3,777,445)
Net book amount	3,274,440	38,937	1,075,874	16,184	4,572,973	515,446	4,226,971	13,720,825

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

14 Property, plant and equipment (continued)

Construction in progress as of December 31, 2024 and 2023 mainly comprises new office buildings, factories and production equipments being constructed in mainland China.

Depreciation expenses have been charged to the consolidated income statement as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Cost of sales	331,088	147,454
Research and development expenses	623,238	451,219
Selling and marketing expenses	418,148	388,218
Administrative expenses	268,114	202,531
	1,640,588	1,189,422

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

15 Intangible assets

	Goodwill (Note (a)) RMB'000	License RMB'000	Trademarks, patents and domain name RMB'000	Others RMB'000	Total RMB'000
At January 1, 2024					
Cost	1,696,639	11,159,486	2,246,985	1,263,547	16,366,657
Accumulated amortization	—	(5,843,665)	(1,263,898)	(630,355)	(7,737,918)
Net book amount	1,696,639	5,315,821	983,087	633,192	8,628,739
Year ended December 31, 2024					
Opening net book amount	1,696,639	5,315,821	983,087	633,192	8,628,739
Additions	—	1,825,427	—	406,477	2,231,904
Disposals	—	(5)	—	(18,413)	(18,418)
Amortization charge (Note 8)	—	(2,156,080)	(230,593)	(305,317)	(2,691,990)
Currency translation differences	—	—	1,008	1,478	2,486
Closing net book amount	1,696,639	4,985,163	753,502	717,417	8,152,721
At December 31, 2024					
Cost	1,696,639	12,984,878	2,250,911	1,655,558	18,587,986
Accumulated amortization	—	(7,999,715)	(1,497,409)	(938,141)	(10,435,265)
Net book amount	1,696,639	4,985,163	753,502	717,417	8,152,721

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

15 Intangible assets (continued)

	Goodwill (Note (a)) RMB'000	License RMB'000	Trademarks, patents and domain name RMB'000	Others RMB'000	Total RMB'000
At January 1, 2023					
Cost	1,696,639	4,592,900	2,239,030	857,031	9,385,600
Accumulated amortization	—	(3,292,644)	(1,023,784)	(439,496)	(4,755,924)
Net book amount	1,696,639	1,300,256	1,215,246	417,535	4,629,676
Year ended December 31, 2023					
Opening net book amount	1,696,639	1,300,256	1,215,246	417,535	4,629,676
Additions	—	6,004,245	3,882	426,621	6,434,748
Disposals	—	—	(318)	(4,390)	(4,708)
Amortization charge (Note 8)	—	(1,988,681)	(237,347)	(208,280)	(2,434,308)
Currency translation differences	—	1	1,624	1,706	3,331
Closing net book amount	1,696,639	5,315,821	983,087	633,192	8,628,739
At December 31, 2023					
Cost	1,696,639	11,159,486	2,246,985	1,263,547	16,366,657
Accumulated amortization	—	(5,843,665)	(1,263,898)	(630,355)	(7,737,918)
Net book amount	1,696,639	5,315,821	983,087	633,192	8,628,739

Note:

(a) Impairment test for goodwill

For the purpose of impairment tests of goodwill, goodwill is allocated to groups of CGUs. Such groups of CGUs represent the lowest level within the Group for which the goodwill is monitored for internal management purpose.

Impairment review on the goodwill of the Group has been conducted by the management as of December 31, 2024 and 2023 according to IAS 36 "Impairment of assets". For the purposes of impairment review, the recoverable amount of goodwill is determined based on VIU calculations by using the discounted cash flow method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

15 Intangible assets (continued)

Note (continued):

(a) Impairment test for goodwill (continued)

(i) Impairment test for goodwill of Zimi

On July 5, 2021, the Group completed the acquisition of Zimi which mainly engages in the design, manufacture and sales of mobile charges and related products, and recognized goodwill amounting to RMB1,382,143,000, which was allocated to Zimi as it was monitored by management at Zimi level and goodwill impairment assessment was performed accordingly as of December 31, 2021. Under an internal group reorganization as completed in 2022, the Group has integrated Zimi with a business unit of the Group which has similar business with Zimi to maximize the synergy from the acquisition of Zimi. Accordingly, the goodwill arising from the acquisition of Zimi was reallocated to the aforesaid business unit as identified at the lowest level which management monitors the related goodwill for internal purposes.

The VIU was determined using discounted cash flows calculation which derived from the five-year financial projections plus a terminal value related to cash flows beyond the projection period (five-year period) extrapolated using estimated perpetual growth rate. For the impairment test as of December 31, 2024, the key assumptions used by management for VIU calculation include:

(1) the annual growth rate of revenue for a five-year period ranging from 2%–12% (2023: 2%–4%) for the business, the gross profit range from 21%–22% (2023: 20%–21%), which was determined by the management based on past performance and its expectation for market development;

(2) pre-tax discount rate of 23% (2023: 22%) was estimated by using the weighted average cost of capital ("**WACC**") method. The WACC was calculated by referring to public market data including risk-free rate, market return, beta of comparable public companies etc. and the specific risk of the business;

(3) the estimated perpetual growth rate used in the VIU calculation for period beyond the projected period was 2.0% (2023: 2.2%), after making reference to long term inflation rate of the PRC.

As of December 31, 2024, the recoverable amount calculated based on VIU exceeded carrying value by RMB1,144,496,000 (2023: RMB183,770,000). Had annual revenue for a five-year period been 5% lower or the pre-tax discount rate been 1% higher, the headroom would be decreased to RMB985,726,000 or RMB990,985,000 (2023: RMB69,283,000 or RMB63,342,000) respectively.

Reasonably possible changes in other key assumptions used in the impairment test of goodwill will not lead to the goodwill impairment loss as of December 31, 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

15 Intangible assets (continued)

Note (continued):

(a) Impairment test for goodwill (continued)

(ii) Impairment test for goodwill of others

The other goodwill is mainly generated from the acquisitions of Duokan International Group Inc. amounting to RMB141,360,000 and Wali International amounting to RMB106,807,000 before 2015. Management forecasted the average annual revenue growth rate in five-year period is 5%, and the cash flows beyond the five-year period were extrapolated using the estimated annual growth rates of 2.0% (2023: 2.2%). Pre-tax discount rate of 23% was used to reflect market assessment of time value and the specific risks relating to the CGUs.

The management performed impairment test for the goodwill and determined such goodwill was not impaired. Reasonably possible changes in key assumptions will not lead to the goodwill impairment loss as of December 31, 2024 and 2023.

Amortization charges were expensed off in the following categories in the consolidated income statement:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Cost of sales	**2,081,820**	1,207,569
Research and development expenses	**395,725**	1,105,618
Selling and marketing expenses	**7,680**	7,600
Administrative expenses	**206,765**	113,521
	2,691,990	2,434,308

The Group tests annually whether goodwill and other intangible assets with an indefinite useful life have suffered any impairment. During the years ended December 31, 2024 and 2023, no goodwill or other identifiable intangible assets have been impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

16 Leases

(i) The consolidated balance sheet includes the following amounts relating to leases:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Right-of-use assets (Note (a))		
Land use rights	7,818,616	8,142,639
Servers and other equipment	2,358,316	70,060
Properties	3,238,992	1,766,195
	13,415,924	9,978,894
Lease liabilities (Note (b))		
Current	(2,238,842)	(712,011)
Non-current	(3,169,514)	(1,256,155)
	(5,408,356)	(1,968,166)

Notes:

(a) Included in the line item 'Other non-current assets' in the consolidated balance sheet. The addition of right-of-use assets for the year ended December 31, 2024 is RMB7,553,707,000 (2023: RMB927,317,000).

(b) Current lease liabilities and non-current lease liabilities are included in the line item 'Other payables and accruals' and 'Other non-current liabilities' in the consolidated balance sheet, respectively.

(ii) The consolidated income statement includes the following amounts relating to leases:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Depreciation charge of right-of-use assets (Note (a))	1,928,872	1,149,698
Interest expense (included in finance costs)	165,770	83,117
Expense relating to short-term leases not included in lease liabilities (included in cost of sales and research and development expenses)	—	403,839
Expense relating to variable lease payments not included in lease liabilities (included in selling and marketing expenses)	305,103	215,031
	2,399,745	1,851,685

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

16 Leases (continued)

Besides land use rights, the Group leases offices, warehouses, retail stores and servers.

The total cash outflow in financing activities for leases during the year ended December 31, 2024 was RMB2,476,524,000 (2023: RMB1,197,692,000), including principal elements of lease payments of approximately RMB2,310,754,000 (2023: RMB1,114,575,000) and related interest paid of approximately RMB165,770,000 (2023: RMB83,117,000), respectively.

Note:

(a) The depreciation charge in the consolidated income statement relating to land use rights, servers and other equipment and properties for the year ended December 31, 2024 are RMB77,106,000 (2023: RMB217,725,000), RMB1,079,642,000 (2023: RMB420,845,000) and RMB772,124,000 (2023: RMB511,128,000), respectively.

17 Other non-current assets

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Right-of-use assets (Note 16)	13,415,924	9,978,894
Investment properties (Note (a))	2,254,160	2,287,548
Long-term deposits to suppliers	1,014,972	1,000,402
Prepayments for property, plant and equipment	903,370	1,064,273
Others	832,801	573,143
	18,421,227	14,904,260

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

17 Other non-current assets (continued)

Note:

(a) Investment properties

	Buildings and facilities RMB'000	Land use rights RMB'000	Total RMB'000
COST			
At January 1, 2024	1,362,237	1,214,806	2,577,043
Transfer from property, plant and equipment	22,439	—	22,439
Transfer from right-of-use assets	—	7,901	7,901
At December 31, 2024	1,384,676	1,222,707	2,607,383
ACCUMULATED DEPRECIATION			
At January 1, 2024	(91,367)	(198,128)	(289,495)
Charge for the year (Note 8)	(32,493)	(24,326)	(56,819)
Transfer from property, plant and equipment	(5,592)	—	(5,592)
Transfer from right-of-use assets	—	(1,317)	(1,317)
At December 31, 2024	(129,452)	(223,771)	(353,223)
NET BOOK VALUE			
At December 31, 2024	1,255,224	998,936	2,254,160

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

17 Other non-current assets (continued)

Note (continued):

(a) Investment properties (continued)

	Buildings and facilities RMB'000	Land use rights RMB'000	Total RMB'000
COST			
At January 1, 2023	1,656,378	1,493,759	3,150,137
Transfer to property, plant and equipment	(294,141)	—	(294,141)
Transfer to right-of-use assets	—	(278,953)	(278,953)
At December 31, 2023	1,362,237	1,214,806	2,577,043
ACCUMULATED DEPRECIATION			
At January 1, 2023	(77,260)	(209,010)	(286,270)
Charge for the year (Note 8)	(36,671)	(26,188)	(62,859)
Transfer to property, plant and equipment	22,564	—	22,564
Transfer to right-of-use assets	—	37,070	37,070
At December 31, 2023	(91,367)	(198,128)	(289,495)
NET BOOK VALUE			
At December 31, 2023	1,270,870	1,016,678	2,287,548

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

17 Other non-current assets (continued)

Note (continued):

(a) Investment properties (continued)

(i) Details of the Group's main investment properties and information about the fair value hierarchy as of December 31, 2024 and 2023 are as follows:

	As of December 31,			
	2024		2023	
	Carrying amount RMB'000	Fair value (level 3) RMB'000	Carrying amount RMB'000	Fair value (level 3) RMB'000
Main investment properties	2,193,574	2,444,300	2,272,703	2,604,900

The Group's investment properties located in Haidian and Yizhuang, Beijing and Haizhu, Guangzhou were valued at December 31, 2024 by Asia-Pacific Consulting and Appraisal Limited, which is an independent qualified valuer. The valuation was determined on the basis of capitalization of the net rental income with due provisions for reversionary income potential of the respective properties as of December 31, 2024. The key inputs were term yield and reversionary yield which ranged from 3% to 7% (2023: from 3% to 6%).

(ii) Property rental income earned during the year ended December 31, 2024 was approximately RMB99,751,000 (2023: RMB103,981,000). The investment property units have committed tenants for the next 1 years to 9 years (2023: 2 years to 10 years). As of December 31, 2024, as a lessor, the Group had future minimum lease receipts under non-cancellable operating leases as follows:

	As of December 31,	
	2024 RMB'000	2023 RMB'000
No later than 1 year	104,827	96,550
Later than 1 year and no later than 10 years	180,286	203,370
	285,113	299,920

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

18 Financial instruments by category

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Assets as per balance sheet		
Financial assets measured at fair value:		
— Long-term investments measured at fair value through profit or loss (Note 19)	62,112,188	60,199,798
— Short-term investments measured at fair value through profit or loss (Note 19)	28,123,777	20,193,662
— Short-term investments measured at fair value through other comprehensive income (Note 19)	1,681,062	582,131
— Bills receivables measured at fair value through other comprehensive income	1,255,767	125,661
Financial assets measured at amortized costs:		
— Trade and notes receivables (Note 21)	14,588,579	12,150,928
— Loan receivables (Note 20)	12,261,490	9,772,589
— Other receivables	14,226,479	10,103,353
— Long-term investments measured at amortized cost (Note 19)	3,219,462	364,476
— Short-term investments measured at amortized cost (Note 19)	700,163	502,816
— Term bank deposits (Note 24(c))	94,870,576	71,091,507
— Restricted cash	5,476,417	4,794,031
— Cash and cash equivalents (Note 24(a))	33,661,442	33,631,313
	272,177,402	223,512,265
Liabilities as per balance sheet		
Financial liabilities measured at fair value:		
— Liabilities to investors	3,757,399	2,228,308
Financial liabilities measured at amortized cost:		
— Trade payables (Note 30)	98,280,585	62,098,500
— Other payables	20,018,732	14,619,660
— Borrowings (Note 33)	30,603,018	27,857,345
— Liabilities to investors	8,688,290	11,574,737
— Lease liabilities (Note 16)	5,408,356	1,968,166
	166,756,380	120,346,716

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

19 Investments

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Current assets		
Short-term investments measured at		
— Amortized cost (i)	700,163	502,816
— Fair value through other comprehensive income (ii)	1,681,062	582,131
— Fair value through profit or loss (iii)	28,123,777	20,193,662
	30,505,002	21,278,609
Non-current assets		
Long-term investments measured at amortized cost (ii)	3,219,462	364,476
Long-term investments measured at fair value through profit or loss		
— Ordinary shares investments (iv)	14,401,979	15,291,625
— Preferred shares investments (v)	33,537,891	34,444,516
— Treasury investments (vi)	10,339,549	6,846,562
— Other investments (vii)	3,832,769	3,617,095
	65,331,650	60,564,274

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

19 Investments (continued)

Movement of long-term investments measured at fair value through profit or loss is as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	60,199,798	55,979,974
Additions and transfers	7,379,556	5,691,031
Disposals	(6,417,997)	(5,183,986)
Change in fair value	517,577	3,238,848
Currency translation differences	433,254	473,931
At the end of the year	62,112,188	60,199,798

(i) Short-term investments measured at amortized cost

The Group placed short-term deposits amounting to RMB700,000,000 in its associate Chongqing Xiaomi Consumer Finance Co., Ltd., with an interest rate of 3.27% per annum. The deposits are held for collection of contractual cash flows qualifying for solely payments of principal and interest and thus classified and measured as short-term investments measured at amortized cost.

(ii) Short-term investments measured at fair value through other comprehensive income and long-term investments measured at amortized cost

Short-term investments measured at fair value through other comprehensive income and long-term investments measured at amortized cost are mainly debt securities, denominated in HK$, US$ and RMB, where the contractual cash flows are solely principal and interest. The securities are mainly issued by corporates and banks and the fair value of such debt securities was determined based on quoted price on bond market. None of these investments are past due.

Debt securities that are only held for collection of contractual cash flows are measured at amortized cost. Debt securities that are held for both collection of contractual cash flows and for selling, are measured at fair value through other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

19 Investments (continued)

(iii) Short-term investments measured at fair value through profit or loss

The short-term investments measured at fair value through profit or loss are wealth management products, denominated in RMB and US$, with expected rates of return ranging from 0.65% to 5.85% per annum for the year ended December 31, 2024 (2023: 0.25% to 3.25%). None of these investments are past due.

(iv) Ordinary shares investments

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Listed	**12,188,839**	11,388,792
Unlisted	**2,213,140**	3,902,833
	14,401,979	15,291,625

The fair values of the listed securities are determined based on the closing prices quoted in active markets (level 1: quoted price (unadjusted) in active markets). For certain listed securities which are restricted for sale in a specified period, their fair values are determined based on quoted market prices and unobservable inputs (i.e. discount rate for lack of marketability) and hence classified as level 3 of the fair value hierarchy.

The fair values of unlisted securities are measured using a valuation technique with unobservable inputs and hence classified as Level 3 of the fair value hierarchy. Refer to Note 3.3 for the major assumptions used in the valuation for investment in private companies.

(v) Preferred shares investments — unlisted

The preferred shares investments in these investees are convertible redeemable preferred shares or ordinary shares with preferential rights. The Group has the right to require and demand the investees to redeem all of the shares held by the Group at guaranteed predetermined fixed amount upon redemption events which are out of control of issuers. As the Group doesn't bear substantially the risk and reward of ordinary shares, these investments are measured as financial assets at fair value through profit or loss. Refer to Note 3.3 for the major assumptions used in the valuation for investment in private companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

19 Investments (continued)

(vi) Treasury investments

Treasury investments mainly represent investments in the debt instruments issued by certain reputable banks or non-bank financial institutions or entities purchased in the secondary market. As these investments were classified as debt investments and returns are not solely payments of principal and interest, they are measured at fair value through profit or loss.

(vii) Other investments

Other investments primarily consist of investments in private equity investment funds. As fund investments were classified as debt investments and returns are not solely payments of principal and interest, they are measured at fair value through profit or loss.

(viii) Amounts recognized in profit or loss of financial investments measured at fair value through profit or loss

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Long-term investments measured at fair value through profit or loss		
— Ordinary shares investments	(181,552)	1,401,934
— Preferred shares investments	445,134	1,690,946
— Treasury and other investments	167,546	120,695
Short-term investments measured at fair value through profit or loss	495,734	292,701
	926,862	3,506,276

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

20 Loan receivables

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Unsecured loan	12,338,748	10,645,144
Less: credit loss allowance	(77,258)	(872,555)
	12,261,490	9,772,589

Loan receivables are loans mainly derived from subsidiaries of the Group which engage in the factoring business. Such amounts are recorded at the principal amount less expected credit loss. Loan receivables are denominated in RMB and US$.

Detail of the credit risk assessment of loan receivables is disclosed in Note 3.1.

21 Trade and notes receivables

Details of trade and notes receivables are as follows:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Trade receivables	12,662,060	10,253,922
Notes receivables	2,468,572	2,213,964
	15,130,632	12,467,886
Less: credit loss allowance	(542,053)	(316,958)
	14,588,579	12,150,928

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

21 Trade and notes receivables (continued)

The carrying amounts of the Group's trade and notes receivables are denominated in the following currencies:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
RMB	8,328,768	7,763,251
US$	3,034,645	1,987,801
INR	897,100	717,317
EUR	698,286	886,786
IDR	453,600	168,554
Others	1,176,180	627,219
	14,588,579	12,150,928

Movements on the Group's credit loss allowance of trade and notes receivables are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	(316,958)	(205,340)
Credit loss allowance recognized	(245,625)	(116,902)
Receivables written off as uncollectable	20,530	5,284
At the end of the year	(542,053)	(316,958)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

21 Trade and notes receivables (continued)

The Group generally allows a credit period within 180 days to its customers. Aging analysis of trade and notes receivables based on invoice date is as follows:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Up to 3 months	12,652,651	9,108,133
3 to 6 months	851,454	1,666,418
6 months to 1 year	526,725	522,612
1 to 2 years	224,018	1,016,563
Over 2 years	875,784	154,160
	15,130,632	12,467,886

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

22 Prepayments and other receivables

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Receivables from subcontractors for outsourcing of raw materials	9,883,334	7,591,022
Recoverable value-added tax and other taxes	9,852,853	7,248,105
Prepayments to suppliers	3,599,583	1,786,057
Deposits to suppliers	863,613	735,031
Receivables from market development fund	665,967	190,617
Prepaid fees for patent expenses and other prepaid expenses	1,629,608	1,148,975
Receivables related to share options and RSUs granted to employees	605,693	261,239
Operating and finance lease receivables	390,809	417,435
Others	1,817,063	908,009
	29,308,523	20,286,490
Less: credit loss allowance	(208,407)	(207,615)
	29,100,116	20,078,875

As of December 31, 2024 and 2023, the carrying amounts of other receivables were primarily denominated in RMB and US$ and approximated their fair value at each of the reporting dates. Other receivables were considered to be of low credit risk, and thus the impairment provision recognized during the years ended December 31, 2024 and 2023 was limited to 12 months expected losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

23 Inventories

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Raw materials	14,321,504	11,455,435
Finished goods	40,837,606	27,132,256
Work in progress	5,446,620	3,564,974
Spare parts	3,800,223	3,494,076
Others	579,858	952,492
	64,985,811	46,599,233
Less: provision for impairment	(2,476,129)	(2,176,396)
	62,509,682	44,422,837

Provision for impairment movements for the years ended December 31, 2024 and 2023 are as below:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	(2,176,396)	(3,470,360)
Provision for impairment	(5,762,582)	(3,861,753)
Transfer to cost of sales	5,462,849	5,155,717
At the end of the year	(2,476,129)	(2,176,396)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

24 Cash and bank balances

(a) Cash and cash equivalents

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Cash at bank and in hand	29,150,161	26,909,303
Term bank deposits with initial terms within three months	4,511,281	6,722,010
	33,661,442	33,631,313

Cash and cash equivalents are denominated in the following currencies:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
RMB	20,033,787	18,661,376
US$	10,121,484	9,956,424
EUR	1,311,583	1,216,482
HK$	442,828	771,113
INR	75,701	354,090
Others	1,676,059	2,671,828
	33,661,442	33,631,313

(b) Restricted cash

As of December 31, 2024, among the restricted cash, INR47,042,193,000 (2023: INR45,321,947,000), which was equivalent to RMB4,016,462,000 (2023: RMB3,874,120,000), was restricted by India authorities due to the in-progress investigation described in Note 36.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

24 Cash and bank balances (continued)

(c) Term bank deposits

An analysis of the Group's term deposits as of December 31, 2024 and 2023 are listed as below:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Term bank deposits included in current assets:		
US$	21,629,189	34,275,937
RMB	14,720,937	18,521,889
INR	145	31
	36,350,271	52,797,857
Term bank deposits included in non-current assets:		
RMB	54,313,459	16,808,185
US$	4,206,800	1,485,314
INR	46	151
	58,520,305	18,293,650

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

25 Share capital and treasury shares

(a) Share capital

Authorized:

As of December 31, 2024 and 2023, the total authorized number of ordinary shares is 270,000,000,000 shares with par value of US$0.0000025 per share.

Issued:

As of December 31, 2024, the number of issued share capital of Class A and Class B Share is 4,517,510,134 and 20,581,641,676, respectively. Each Class A ordinary share will entitle the holder to exercise 10 votes, and each Class B ordinary share will entitle the holder to exercise one vote, on any resolution tabled at the Company's general meetings, except for resolution with respect to a limited number of reserved matters, in relation to which each ordinary share is entitled to one vote.

	Note	Number of ordinary shares '000	Nominal value of ordinary shares US$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000
As of January 1, 2024		**25,073,427**	**62**	**407**	**60,778,287**
Exercise of share options and RSUs		**54,485**	**—**	**—**	**710,988**
Shares repurchased and cancelled		**(272,648)**	**—**	**(5)**	**(3,702,564)**
Issuance of ordinary shares to Share Scheme Trusts	(a)	**238,583**	**—**	**—**	**—**
Release of ordinary shares from Share Scheme Trusts	(a)	**—**	**—**	**5**	**2,268,200**
Share issued for acquisition of Zimi completed in 2021		**5,305**	**—**	**—**	**62,747**
As of December 31, 2024		**25,099,152**	**62**	**407**	**60,117,658**
As of January 1, 2023		24,951,334	62	406	59,483,288
Exercise of share options and RSUs		59,868	—	2	658,545
Shares repurchased and cancelled		(119,200)	—	(2)	(1,216,642)
Issuance of ordinary shares to Share Scheme Trusts	(a)	176,120	—	—	—
Release of ordinary shares from Share Scheme Trusts	(a)	—	—	1	1,788,344
Share issued for acquisition of Zimi completed in 2021		5,305	—	—	64,752
As of December 31, 2023		25,073,427	62	407	60,778,287

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

25 Share capital and treasury shares (continued)

(a) Share capital (continued)

Issued (continued):

Note:

(a) The Company issued ordinary shares with respect to the share options and RSUs under the employees share-based compensation scheme to be exercised by certain grantees of the Company to trusts, which were established to hold the shares for and on behalf of the grantees (collectively, "**Share Scheme Trusts**").

(b) Treasury shares

	Number of shares '000	Amounts RMB'000
As of January 1, 2024	32,828	438,291
Shares repurchased	260,375	3,531,531
Shares cancelled	(272,648)	(3,702,569)
Release of ordinary shares from Share Scheme Trusts	(16,342)	(232,575)
As of December 31, 2024	4,213	34,678
As of January 1, 2023	20,289	190,795
Shares repurchased	133,677	1,485,385
Shares cancelled	(119,200)	(1,216,644)
Release of ordinary shares from Share Scheme Trusts	(1,938)	(21,245)
As of December 31, 2023	32,828	438,291

25 Share capital and treasury shares (continued)

(b) Treasury shares (continued)

During the year ended December 31, 2024, the Company repurchased its own ordinary shares on the Stock Exchange of Hong Kong Limited as follows:

Month/Year	Number of shares '000	Highest price paid per share HK$	Lowest price paid per share HK$	Aggregate price paid HK$'000
January 2024	112,100	15.54	12.30	1,533,096
February 2024	26,000	12.78	12.08	324,556
March 2024	14,941	15.00	14.76	222,663
April 2024	18,200	15.98	15.42	285,886
May 2024	5,600	17.74	17.40	98,786
June 2024	42,334	18.00	16.44	728,525
July 2024	39,500	17.00	16.08	656,099
September 2024	1,700	18.50	18.42	31,379
	260,375			3,880,990

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

26 Other reserves

	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Statutory surplus reserve RMB'000	General reserve RMB'000	Capital reserve RMB'000	Conversion option RMB'000	Others RMB'000	Total RMB'000
At January 1, 2024	8,309,244	1,432,953	3,335,429	67,886	308,168	1,764,799	265,139	15,483,618
Appropriation to statutory reserves (Note (a))	–	–	304,467	–	–	–	–	304,467
Appropriation to general reserves	–	–	–	(16,015)	–	–	–	(16,015)
Employees share-based compensation scheme:								
– value of employee services (Note (c) and Note 28)	3,761,843	–	–	–	–	–	–	3,761,843
– exercise of share options and RSUs	(617,499)	–	–	–	–	–	–	(617,499)
Share of other comprehensive loss of investments accounted for using the equity method (Note 11(b))	–	–	–	–	–	–	(31,402)	(31,402)
Share of other reserves of investments accounted for using the equity method (Note 11(b))	–	–	–	–	13,327	–	–	13,327
Release of ordinary shares from Share Scheme Trust (Note 25(a)(a))	(2,493,210)	–	–	–	–	–	–	(2,493,210)
Transfer of share of other comprehensive loss to profit or loss upon disposal and deemed disposal of investments accounted for using the equity method	–	–	–	–	–	–	2,846	2,846
Transfer from other reserves to profit or loss upon disposal and deemed disposal of investments accounted for using the equity method	–	–	–	–	(32,740)	–	–	(32,740)
Net losses from changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	(85,302)	(85,302)
Share consideration for acquisition of Zimi completed in 2021	–	–	–	–	(62,747)	–	–	(62,747)
Capital repurchased from non-controlling interest shareholder	–	–	–	–	22,909	–	–	22,909
Others	–	–	–	–	–	–	(275)	(275)
Currency translation differences (Note (b))	–	863,428	–	–	–	–	–	863,428
At December 31, 2024	8,960,378	2,296,381	3,639,896	51,871	248,917	1,764,799	151,006	17,113,248

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(Expressed in RMB unless otherwise indicated)

26 Other reserves (continued)

	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Statutory surplus reserve RMB'000	General reserve RMB'000	Capital reserve RMB'000	Conversion option RMB'000	Others RMB'000	Total RMB'000
At January 1, 2023	7,415,315	381,026	2,632,834	52,225	420,118	1,764,799	284,691	12,951,008
Appropriation to statutory reserves (Note (a))	–	–	704,678	–	–	–	–	704,678
Appropriation to general reserves	–	–	–	15,661	–	–	–	15,661
Employees share-based compensation scheme:								
– value of employee services (Note (c) and Note 28)	3,280,371	–	–	–	–	–	–	3,280,371
– exercise of share options and RSUs	(580,578)	–	–	–	–	–	–	(580,578)
Share of other comprehensive income of investments accounted for using the equity method (Note 11(b))	–	–	–	–	–	–	9,326	9,326
Share of other reserves of investments accounted for using the equity method (Note 11(b))	–	–	–	–	38,532	–	–	38,532
Release of ordinary shares from Share Scheme Trust (Note 25(a)(a))	(1,805,864)	–	–	–	–	–	–	(1,805,864)
Transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of investments accounted for using the equity method	–	–	–	–	–	–	(2,167)	(2,167)
Transfer from other reserves to profit or loss upon disposal and deemed disposal of investments accounted for using the equity method	–	–	–	–	(85,730)	–	–	(85,730)
Net losses from changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	(26,711)	(26,711)
Share consideration for acquisition of Zimi completed in 2021	–	–	–	–	(64,752)	–	–	(64,752)
Others	–	–	(2,083)	–	–	–	–	(2,083)
Currency translation differences (Note (b))	–	1,051,927	–	–	–	–	–	1,051,927
At December 31, 2023	8,309,244	1,432,953	3,335,429	67,886	308,168	1,764,799	265,139	15,483,618

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

26 Other reserves (continued)

Notes:

(a) In accordance with the Company Law of the People's Republic of China and the stipulated provisions of the articles of association of subsidiaries with limited liabilities in mainland China, appropriation of net profits (after offsetting accumulated losses from prior years) should be made by these companies to their respective statutory surplus reserve funds and discretionary reserve funds before distributions are made to the owners. The percentage of appropriation to statutory surplus reserve fund is 10%. The amount to be transferred to discretionary reserve fund is determined by the equity owners of these companies. When the balance of the statutory surplus reserve fund reaches 50% of the registered capital, such transfer needs not to be made. Both statutory surplus reserve fund and discretionary reserves fund can be capitalized as capital of an enterprise, provided that the remaining statutory surplus reserve fund shall not be less than 25% of the registered capital.

In addition, in accordance with the Law of the People's Republic of China on Enterprises with Foreign Investments and the stipulated provisions of the articles of association of wholly owned foreign subsidiaries in mainland China, appropriation from net profits (after offsetting accumulated losses brought forward from prior years) should be made by these companies to their respective reserve fund. The percentage of net profit to be appropriated to the reserve fund is not less than 10% of the net profit. When the balance of the reserve fund reaches 50% of the registered capital, such transfer needs not to be made. With approvals obtained from respective boards of directors of these companies, the reserve fund can be used to offset accumulated deficit or to increase capital.

(b) Foreign currency translation reserve represents the difference arising from the translation of the financial statements of companies within the Group that have a functional currency different from the presentation currency of RMB for the preparation of this consolidated financial statements.

(c) Share-based compensation reserve arises from equity-settled share-based payments granted to employees of the Group, see Note 28 for detail.

27 Dividends

No dividends have been paid or declared by the Company during the years ended December 31, 2024 and 2023.

28 Share-based payments

On May 5, 2011, the Board of Directors of the Company approved the establishment of the "Xiaomi Corporation 2011 Employee Stock Option Plan" ("**2011 Plan**") with the purpose of attracting, motivating, retaining and rewarding certain employees and directors. The 2011 Plan was valid and effective for 10 years from the approval of the Board of Directors. The maximum number of shares that may be issued under 2011 Plan shall be 35,905,172 Class B ordinary shares (which were adjusted to 1,436,206,880 shares after the 1 to 4 share split on March 14, 2014 and further 1 to 10 Share Subdivision on June 17, 2018). The 2011 Plan permits the awards of options and RSUs.

Subsequently in August 2012, the 2011 Plan was superseded in its entirety as the "2012 Employee Stock Incentive Plan" ("**Pre-IPO ESOP**"). The purpose of Pre-IPO ESOP is same as the 2011 Plan. The Pre-IPO ESOP was valid and effective for 10 years from the approval of the Board of Directors. Through Pre-IPO ESOP, the Company may grant equity-based incentive up to 45,905,172 Class B ordinary shares initially (which were adjusted to 1,836,206,880 shares after the 1 to 4 share split on March 14, 2014 and further 1 to 10 Share Subdivision on June 17, 2018). The aggregate number of reserved Class B ordinary shares approved was 2,512,694,900. The Pre-IPO ESOP permits the awards of options and RSUs.

On June 17, 2018, the Board of Directors of the Company adopted the establishment of the 2018 Share Option Scheme. The purpose of 2018 Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The total number of Class B ordinary shares available for grant under 2018 Share Option Scheme was 1,568,094,311 shares.

On June 17, 2018, the Board of Directors of the Company adopted the establishment of the 2018 Share Award Scheme. The purpose of the 2018 Share Award Scheme are (1) to align the interests of eligible persons with those of the Group through ownership of Class B ordinary shares, dividends and other distributions paid on shares and/or the increase in value of the Class B ordinary shares, and (2) to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group. The aggregate number of Class B ordinary shares underlying all grants made pursuant to the 2018 Share Award Scheme will not exceed 1,118,806,541 shares without shareholders' approval.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

28 Share-based payments (continued)

On June 8, 2023, the Board of Directors of the Company adopted the 2023 Share Scheme. The purpose of the 2023 Share Scheme are (1) to align the interests of eligible persons with those of the Group through ownership of Class B ordinary shares, dividends and other distributions paid on shares and/or the increase in value of the Class B ordinary shares, and (2) to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group. The aggregate number of Class B ordinary shares underlying all grants made pursuant to the 2023 Share Scheme will not exceed 2,503,959,565 shares without shareholder's approval.

On June 6, 2024, the Group approved the establishment of the 2024 Xiaomi HK Share Scheme. The purpose of the 2024 Xiaomi HK Share Scheme are to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

Pre-IPO ESOP

Share options granted

Movements in the number of share options granted under Pre-IPO ESOP and their related weighted average exercise prices are as below:

	Number of share options	Average exercise price per share option (US$)
Outstanding as of January 1, 2024	**270,705,124**	**0.02**
Forfeited during the year	**(5,513,472)**	**0.12**
Transferred to Share Scheme Trust (Note 25(a)(a))	**(9,092,348)**	**0.10**
Exercised during the year	**(45,602,180)**	**0.29**
Outstanding as of December 31, 2024	**210,497,124**	**0.21**
Exercisable as of December 31, 2024	**175,447,124**	**0.23**
Outstanding as of January 1, 2023	345,873,793	0.05
Forfeited during the year	(10,565,000)	0.11
Transferred to Share Scheme Trust (Note 25(a)(a))	(4,735,000)	0.12
Exercised during the year	(59,868,669)	0.18
Outstanding as of December 31, 2023	270,705,124	0.02
Exercisable as of December 31, 2023	238,753,023	0.25

The weighted average remaining contract life for outstanding share options was 2.01 years and 2.51 years as of December 31, 2024 and 2023, respectively.

(Expressed in RMB unless otherwise indicated)

28 Share-based payments (continued)

2018 Share Option Scheme

Share options granted

Movements in the number of share options granted under 2018 Share Option Scheme and their related weighted average exercise prices are as below:

	Number of share options	Average exercise price per share option (HK$)
Outstanding as of January 1, 2024	**120,700,000**	**24.53**
Granted during the year	**—**	**—**
Forfeited during the year	**—**	**—**
Exercised during the year	**(3,000,000)**	**13.60**
Outstanding as of December 31, 2024	**117,700,000**	**24.82**
Exercisable as of December 31, 2024	**13,775,000**	**25.06**
Outstanding as of January 1, 2023	120,700,000	24.53
Granted during the year	—	—
Forfeited during the year	—	—
Exercised during the year	—	—
Outstanding as of December 31, 2023	120,700,000	24.53
Exercisable as of December 31, 2023	10,537,500	22.54

The weighted average remaining contract life for outstanding share options was 5.70 years and 6.69 years as of December 31, 2024 and 2023, respectively.

Fair value of share options

The Group has used Binomial option-pricing model to determine the fair value of the share option as of the grant date.

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(Expressed in RMB unless otherwise indicated)

28 Share-based payments (continued)

2018 Share Award Scheme

RSUs granted

Movements in the number of RSUs granted under 2018 Share Award Scheme and the respective weighted average grant date fair value are as below:

	Number of RSUs	Weighted average grant date fair value per RSU (HK$)
Outstanding as of January 1, 2024	**614,195,710**	**15.24**
Granted during the year	**—**	**—**
Forfeited during the year	**(36,860,739)**	**15.71**
Transferred to Share Scheme Trust (Note 25(a)(a))	**(182,387,598)**	**15.90**
Outstanding as of December 31, 2024	**394,947,373**	**14.90**
Outstanding as of January 1, 2023	569,589,764	16.86
Granted during the year	238,816,959	11.69
Forfeited during the year	(61,701,292)	16.42
Transferred to Share Scheme Trust (Note 25(a)(a))	(132,509,721)	15.25
Outstanding as of December 31, 2023	614,195,710	15.24

The weighted average remaining contract life for outstanding RSUs was 7.63 years and 8.38 years as of December 31, 2024 and 2023, respectively.

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28 Share-based payments (continued)

2023 Share Scheme

RSUs granted

Movements in the number of RSUs granted under 2023 Share Scheme and the respective weighted average grant date fair value are as below:

	Number of RSUs	Weighted average grant date fair value per RSU (HK$)
Outstanding as of January 1, 2024	145,582,239	13.39
Granted during the year	278,267,045	18.05
Forfeited during the year	(22,761,054)	14.82
Transferred to Share Scheme Trust (Note 25(a)(a))	(36,521,599)	13.55
Outstanding as of December 31, 2024	364,566,631	16.84
Outstanding as of January 1, 2023	—	—
Granted during the year	150,622,365	13.37
Forfeited during the year	(5,040,126)	12.83
Transferred to Share Scheme Trust (Note 25(a)(a))	—	—
Outstanding as of December 31, 2023	145,582,239	13.39

The weighted average remaining contract life for outstanding RSUs was 7.85 years and 9.64 years as of December 31, 2024 and 2023, respectively.

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28 Share-based payments (continued)

2024 Xiaomi HK Share Scheme

Share options granted

Movements in the number of share options granted under 2024 Xiaomi HK Share Scheme and their related weighted average exercise price are as below:

	Number of share options	Average exercise price per share option (US$)
Outstanding as of January 1, 2024	—	—
Granted during the year	510,335,236	0.10
Forfeited during the year	(27,299,942)	0.10
Outstanding as of December 31, 2024	483,035,294	0.10

Fair value of share options

The Group has used Binomial Option-pricing model to determine the fair value of the share options as of the grant date. Key assumptions are set as below:

	Year ended December 31, 2024
Exercise price	US$0.10
Risk-free interest rate	4.36%–4.58%
Dividend yield	—
Expected volatility	46.89%–47.87%
Expected terms	10 years

The total expenses recognized in the consolidated income statement in connection with share-based payments schemes granted to the Group's employees are RMB3,761,843,000 and RMB3,279,535,000 for the years ended December 31, 2024 and 2023, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

28 Share-based payments (continued)

Employee fund

On August 31, 2014, the Board of Directors of the Company approved the establishment of Employee Fund with the purpose of which is to invest in companies within the business ecosystem of the Group. The Company invited certain employees to participate, with the condition that they would only receive the original investment sum with interest should they decide to resign from the Group within 5 years from the establishment date (the "**Lockup Period**"). Upon the end of the Lockup Period, the holders would become the limited partners of the Employee Fund. According to the arrangement of Employee Fund, the limited partners of the Employee Fund can demand the Company to buy back the shares at fair value or continue to hold the shares when they resign after the Lockup Period. A liability was recognized and measured at fair value for the obligation to payment in cash when demand. The duration of the Employee Fund expired and the units held by the limited partners was repurchased by the Group in December 2024, as a result of this, the balance of liabilities related to this cash-settled share-based payments was nil as of December 31, 2024.

The total expenses reversed and recognized in the consolidated income statement for the Employee Fund granted to the Group's employees are RMB35,758,000 and RMB99,135,000 for the years ended December 31, 2024 and 2023, respectively.

Share based awards granted to Lei Jun

On June 17, 2018, Lei Jun was granted 42,070,000 share options in Xiaomi Finance Inc. ("**Xiaomi Finance**") pursuant to the first share option scheme adopted by Xiaomi Finance. Such share options were vested immediately, and Lei Jun can exercise these share options with exercise price of RMB3.8325 for each share option for the following 20 years commencing on June 17, 2018.

No share option was exercised for the years ended December 31, 2024 and 2023, respectively.

29 Other non-current liabilities

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Liabilities to investors (Note (a))	**11,529,232**	13,803,045
Lease liabilities (Note 16)	**3,169,514**	1,256,155
Payables for purchase of intangible assets	**1,478,840**	2,768,401
Deferred government grants	**2,073,346**	2,115,561
Others	**61,268**	71,111
	18,312,200	20,014,273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

29 Other non-current liabilities (continued)

Note:

(a) It mainly represents the funds injected by the third party investors under Hubei Xiaomi Yangtze River Industry Investment Fund Partners (Limited Partnership) (湖北小米長江產業基金合夥企業(有限合夥)) (the "**Hubei Fund**") and Beijing Xiaomi Zhizao Equity Investment Fund Partners (Limited Partnership) (北京小米智造股權投資基金合夥企業(有限合夥)) (the "**Beijing Fund**"). The Group controls the Hubei Fund and the Beijing Fund as the Group is exposed to and has rights to variable returns from its involvement with the Hubei Fund and the Beijing Fund, and has the ability to affect those returns through its power over the Hubei Fund and the Beijing Fund.

For the amount raised from limited partners of the Hubei Fund, the Group has contractual obligation to settle the liability with the limited partners and therefore is classified as a financial liability measured at amortized cost in the consolidated financial statements. The carrying amount of this financial liability approximates to its fair value.

For the amount raised from limited partners of the Beijing Fund, the Group has contractual obligation to settle the liability with the limited partners and the management designates it as a financial liability measured at fair value through profit or loss in the consolidated financial statements.

30 Trade payables

Trade payables primarily include payables for inventories. As of December 31, 2024 and 2023, the carrying amounts of trade payables were primarily denominated in RMB, US$ and INR.

Trade payables and their aging analysis based on invoice date are as follows:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Up to 3 months	68,064,824	52,493,579
3 to 6 months	18,694,125	4,809,809
6 months to 1 year	9,035,928	3,039,535
1 to 2 years	1,626,560	1,001,272
Over 2 years	859,148	754,305
	98,280,585	62,098,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

31 Other payables and accruals

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Amounts collected for third parties	1,111,377	858,632
Payroll and welfare payables	4,397,878	3,120,400
Deposits payable	7,897,341	4,761,399
Accrual expenses	4,227,784	2,742,593
Payables for construction cost	2,145,851	2,220,127
Other taxes payables	2,101,538	1,648,291
Lease liabilities (Note 16)	2,238,842	712,011
Deposits from customers	2,222,025	1,519,475
Deferred government grants	3,949,644	2,771,695
Payables for purchase of intangible assets	2,381,930	2,390,221
Others	3,697,825	2,869,806
	36,372,035	25,614,650

The carrying amounts of other payables were primarily denominated in RMB and US$ and approximate their fair values as of December 31, 2024 and 2023.

32 Advance from customers

Advance from customers mainly included contract liabilities, which are the Group's obligations to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. As of December 31, 2024, the total contract liabilities amounted to RMB15,086,463,000 (2023: RMB12,612,179,000), which will be recognized as revenue within one year.

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33 Borrowings

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Included in non-current liabilities		
Secured borrowings (Note (a))	1,827,365	—
Unsecured borrowings (Note (b))	15,448,356	16,631,078
Convertible bonds (Note (c))	—	5,042,891
	17,275,721	21,673,969
Included in current liabilities		
Secured borrowings (Note (a))	73,094	—
Unsecured borrowings (Note (b))	7,893,845	6,183,376
Convertible bonds (Note (c))	5,360,358	—
	13,327,297	6,183,376

Notes:

(a) As of December 31, 2024, RMB1,900,459,000 (2023: Nil) of borrowings were secured by buildings and land use rights amounting to approximately RMB2,619,484,000 (2023: Nil). The interest rate of these borrowings was 2.90% (2023: Nil) per annum.

(b) As of December 31, 2024, other than the interest rate of 53.00% (2023: 49.00%) for unsecured borrowings in Turkish Lira ("**TRY**") 500,000,000 (2023: TRY200,000,000) which was equivalent to RMB102,555,000 (2023: RMB48,102,000), and the interest rate of 14.00% (2023: Nil) for unsecured borrowings in Bangladeshi Taka ("**BDT**") 280,000,000 (2023: Nil) , which was equivalent to RMB16,847,600 (2023: Nil), the interest rate of the remaining unsecured borrowings was 2.22% to 5.22% (2023: 2.40% to 6.19%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

33 Borrowings (continued)

Notes (continued):

(c) On December 17, 2020, the Group completed the issuance of 7-Year US$855,000,000 zero coupon guaranteed convertible bonds due on December 17, 2027 (the "**Bonds**") to third party professional investors (the "**bondholders**"). The bondholders have the right, at any time on or after January 27, 2021 up to the 10 days prior to the maturity date, to convert part or all of the outstanding principal amount of the Bonds into ordinary shares of the Group at a conversion price of HK$36.74 per share, subject to adjustments. The bondholders also has the right to require the Group to redeem all or some of the bond on December 17, 2025; and to require the Group to redeem all or some Bonds on some specified events. The outstanding principal amount of the Bonds is repayable by the Group upon the maturity of the Bonds on December 17, 2027, if not previously redeemed, converted or purchased and cancelled.

The specified redeem events has not incurred, however, as the bondholders has the right to require the Group to redeem the bond within 12 months as of December 31, 2024, the Bonds is classified as current liabilities as of December 31, 2024.

The liability component of the Bonds recognized in the balance sheet are calculated as follows:

	RMB'000
Liability component as of January 1, 2024	**5,042,891**
Interest accrued	**239,647**
Effect of foreign currency translation	**77,820**
Liability component as of December 31, 2024	**5,360,358**
Liability component as of January 1, 2023	4,734,741
Interest accrued	226,884
Effect of foreign currency translation	81,266
Liability component as of December 31, 2023	5,042,891

The equity component of the Bonds of RMB1,764,799,000 was included in "Other reserves" (Note 26) of the Group as of December 31, 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

34 Deferred income taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates which are expected to be applied at the time of reversal of the temporary differences.

The amount of offsetting deferred income tax assets and liabilities is RMB1,224,886,000 as of December 31, 2024 (2023: RMB497,823,000). The analysis of deferred income tax assets and liabilities before offsetting is as follows:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Deferred income tax assets:		
— to be recovered after 12 months	1,555,467	782,601
— to be recovered within 12 months	2,451,401	1,875,972
	4,006,868	2,658,573
Deferred income tax liabilities:		
— to be settled after 12 months	(2,472,267)	(1,957,295)
— to be settled within 12 months	(34,815)	(34,815)
	(2,507,082)	(1,992,110)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

34 Deferred income taxes (continued)

The movement in deferred income tax assets and liabilities during the years without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets:

	Accrued liabilities and provisions RMB'000	Provision for impairment of inventories RMB'000	Depreciation of property, plant and equipment and amortization of intangible assets RMB'000	Tax losses RMB'000	Fair value changes of financial assets RMB'000	Credit loss allowance RMB'000	Unrealized gain on intra-group transactions RMB'000	Lease RMB'000	Others RMB'000	Total RMB'000
At January 1, 2024	906,011	367,103	30,226	212,807	123,115	76,714	526,144	319,317	97,136	2,658,573
Credited/(debited) to consolidated income statement	255,429	88,252	10,288	(189,773)	133,041	(22,355)	254,103	553,380	265,930	1,348,295
At December 31, 2024	1,161,440	455,355	40,514	23,034	256,156	54,359	780,247	872,697	363,066	4,006,868
At January 1, 2023	686,101	491,545	43,176	452,826	89,846	41,439	622,024	463,436	86,193	2,976,586
Credited/(debited) to consolidated income statement	219,910	(124,442)	(12,950)	(240,019)	33,269	35,275	(95,880)	(144,119)	10,943	(318,013)
At December 31, 2023	906,011	367,103	30,226	212,807	123,115	76,714	526,144	319,317	97,136	2,658,573

Deferred income tax assets are recognized for deductible temporary differences to the extent that the realization of the related tax benefits through future taxable profits is probable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34 Deferred income taxes (continued)

Deferred income tax liabilities:

	Fair value changes of financial assets RMB'000	Depreciation of property, plant and equipment and amortization of intangible assets RMB'000	Unrealized exchange (loss)/gain RMB'000	Business combination RMB'000	Lease RMB'000	Others RMB'000	Total RMB'000
At January 1, 2024	**(1,477,863)**	**(118,707)**	**—**	**(153,659)**	**(241,559)**	**(322)**	**(1,992,110)**
(Debited)/credited to consolidated income statement	**(19,537)**	**(6,929)**	**(10,081)**	**34,815**	**(513,237)**	**(3)**	**(514,972)**
At December 31, 2024	**(1,497,400)**	**(125,636)**	**(10,081)**	**(118,844)**	**(754,796)**	**(325)**	**(2,507,082)**
At January 1, 2023	(773,742)	(147,944)	(140,282)	(188,473)	(430,989)	(237)	(1,681,667)
(Debited)/credited to consolidated income statement	(704,121)	29,237	140,282	34,814	189,430	(85)	(310,443)
At December 31, 2023	(1,477,863)	(118,707)	—	(153,659)	(241,559)	(322)	(1,992,110)

As of December 31, 2024, the Group did not recognize deferred income tax assets of RMB8,336,779,000 (2023: RMB3,262,716,000), in respect of deductible temporary differences and cumulative tax losses amounting RMB35,413,855,000 (2023: RMB18,415,305,000), that can be carried forward against future taxable income. The tax losses as of December 31, 2024 amounting to RMB4,205,949,000 (2023: RMB2,343,293,000) can be carried forward indefinitely, and the remaining amount of RMB23,161,627,000 (2023: RMB15,477,728,000) will expire within 12 years (2023: 11 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

35 Cash flow information

(a) Cash generated from operations

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Profit before income tax	28,126,653	22,011,047
Adjustments for:		
— Depreciation of property, plant and equipment, right-of-use assets and investment properties	3,626,279	2,401,979
— Amortization of intangible assets	2,691,990	2,434,308
— Gains on disposal of property, plant and equipment	(9,147)	(12,510)
— Loss on early termination of land use rights	52,051	—
— Net impairment losses on financial assets	195,938	321,528
— Provision for impairment of inventories	5,762,582	3,861,753
— Impairment on investments accounted for using the equity method (Note 7)	161,668	7,138
— Interest income	(3,836,204)	(3,558,347)
— Interest expense	212,447	1,555,970
— Dividend income	(298,647)	(157,569)
— Share of net profits of investments accounted for using the equity method	(276,845)	(45,615)
— Gains on disposal and deemed disposal of investments accounted for using the equity method	(635,599)	(1,580,123)
— Fair value changes on financial instruments measured at fair value through profit or loss	(1,050,772)	(3,501,053)
— Share-based compensation	3,726,085	3,378,670
— Foreign exchange losses/(gains), net	319,630	(124,405)
Operating cash flows before changes in working capital		
— (Increase)/decrease in inventories	(24,131,971)	2,173,795
— Increase in trade and notes receivables	(8,387,158)	(1,652,782)
— Increase in loan receivables	(2,567,194)	(1,983,565)
— Increase in prepayments and other receivables	(8,319,875)	(2,426,241)
— Increase in restricted cash	(735,361)	(659,788)
— Increase in trade payables	36,092,511	11,147,623
— Increase in advance from customers	2,966,496	4,026,797
— Increase in provisions	1,243,112	1,537,927
— Increase in other payables and accruals	7,876,262	3,101,149
— (Decrease)/increase in other non-current liabilities	(42,214)	2,054,557
Cash generated from operations	42,762,717	44,312,243

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

35 Cash flow information (continued)

(b) Non-cash investing and financing transactions

Other than addition of right-of-use assets and lease liabilities described in Note 16, transfer of investments accounted for using the equity method to financial assets at fair value through profit or loss as described in Note 11(b) and Note 19, addition of intangible assets in Note 15 with increase of payables for purchase of intangible assets in Note 29 and Note 31, addition of property, plant and equipment in Note 14 with payables for purchase of property, plant and equipment in Note 31, there were no material non-cash investing and financing transactions for the years ended December 31, 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

35 Cash flow information (continued)

(c) Reconciliation of liabilities generated from financing activities

	Liabilities from financing activities					
	Borrowing RMB'000	Interest payable RMB'000	Liabilities to investors RMB'000	Lease liabilities RMB'000	Payables for purchase of intangible assets RMB'000	Total RMB'000
Liabilities from financing activities as of January 1, 2024	27,857,345	9,631	13,803,045	1,968,166	5,158,622	48,796,809
Cash flows	6,136,699	(121,344)	(113,749)	(2,476,524)	(3,182,954)	242,128
Accrued interest expenses	857,111	141,719	(1,119,698)	165,770	167,545	212,447
Foreign exchange adjustments	263,736	—	—	—	5,787	269,523
Other non-cash movements (Note (a))	(4,511,873)	—	(123,909)	5,750,944	1,711,770	2,826,932
Liabilities from financing activities as of December 31, 2024	30,603,018	30,006	12,445,689	5,408,356	3,860,770	52,347,839
Liabilities from financing activities as of January 1, 2023	23,644,002	157,830	14,859,228	2,412,128	—	41,073,188
Cash flows	4,262,857	(177,329)	(1,467,129)	(1,197,692)	(1,393,188)	27,519
Accrued interest expenses	839,025	193,288	405,724	83,117	39,535	1,560,689
Foreign exchange adjustments	271,122	—	—	—	—	271,122
Other non-cash movements (Note (a))	(1,159,661)	(164,158)	5,222	670,613	6,512,275	5,864,291
Liabilities from financing activities as of December 31, 2023	27,857,345	9,631	13,803,045	1,968,166	5,158,622	48,796,809

Note:

(a) It mainly resulted from the addition of payables for purchase of intangible assets, the addition of leases and the maturity of discounted commercial bill acceptance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

36 Contingencies

The Group, in the ordinary course of its business, is involved in various claims, suits, and legal proceedings that arise from time to time. Since December 2021, Xiaomi India has been involved in various investigations and notifications initiated by relevant Indian authorities including the Income Tax Department, the Directorate of Revenue Intelligence and the Directorate of Enforcement in relation to compliance of relevant income tax regulations, custom duties regulations as well as foreign exchange regulations, respectively.

In this connection, Xiaomi India received orders alleging that it has inappropriately deducted certain costs and expenses, including purchase costs of mobile phones and royalty fees paid to overseas third parties as well as companies within the Group. As a result, certain of its bank accounts has been attached and thereby INR47,042,193,000 (equivalent to RMB4,016,462,000) has been considered as restrictive as of December 31, 2024. The cases are currently in the hearing stages and not yet concluded.

Management assessed the aforesaid matters related to Xiaomi India, after taking into considerations of opinions from professional advisors, it is concluded that Xiaomi India has valid grounds to respond to the relevant Indian authorities. The Group, hence, has not made any material provision as of December 31, 2024 pertaining to these matters.

Conclusions of legal proceedings, investigations and allegations could take a long period of time, and the Group could receive judgments or enter into settlements that may adversely affect its operating results or cash flows. Quantifying the related financial effects is not practical at this stage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

37 Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the years but not yet incurred is as follows:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Property, plant and equipment	1,358,296	1,068,216
Intangible assets	6,390	5,932
Investments	1,193,692	857,726
	2,558,378	1,931,874

(b) Operating lease commitments

The Group leases offices, warehouses, retail stores and servers under non-cancellable lease agreements. The Group has recognized right-of-use assets and lease liabilities for these leases, except for certain short-term leases, variable lease payments and leases contracted but before the commencement date as shown in the table below, see Note 16 for further information. The Group's future aggregate minimum lease payments under non-cancellable leases are as follows:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Not later than 1 year	9,046	278,368
Later than 1 year and not later than 5 years	36,556	550,153
Later than 5 years	388	825,079
	45,990	1,653,600

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

38 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control. Members of key management of the Group and their close family members are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the years presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Significant transactions with related parties

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
(i) Sales of goods and services		
Associates of the Group	353,800	349,954
Associates of Lei Jun	2,248	47,254
	356,048	397,208
(ii) Purchases of goods and services		
Associates of the Group	43,724,394	32,017,985
Associates of Lei Jun	958	4,891
	43,725,352	32,022,876

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

38 Related party transactions (continued)

(b) Significant year end balances with related parties

	As of December 31, 2024 RMB'000	2023 RMB'000
(i) Trade receivables from related parties		
Associates of the Group	95,156	133,432
Associates of Lei Jun	2,666	2,921
	97,822	136,353
(ii) Trade payables to related parties		
Associates of the Group	10,418,355	9,698,412
Associates of Lei Jun	3,681	2,572
	10,422,036	9,700,984
(iii) Prepayments and other receivables from related parties		
Associates of the Group	442,112	251,536
Associates of Lei Jun	32,552	37,478
	474,664	289,014
(iv) Other payables and accruals to related parties		
Associates of the Group	116,504	78,141
Associates of Lei Jun	86,711	82,799
	203,215	160,940
(v) Advance from customers		
Associates of the Group	75,500	65,271
Associates of Lei Jun	10,510	10,570
	86,010	75,841

All the balances with related parties above were unsecured, non-interest bearing and repayable within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

38 Related party transactions (continued)

(c) Loans to related parties

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Loans to associates:		
At the beginning of the year	50,424	1,936
Loans advanced	—	50,000
Interest charged	2,826	424
Loans and interest repaid	(53,250)	(2,761)
Less: credit loss allowance	—	757
Currency translation differences	—	68
At the end of the year	—	50,424

(d) Key management compensation

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Wages and salaries	19,375	20,557
Discretionary bonuses	28,183	7,140
Share-based compensation expenses	458,005	384,205
Contributions to pension plans and other employee benefits	1,791	1,821
	507,354	413,723

39 Events after the reporting period

The Company repurchased 6,829,800 Class B ordinary shares of the Company during January 2025. The total considerations were approximately HK$224,943,000. And the shares repurchased were subsequently cancelled on March 6, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

40 Financial position and reserve movement of the Company

(a) Financial position of the Company

	As of December 31, 2024 RMB'000	2023 RMB'000
Assets		
Non-current assets		
Property, plant and equipment	27	60
Investment in subsidiaries	42,888,797	41,000,871
Investment accounted for using the equity method	188,141	426,827
Other assets	—	79
	43,076,965	41,427,837
Current assets		
Prepayments and other receivables	22,877,669	24,466,383
Cash and cash equivalents	1,520,771	453,104
	24,398,440	24,919,487
Total assets	67,475,405	66,347,324
Equity and liabilities		
Equity attributable to owners of the Company		
Share capital	407	407
Reserves (Note 40(b))	63,464,008	62,775,595
Total equity	63,464,415	62,776,002
Liabilities		
Current liabilities		
Other payables and accruals	4,010,990	3,571,322
Total liabilities	4,010,990	3,571,322
Total equity and liabilities	67,475,405	66,347,324

The balance sheet of the Company was approved by the Board of Directors on March 18, 2025 and was signed on its behalf:

Lei Jun　　　　Lin Bin

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

40 Financial position and reserve movement of the Company (continued)

(b) Reserve movement of the Company

	Treasury shares RMB'000	Share premium RMB'000	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Capital reserve RMB'000	Accumulated losses RMB'000	Conversion option RMB'000	Others RMB'000	Total RMB'000
At January 1, 2024	(438,291)	60,778,287	8,345,086	2,888,998	252,874	(10,808,995)	1,764,799	(7,163)	62,775,595
Loss for the year	–	–	–	–	–	(298,913)	–	–	(298,913)
Purchase of own shares	(3,531,531)	–	–	–	–	–	–	–	(3,531,531)
Cancellation of shares	3,702,569	(3,702,564)	–	–	–	–	–	–	5
Release of ordinary shares from Share Scheme Trust	232,575	2,268,200	(2,493,210)	–	–	–	–	–	7,565
Employees share-based compensation scheme:									
– value of employee services (Note 28)	–	–	3,742,366	–	–	–	–	–	3,742,366
– exercise of share options and RSUs (Note 28)	–	710,988	(617,499)	–	–	–	–	–	93,489
Share of other comprehensive loss of investments accounted for using the equity method	–	–	–	–	–	–	–	(19,573)	(19,573)
Share of other reserves of investments accounted for using the equity method	–	–	–	–	40,749	–	–	–	40,749
Share consideration for acquisition of Zimi completed in 2021	–	62,747	–	–	(62,747)	–	–	–	–
Currency translation differences (Note (a))	–	–	–	654,256	–	–	–	–	654,256
At December 31, 2024	(34,678)	60,117,658	8,976,743	3,543,254	230,876	(11,107,908)	1,764,799	(26,736)	63,464,008

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

40 Financial position and reserve movement of the Company (continued)

(b) Reserve movement of the Company (continued)

	Treasury shares RMB'000	Share premium RMB'000	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Capital reserve RMB'000	Accumulated losses RMB'000	Conversion option RMB'000	Others RMB'000	Total RMB'000
At January 1, 2023	(190,795)	59,483,288	7,491,132	2,154,679	318,783	(10,338,813)	1,764,799	(9,209)	60,673,864
Loss for the year	–	–	–	–	–	(470,182)	–	–	(470,182)
Purchase of own shares	(1,485,385)	–	–	–	–	–	–	–	(1,485,385)
Cancellation of shares	1,216,644	(1,216,642)	–	–		–	–	–	2
Release of ordinary shares from Share Scheme Trust	21,245	1,788,344	(1,805,864)	–	–	–	–	–	3,725
Employees share-based compensation scheme:									
– value of employee services (Note 28)	–	–	3,240,396	–	–	–	–	–	3,240,396
– exercise of share options and RSUs (Note 28)	–	658,545	(580,578)	–	–	–	–	–	77,967
Share of other comprehensive income of investments accounted for using the equity method	–	–	–	–	–	–	–	2,046	2,046
Share of other reserves of investments accounted for using the equity method	–	–	–	–	(1,157)	–	–	–	(1,157)
Share consideration for acquisition of Zimi completed in 2021	–	64,752	–	–	(64,752)	–	–	–	–
Currency translation differences (Note (a))	–	–	–	734,319	–	–	–	–	734,319
At December 31, 2023	(438,291)	60,778,287	8,345,086	2,888,998	252,874	(10,808,995)	1,764,799	(7,163)	62,775,595

Note:

(a) Foreign currency translation reserve represents the difference arising from the translation of the financial statements of the Company as its functional currency in US$, different from its presentation currency as RMB.

APPENDIX II

REPRODUCTION OF THE ANNUAL FINANCIAL STATEMENTS OF THE ISSUER AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024 AND ITS AUDITOR'S REPORT

The information set out below is a reproduction of the annual financial statements of the Issuer as at and for the year ended 31 December 2024 and its auditor's report.

SG Issuer
Société Anonyme

Financial statements,
Report of the Executive Board and Corporate Governance Statement and
Audit Report of the Réviseur d’Entreprises Agréé

As at and for the year ended 31 December 2024

10, Porte de France
L-4360 Esch-sur-Alzette
R.C.S. Luxembourg : B121.363

The version of the financial statements has been prepared based on the ESEF version which is the only authoritative one.

Executive Board Members

As at 31 December 2024

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

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

Mr Youenn LE BRIS
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

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

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

Supervisory Board Members
As at 31 December 2024

SUPERVISORY BOARD MEMBERS

Chairman:

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

Vice-president:

Mrs Peggy VENIANT COTTIN
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Members:

Mr Faouzi BORGI
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 Emanuele MAIOCCHI
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Audit Committee Members
As at 31 December 2024

AUDIT COMMITTEE MEMBERS

Chairman:

Mr Gregory CLAUDY
Independent Director
225A, rue du Burgknapp, B-6717 Heinstert, Belgium

Members:

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

Mrs Peggy VENIANT COTTIN
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Management and Administration
As at 31 December 2024

MANAGEMENT AND ADMINISTRATION

Issuer
SG Issuer
10, Porte de France, L-4360 Esch-sur-Alzette, Luxembourg (following the decision of the Extraordinary General Meeting of 26 March 2025)

15, Avenue Emile Reuter, L-2420 Luxembourg, Luxembourg (until 25 March 2025)

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

Legal advisers
To the Arranger as to English, French and U.S. laws
Allen Overy Shearman Sterling LLP
52, avenue Hoche, CS 90005, 75379 Paris Cedex 08, France

To the Trustee as to English Law
Allen Overy Shearman Sterling LLP
1 Bishops Square, London E1 6AD, United Kingdom

To the Arranger as to Luxembourg Law
Allen Overy Shearman Sterling
5, avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg

Auditor (Réviseur d'Entreprises Agréé)
PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator L-2182 Luxembourg

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 financial statements and the Report of the Executive Board and Corporate Governance Statement of the Company for the year ended 31 December 2024.

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 underlying 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, Certificates. Issuing Proceeds raised by the sale of the Notes are transferred to Société Générale Paris S.A. ("Société Générale") through a Fully Funded Swap ("FFS"), which perfectly mirrors 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 31 May 2024 and (ii) the "Programme d'Emission de Titres de Créance", the Base Prospectus of which has been updated and approved by the CSSF on 12 June 2024. Similarly, the main program for Warrants is the Warrants Issuance Program, for which the last updates have been approved by the CSSF on 26 June 2024.

In addition, (i) the German law Dual Language Debt Instruments Issuance Program has been updated and approved by the CSSF on 10 June 2024 and (ii) the Dual Language Leveraged and Tracking Products Issuance Program has been updated and approved by the CSSF on 2 July 2024.
The UK Debt Instrument Issuance program has been approved by the FCA on 31 May 2024 and the Swiss Securities Issuance Program on 3 July 2024 by the SIX Exchange Regulation Ltd.

The state of business of the Company at the closing of the financial year is adequately presented in the financial statements published hereby.

During 2024, 21 737 new Notes were issued (among which 917 new secured Notes) and 1 553 new Warrants were issued. The net profit for the period from 1 January 2024 to 31 December 2024 amounts to KEUR 234.

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 mirrors its position by contracting a FFS with Société Générale, with strictly identical characteristics. Also, for each Warrant, the Company systematically mirrors 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 15 of the financial statements hereafter.

3. FUTURE DEVELOPMENTS AND PERSPECTIVES

*In 2024, SG ISSUER issued warrants and daily leverage certificates over US single stock and listed on the Hong Kong Stock Exchanges and Clearing (**HKEX**) and the Singapore Exchange Securities Trading Limited (**Singapore Stock Exchange**) respectively.*

*SG ISSUER was the first issuer in Asia to offer US Stock listed products on both the **HKEX** and **Singapore Stock Exchange.***

4. 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.

5. 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.

Report of the Executive Board and Corporate Governance Statement (continued)
As at 31 December 2024

5.1 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 Executive 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 organized and monitored appropriately;
- Reviews and approves the Company's financial statements and condensed interim financial information;
- Supervises and controls operative management.

5.2 Supervisory Board

The Supervisory Board ensures permanently and by all means suited 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 these advisory committees of the power or mandates permanently or temporary. These advisory committees cannot have the effect of restricting the powers of the Executive Board.

5.3 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 of the Company took place on 28 April 2025, during which the financial statements for the year ended 31 December 2024 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.

5.4 Internal Audit

The Internal Audit of both Société Générale Luxembourg and Société Générale 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.

Report of the Executive Board and Corporate Governance Statement (continued)
As at 31 December 2024

5.5 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 Société Générale 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.

5.6 New Products Committee

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

5.7 Service level agreements

The Company and several of its service providers are subsidiaries of the Société Générale Group.

Service Level Agreements ("SLAs") were signed by the Company with Société Générale Luxembourg and with Société Générale. The SLAs govern the relations between the entities as well as their respective obligations. The services supplied by Société Générale 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 Société Générale 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, 29 April 2025

For the Executive Board

DocuSigned by:
7831052D58254D9...

Yves CACCLIN
Chairman of the Executive Board

DocuSigned by:
Youenn Le Bris
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Youenn LE BRIS
Member of the Executive Board

Report of the Executive Board and Corporate Governance Statement (continued)
As at 31 December 2024

CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL STATEMENTS

To the best of our knowledge, the financial statements gives a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with International Financial Accounting Standards ("IFRS") as adopted by the European Union, and the Report of the Executive Board (management report) includes a fair presentation of the development and performance of the business and the position of the Company, together with a description of the main risks and uncertainties that it faces.

Luxembourg, 29 April 2025

Executive Board Member
For the Executive Board

DocuSigned by:
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Yves CACCLIN
Chairman of the Executive Board

DocuSigned by:
Youenn Le Bris
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Youenn LE BRIS
Member of the Executive Board

Audit report

To the Shareholders of
SG Issuer

Report on the audit of the financial statements

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of SG Issuer (the “Company”) as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company’s financial statements comprise:

- the Statement of Financial Position as at 31 December 2024;
- the Statement of Profit or Loss and Other Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 13 to the financial statements.

Key audit matters

The key audit matters are those that, in our professional judgment, were of most significance in the audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements taken as a whole and for the purpose of forming our opinion thereon, and we do not express a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Mirroring of the financial instruments issued The activity of the Company mainly consists of issuing Notes (secured and unsecured) and Warrants (the “financial instruments issued”). As of 31 December 2024, the total balance of the financial instruments issued, presented in financial liabilities at fair value through profit or loss, amounts to KEUR 49,197,158 (refer to Note 4.2). The Company owns financial assets at fair value through profit or loss which amounts to KEUR 49,195,862 (refer to Note 4.1). To economically hedge the risks of the financial instruments issued, the Company enters into derivatives transactions with Société Générale S.A., presented in financial assets at fair value through profit or loss. These derivatives (Fully Funded Swaps and Options) fully replicate the characteristics of the financial instruments issued (defined hereafter as “mirroring”). Due to the significance of the financial instruments issued on the Company’s balance sheet and the potential financial impact of a non-perfect hedge, we have considered the mirroring of the financial instruments issued as a key audit matter.	As part of the audit procedures on the mirroring of the financial instruments issued, we carried out the following audit procedures: • We have inquired with the Management and the finance team of the Company to obtain an understanding of the design and implementation of the control environment; • We have inspected the minutes of the governance bodies (Executive Board, Audit Committee and Board of Directors) to inspect whether any incidents have been reported; • We have reperformed the mirroring control for a sample of dates, including the 31 December 2024 occurrence. The Company’s control aims to ensure the balancing between the assets (derivatives) and the liabilities (financial instruments issued); • We have inspected the evidence of the control performed by the Company to monitor the mirroring suspense items. The Company’s control objective is to ensure the quick clearing of any mirroring discrepancies, if any; • We have inspected the intragroup reconciliation with Société Générale S.A. and inspected that there were no material differences; • We have reconciled the financial instruments issued and the related derivative instruments with the external confirmations obtained; • We have used our internal valuation specialists for an independent valuation of the sample of financial instruments issued and of a sample of related derivatives instruments to assess the accuracy of the valuation and of the mirroring; • We have compared the presentation and disclosures of these instruments in the financial statements of the Company with the requirements of the IFRS Accounting Standards.

Other information

The Executive Board is responsible for the other information. The other information comprises the information stated in the annual report including the Report of the Executive Board and Corporate Governance Statement but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Board and those charged with governance for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

The Executive Board is responsible for presenting the financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;

- conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

We assess whether the financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Report on other legal and regulatory requirements

The Report of the Executive Board is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the Report of the Executive Board. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of the Shareholders on 26 April 2024 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

We have checked the compliance of the financial statements of the Company as at 31 December 2024 with relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements.

For the Company it relates to the requirement that financial statements are prepared in a valid XHTML format.

In our opinion, the financial statements of the Company as at 31 December 2024 have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 29 April 2025

Franck Pansera

Statement of Financial Position

As at 31 December 2024

	Notes	('000 EUR) 2024	('000 EUR) 2023
Cash and cash equivalents	3	63 575	42 010
Financial assets at fair value through profit or loss			
- *Mandatorily measured at fair value through profit or loss*	4.1	49 117 912	51 118 092
- *Trading derivatives*	4.1	77 950	57 316
Loans and receivables	5	50 026	50 035
Other assets	6	292 904	2 182 233
Total assets		**49 602 367**	**53 449 686**
Financial liabilities at amortized cost	4.3	96 621	82 741
Financial liabilities at fair value through profit or loss			
- *Designated at fair value through profit or loss*	4.2	49 120 262	51 112 066
- *Trading derivatives*	4.2, 14	76 896	57 148
Other liabilities	6	306 067	2 195 502
Tax liabilities	7	87	13
Total liabilities		**49 599 933**	**53 447 470**
Share capital	8.1	2000	2 000
Share premium		-	-
Legal reserve	8.2	200	200
Other reserves	8.2	-	-
Profit for the financial year		234	15
Total equity		**2 434**	**2 216**
Total liabilities and equity		**49 602 367**	**53 449 686**

The accompanying Notes are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	('000 EUR) 2024	('000 EUR) 2023
Interest income	9	3 496	2 685
Commission income	10	42 950	47 931
Total revenues		**46 446**	**50 616**
Interest expenses	9	(29 739)	(36 384)
Net gain / (loss) from financial instruments at fair value through profit or loss	11	263	(335)
Personnel expenses	12	(256)	(303)
Other operating expenses	13	(16 393)	(13 563)
Total expenses		**(46 125)**	**(50 585)**
Profit before tax		**321**	**31**
Income tax	7	(87)	(16)
Profit for the financial year		**234**	**15**
Total comprehensive income for the financial year		**234**	**15**

The accompanying Notes are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2024

	('000 EUR) **Share capital**	**('000 EUR)** **Share premium**	*('000 EUR)* *Legal reserve*	*('000 EUR)* *Other reserves*	**('000 EUR)** **Total reserves**	**('000 EUR)** **Profit or (loss) for the financial year**	**('000 EUR)** **Total equity**
As at 31 December 2022	**2 000**	**-**	200	**(214)**	**(14)**	**590**	**2 576**
Allocation of the result of the previous year before dividend distribution	-	-	-	590	**590**	**(590)**	**-**
Dividend to the sole shareholder	-	-	-	*(375)*	**(375)**	**-**	**(375)**
Capital increase/Allocation to the share premium account (Note 8.1)	-	22 050	-	-	**-**	**-**	**22 050**
Reimbursement of the share premium (Note 8.1)	-	(22 050)	-	-	**-**	**-**	**(22 050)**
Profit for the financial year 2023	-	-	-	-	**-**	**15**	**15**
As at 31 December 2023	**2 000**	**-**	200	1	**201**	**15**	**2 216**
Allocation of the result of the previous year before dividend distribution	-	-	-	15	**15**	**(15)**	**-**
Dividend to the sole shareholder	-	-	-	*(15)*	**(15)**		**(15)**
Capital increase/Allocation to the share premium account (Note 8.1)	-	34 361	-	-	**-**	**-**	**34 361**
Reimbursement of the share premium (Note 8.1)	-	(34 361)	-	-	**-**	**-**	**(34 361)**
Other adjustments				*(1)*	**(1)**		**(1)**
Profit for the financial year 2024	-	-	-			**234**	**234**
As at 31 December 2024	**2 000**	**-**	200	-	**200**	**234**	**2 434**

The accompanying Notes are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2024

	Notes	('000 EUR) 2024	('000 EUR) 2023
OPERATING ACTIVITIES			
Profit for the financial year		234	15
Non cash adjustments :			
Net change in fair value and foreign exchange difference	4.1, 4.2	(83 015)	(427 831)
Change in cost of risk	5		0
Net(increase)/decrease in financial assets	4.1	142 922	(6 280 576)
Net increase/(decrease) in financial liabilities	4.2	(38 530)	6 740 308
(Increase)/decrease in other assets	6	1 889 329	(1 838 738)
Increase/(decrease) in tax liabilities and other liabilities	6, 7	(1 854 986)	1 834 880
Taxes paid	7	(13)	201
NET CASH FLOWS FROM OPERATING ACTIVITIES		**55 941**	**28 259**
FINANCING ACTIVITIES			
Payment of capital surplus*	8.1	(34 361)	(22 050)
Dividend paid		(15)	(375)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(34 376)**	**(22 425)**
Cash and cash equivalents as at January 1st	3	42 010	36 176
Net increase/(decrease) in cash and cash equivalents		21 565	5 834
Cash and cash equivalents as at December 31st		**63 575**	**42 010**
Additional information on operational cash flows from interest and dividends			
Interest paid		36 331	24 735
Interest received	9	3 496	2 685
Dividend received		-	-

** KEUR 34 361 for the year ended 31 December 2024 (and KEUR 22 050 for the year ended 31 December 2023) represent the share premium reimbursed by the Company to the shareholder (refer to Note 8.1).*

The accompanying Notes are an integral part of these financial statements.

NOTE 1 – CORPORATE INFORMATION

SG Issuer (hereafter the "Company" or “SGIS”) is a Luxembourg company incorporated on 16 November 2006 as a public limited 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 50 011 shares, of which 49 911 are held by Société Générale Luxembourg (hereafter “SG Luxembourg”) and 100 are held by Société Générale S.A..

The accounts of the Company for the year ended 31 December 2024 are included in the consolidated accounts of Société Générale S.A. (hereafter ”Société Générale” or the “parent Company” or the “SG Group”), which is at once the smallest and 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.

NOTE 2 – MATERIAL 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 2024 have been prepared in accordance with International Financial Accounting 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 2024 were authorised for issue by the Supervisory Board on 28 April 2025.

2.1.2 Functional and presentation currency

The 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 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.

2.1.3 Critical estimates and judgments

The preparation of the Company's financial statements requires Executive Board to make judgments, estimates and assumptions that affect the reported amount of figures recorded in the statement of profit or loss and Other Comprehensive Income, 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 financial statements.

In order to make these assumptions and estimates, the Executive Board uses information available at the date of preparation of the 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 financial statements.

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, 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 recognized in the 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 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 analysis of the contractual cash flow characteristics of financial assets (see Note 2.3.3.1).

2.1.4 Segment reporting

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

2.2 New accounting standards

2.2.1 New accounting standards applicable as at 1 January 2024

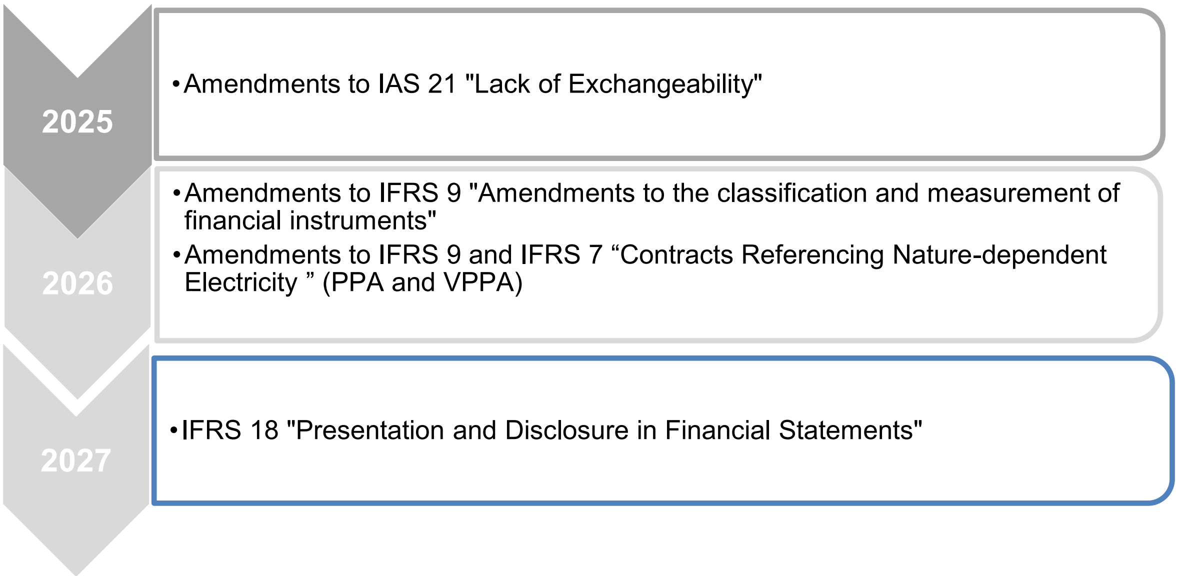
AMENDMENTS TO IFRS 16 “Lease liability in a sale and leaseback”

These amendments provide clarifications on the subsequent measurement of leaseback transactions when the original sale of the asset meets the criteria of IFRS 15 “Revenue from contract with customers” for recognition as a sale. These amendments specify in particular how to subsequently measure the lease liability arising from these leaseback transactions, made of variable lease payments that do not depend on an index or a rate.

This amendment has no impact on the Company financial statements as the Company does not have property, plant or equipment.

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

The IASB published accounting standards and amendments, some of which have not been adopted by the European Union as at 31 December 2024. Their application is required for the financial years beginning on or after 1 January 2025 at the earliest or on the date of their adoption by the European Union. They have thus not been applied to the Company as at 31 December 2024.These standards are expected to be applied according to the following schedule:



Amendments to IFRS 21 “Lack of exchangeability”

Published on 15 August 2023

These amendments specify the circumstances in which a currency is exchangeable (or not) into another currency, and how to determine the exchange rate to apply when a currency is not exchangeable. They also add to the list of supplementary information to be disclosed in the annex to the financial statements when a currency is not exchangeable.

The provisions of these amendments are already applied to the preparation of the Company’s financial statements.

Amendments to IFRS 9 "Amendments to the classification and measurement of financial instruments"

Published on 30 May 2024.

These amendments clarify the classification of financial assets, in particular on how to assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. They thus clarify the classification of financial assets with environmental, social and governance (ESG)-linked features.

They also include specifications regarding the classification of contractually linked instruments and of financial assets guaranteed solely by security rights.

Furthermore, these amendments also specify how to apply the derecognition of financial assets settled through electronic payment systems.

New disclosures are also required on the investments in equity instruments originally designated at fair value through other comprehensive income, and the financial assets and liabilities with contingent features, such as those with ESG-linked features.

The amendments should have no impact on the Company’s financial statements.

Amendments to IFRS 9 and IFRS 7 “Contracts referencing nature-dependent electricity” (PPA and VPPA)

Published on 18 December 2024.

The IASB issued amendments to IFRS 9 and IFRS 7 relating to contracts referencing nature-dependent electricity the produced quantity of which is subject to hazard and variability.

The contracts concerned can be settled:

- through contracts to buy or sell nature-dependent electricity: Power Purchase Agreements (PPA);
- virtually settled net for the difference between the contractually agreed price and the market price: Virtual Power Purchase Agreements (VPPA).

These amendments clarify the conditions for the application of the own use exemption which allows for the exclusion of the Group-owned PPAs from the application scope of IFRS 9.

These amendments should have no impact on the Company’s financial statements.

IFRS 18 "Presentation and disclosure in financial statements”

Published on 9 April 2024.

This standard will supersede IAS 1 “Presentation of Financial Statements”.

It will not change the rules for recognising assets, liabilities, income and expenses, nor their measurement; it only addresses their presentation in the Primary financial statements and in their related Notes.

The main changes introduced by this new standard affect the income statement. The latter will have to be structured by mandatory sub-totals and articulated in three categories of income and expenses: the operating income and expenses, investment income and expenses, and financing income and expenses.

For entities, for which investing in particular types of assets or providing financing to customers is one of their main business activities, such as banking and insurance entities, the standard provides for an appropriate presentation of the income and expenses relating to these activities under the operating income and expenses.

IFRS 18 also requires presenting in the Notes management-defined performance measures (MPMs), i.e. alternative measures defined by the Management of the entity and used for public communication (justification of the use of these measures, calculation method, reconciliation with the subtotals required by the standard).

Finally, the standard provides guidance on how to aggregate and disaggregate material information in the primary financial statements and in the related Notes.

The application of IFRS 18 will be required for annual periods beginning on 1 January 2027; this application will be retrospective with a restatement of comparative information.

The impact of this standard on the Company's financial statements is currently being analysed as not yet in force at the date of these financial statements.

2.3 Summary of material 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 realized exchange gains and losses are recognised in the statement of profit or loss and Other Comprehensive Income in the caption *"Net gains from 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
31.12.2024	1.0389	163.06	0.82918	8.0686	0.9412
31.12.2023	1.1050	156.3300	0.86905	8.6314	0.9260

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).

For the debt instruments held, SGIS has defined its business model as "hold to collect" for the Fully Funded Swaps, 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 Fully Funded Swaps (hereafter “FFS”) are economically assimilated to loans with embedded derivatives (the swap embedded in the FFS). This type of financial assets complies with the IFRS Accounting Standards 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 or 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 (Fully Funded Swaps or “FFS”) that are used to mirror those notes are measured mandatorily at fair value through profit or loss and thus reduce the accounting mismatch.

- Financial liabilities at amortised cost:

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

Fair value hierarchy

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

For information purposes, in the notes to the 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 regarded 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 recognized in profit or loss.

In the context of SGIS, this sales margin is not applicable and hence not recognised because there is a corresponding offsetting margin on the funded swap.

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.

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As at 31 December 2024

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 underlying 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 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 SG 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.

- For Secured and Repack Notes

Secured Notes are Notes which are collateralized 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 favour 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 defaults, 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 act solely as intermediary for risk transfer, 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 and the Repack Notes and 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 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 statement of financial position date or if the clearing value does not reflect transaction prices.

However, due especially 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 (FVA). Therefore, SGIS applies various techniques (from the Group) to estimate the credit risk associated with its financial instruments measured at fair value.

The revaluation 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 reflects 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.

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 fair value through other comprehensive income, the expected credit loss, as assessed by the Company, is recognised in profit or loss. On the 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 impairment is recognised on cash and cash equivalents, as the credit risk is immaterial. The Company does not have loan commitments or financial guarantees contracts.

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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 and during the lifetime of the credit. 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 delays of more than 30 days;
- Exposures classified in Stage 3 (doubtful outstanding): 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 includes 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 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 SG.

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 statement of financial position when, and only when, an entity:

- Currently has a legally enforceable right to set off the recognized amounts; and
- 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 recognized 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 recognized 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 (cf. Note 6).

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 or loss and Other Comprehensive Income 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.

2.3.7 Fee income and expense

Fee income and Fee expense combine fees on services rendered and received, as well as fees on pledged 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 2 services when the Company performs its activities:

- The issuing fee recognized upfront for the initiation and the structuration of the issuance;
- Account and security servicing 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. Detail is provided in Note 12.

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 or loss and Other Comprehensive Income.

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.

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 rights to offset its current tax assets and liabilities and it is the Company’s intention to settle on a net basis.

2.3.10 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 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 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.

2.4 Geopolitical Crises and Macroeconomic Context

2024 was marked by geopolitical uncertainties, with, in particular, the continuing conflict in Ukraine and the situation in the Middle-East. In the U.S.A., economic growth was higher than expected, sustained by strong consumption. In the eurozone, after a first half-year when business remained resilient especially in the services sector, economic growth slackened in the second half-year, in particular as a result of the weakness of the German economy and the political uncertainties in France. In China, the support measures only allowed for economic growth not to deteriorate any further without any actual upturn.

In this context, the Group Société Générale updated the macroeconomic scenarios chosen for the preparation of the consolidated financial statements and maintained some adjustments applied to its models.

These macroeconomic scenarios are taken into account in the credit loss measurement models including forward-looking data and are also used in tests of the recoverability of deferred tax assets.

The methodological framework defined by the Group Société Générale is applied at the level of the Company.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to KEUR 63 575 as at 31 December 2024 (31 December 2023: KEUR 42 010) and are mainly composed of cash held with Société Générale Luxembourg and Société Générale.

As of 31 December 2024, and 2023, this caption only contained cash that was repayable on demand.

NOTE 4 – FINANCIAL INSTRUMENTS

4.1 Financial assets measured at fair value through profit or loss

	31.12.2024 ('000 EUR)	31.12.2023 ('000 EUR)
Financial assets at fair value through profit or loss		
- Mandatorily at fair value through profit or loss (Fully Funded Swaps)	49 117 912	51 118 092
- Trading derivatives (Options)	77 950	57 316
Total	**49 195 862**	**51 175 408**

As at 31 December 2024, financial assets mandatorily at fair value through profit or loss (Fully Funded Swaps) amount to KEUR 49 117 912 (31 December 2023: KEUR 51 118 092) and replicate all the Notes issued by the Company (see Note 4.2). Differences between the fair value of Fully Funded Swaps and Notes arise due to late settlements.

As at 31 December 2024, Trading derivatives (Options) amount to KEUR 77 950 (31 December 2023: KEUR 57 316) and replicate all the Warrants issued by the Company (see Note 4.2). Differences between the fair value of Options and Warrants arise due to late settlements.

As at 31 December 2024, the impact of the offsetting of financial assets and financial liabilities (decrease in the balance sheet) is KEUR 36 453 866 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2023: KEUR 27 385 976) and KEUR 5 492 093 for the non-sold Warrants and the corresponding Options (31 December 2023: KEUR 4 020 277) (see Note 4.2).

Please also see Note 15.6.3 for the disclosure of the fair value hierarchy.

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

	('000 EUR) Mandatorily at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2024	**51 118 092**	**57 316**	**51 175 408**
Acquisition	19 105 860	52 253	19 158 113
Maturity/Disposal/Liquidation/Cancellation	(19 275 209)	(25 816)	(19 301 025)
Change in fair value and foreign exchange difference	(1 830 831)	(5 803)	(1 836 634)
As at 31 December 2024	**49 117 912**	**77 950**	**49 195 862**

	('000 EUR) Mandatorily at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2023	**38 757 924**	**1 025 209**	**39 783 133**
Acquisition	40 748 369	552 880	41 301 249
Maturity/Disposal/Liquidation/Cancellation	(33 790 350)	(1 230 337)	(35 020 687)
Change in fair value and foreign exchange difference	5 402 149	(290 436)	5 111 713
As at 31 December 2023	**51 118 092**	**57 316**	**51 175 408**

4.2 Financial liabilities measured at fair value through profit or loss

	31.12.2024 ('000 EUR)	31.12.2023 ('000 EUR)
Financial liabilities at fair value through profit or loss		
- Mandatorily at fair value through profit or loss (Notes)	49 120 262	51 112 066
- Trading derivatives (Warrants)	76 896	57 148
Total	**49 197 158**	**51 169 214**

As at 31 December 2024, the Company has issued secured and unsecured Notes for a total amount of KEUR 49 120 262 (31 December 2023: KEUR 51 112 066):

- 24 334 unsecured Notes were issued (stock) for a total amount of KEUR 43 580 459 (31 December 2023: 22 973 unsecured Notes were issued (stock) for a total amount of KEUR 45 246 924);
- 1 030 secured Notes were issued (stock) for a total amount of KEUR 5 539 803 (31 December 2023: 426 secured Notes were issued (stock) for a total amount of KEUR 5 865 142).

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.

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 31 December 2024, securities deposited at The Bank of New York Mellon S.A./NV, Luxembourg Branch as collateral for secured issuances amount to KEUR 7 251 220 (31 December 2023: KEUR 5 865 142).

As at 31 December 2024, the Company also issued Warrants for a total amount of KEUR 76 896 (31 December 2023: KEUR 57 148). Refer to Note 14 for further details on Off-balance sheet items related to the Warrants activity.

As at 31 December 2024, the impact of the offsetting of financial assets and financial liabilities (decrease in the balance sheet) is KEUR 36 453 847 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2023: KEUR 27 385 976) and KEUR 5 492 093 for the non-sold Warrants and the corresponding Options (31 December 2023: KEUR 4 020 587) (see Note 4.1).

Please also see Note 15.6.3 for the disclosure of the fair value hierarchy.

Notes to the financial statements
As at 31 December 2024

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 2024	**51 112 066**	**57 148**	**51 169 214**
Acquisition	19 190 860	51 603	19 242 463
Cancelled/Liquidation/Maturity Disposal	(19 269 183)	(25 689)	(19 294 872)
Change in fair value and foreign exchange difference	(1 913 481)	(6 166)	(1 919 647)
As at 31 December 2024	**49 120 262**	**76 896**	**49 197 158**

	('000 EUR) Designated at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2023	**38 754 129**	**1 025 105**	**39 779 234**
Acquisition	40 748 369	552 818	41 301 187
Cancelled/Liquidation/Maturity Disposal	(33 364 749)	(1 230 338)	(34 595 087)
Change in fair value and foreign exchange difference	4 974 317	(290 437)	4 683 880
As at 31 December 2023	**51 112 066**	**57 148**	**51 169 214**

4.3 Financial liabilities measured at amortised cost

As at 31 December 2024 and 2023, financial liabilities at amortised cost are mainly composed of a convertible bond of KEUR 48 000, issued by the Company and fully subscribed by Société Générale Luxembourg, with maturity in 2025. Conversion may occur each year.

On this convertible bond, the Company pays to Société Générale Luxembourg both variable interests calculated on Euribor 3M plus a margin of 0.34% (total rate of 3.086% as at 31 December 2024) and activity related interests. Activity related interests means an amount equal to 100% of the activity related profit generated by the Company.

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.

Estimation of the fair value of financial liabilities at amortised cost is disclosed in Note 15.6.

Notes to the financial statements

As at 31 December 2024

NOTE 5 – LOANS AND RECEIVABLES

As at 31 December 2024 and 2023, loans and receivables only consist in deposits with Société Générale Luxembourg, which represent the reinvestment of the Company's share capital, reserves and other available funds.

As at 31 December 2024, expected credit losses calculated on loans and receivables in accordance with IFRS 9 amounted to EUR 154.

The fair values of loans and receivables are presented in the Note 15.6.2.

NOTE 6 – OTHER ASSETS AND OTHER LIABILITIES

As at 31 December 2024 and 2023, other assets and other liabilities are composed of settlement accounts, as presented below:

	('000 EUR) 31.12.2024	**('000 EUR) 31.12.2023**
Settlement accounts on securities transactions	123 756	1 926 198
Miscellaneous receivables	169 148	256 035
Total other assets	**292 904**	**2 182 233**

	('000 EUR) 31.12.2024	**('000 EUR) 31.12.2023**
Settlement accounts on securities transactions	124 095	1 931 937
Deferred income	6 576	5 218
Miscellaneous payables	175 396	258 347
Total other liabilities	**306 067**	**2 195 502**

Miscellaneous payables and receivables mainly consist of premium payables on Warrants and receivables on financial instruments replicating the Warrants issued. The variance is linked to the activity of the Company and the early settlement of some balances compared to prior year.

NOTE 7 – 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, 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 effective tax rate of current tax applied as of 31 December 2024 is 24.94 % (31 December 2023: 25.08 %). The current tax rate includes the corporate tax and the municipal tax.

For the year ended 31 December 2024, tax expenses amount to KEUR 87 (31 December 2023: KEUR 16).

No deferred tax are existing for the Company.

The Company belongs to a group that is within the scope of the EU/OECD Pillar Two model rules. Pillar Two legislation was enacted in Luxembourg, the jurisdiction in which the company is incorporated, which has come into effect for fiscal years starting on or after 31 December 2023.

Under the legislation, the Company is liable to pay a top-up tax for the difference between its Pillar Two effective tax rate per jurisdiction and the 15% minimum tax rate.

The Company performed an impact assessment of the OECD (Organisation for Economic Co-operation and Development) transitional safe harbour rules and the full Pillar Two rules. The Company concluded that it should not be subject to top-up tax for the current year.

NOTE 8 – SHAREHOLDERS' EQUITY

8.1 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 and right to dividends. After this transaction, the subscribed and fully paid share capital amounted to EUR 2 000 280, divided into 50 007 shares with nominal value of EUR 40 each. No other restrictions are attached to the shares.

By resolution adopted on 15 January 2024, the Executive Board decided to increase the capital of the Company from EUR 2,000 400 to EUR 2,000 440 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 2023 activity related interests amounting to KEUR 34,361 have been allocated to the Share premium. It was then paid to the shareholders in June 2024.

As at 31 December 2024, the subscribed and fully paid share capital is EUR 2 000 440, divided into 50 011 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.

8.2 Reserves

8.2.1 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 31 December 2024 and 2023, the legal reserve amounts to KEUR 200 (31 December 2023: KEUR 200).

8.2.2 Other reserves

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

During the first half of 2024, a dividend of KEUR 15 has been paid (31 December 2023: KEUR 375).

Notes to the financial statements
As at 31 December 2024

NOTE 9 – INTEREST INCOME AND EXPENSES

	('000 EUR) 31.12.2024	('000 EUR) 31.12.2023
Interest income on cash and cash equivalents	1 478	940
Interest income on loans and receivables	2 018	1 745
Total interest income	**3 496**	**2 685**
Interest expenses on financial liabilities at amortized cost (note 4.3)	(29 041)	(36 063)
Interest expenses on financial liabilities at fair value	(698)	(321)
Total interest expenses	**(29 739)**	**(36 384)**
Net interest margin	**(26 243)**	**(33 699)**

NOTE 10 – COMMISSION INCOME

Commission income can be broken down as follows:

	('000 EUR) 31.12.2024	('000 EUR) 31.12.2023
Issuing upfront fees on Notes	36 725	42 133
Servicing fees on Notes	5 515	5 089
Commission on Warrants	710	709
Commission income	**42 950**	**47 931**

As at 31 December 2024, KEUR 6 576 are retained as deferred income under the caption "other liabilities" (2023: KEUR 5 218) (cf. Note 6).

NOTE 11 – NET RESULT FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net result from financial instruments at fair value through profit or loss can be broken down as follows:

	('000 EUR) 31.12.2024	('000 EUR) 31.12.2023
Net gain on financial assets held for trading	23 356 786	26 984 339
Net gain on financial assets at fair value option	12 569 826	9 930 605
Net loss on financial liabilities held for trading	(23 355 568)	(26 983 187)
Net loss on financial liabilities at fair value option	(12 570 781)	(9 932 092)
Total	**263**	**(335)**

NOTE 12 – PERSONNEL EXPENSES

	('000 EUR) 31.12.2024	('000 EUR) 31.12.2023
Wages and salaries	(218)	(252)
Social charges and associated costs	(19)	(26)
Pension related costs	(19)	(25)
Total	**(256)**	**(303)**

The Company had 3 full-time equivalents during the year ended 31 December 2024 (2023: 3).

The annual cost of pension is calculated and invoiced by Société Générale Luxembourg, based on SG Luxembourg's group total cost of pensions and according to the number of the Company's full time equivalent employees.

NOTE 13 – OTHER OPERATING EXPENSES

	('000 EUR) 31.12.2024	**('000 EUR) 31.12.2023**
Issuance fees	(12 620)	(11 109)
Other operating charges	(3 773)	(2 454)
Total	**(16 393)**	**(13 563)**

Issuance fees mainly consist of listing fees, collateral monitoring agent fees, maintenance of registers fees and trading fees.

Other operating charges are mainly composed of operating costs related to the Company (including audit fees) as well as activities outsourced to Société Générale S.A. and Société Générale Luxembourg.

Remuneration of the Réviseur d'entreprises agréé

The fees paid by the Company to its Réviseur d'Entreprises Agréé were as follows:

	('000 EUR) 31.12.2024	**('000 EUR) 31.12.2023**
Statutory audit of the financial statements	226	194
Other assurance services	40	39
Total	**266**	**233**

Other assurance services for the year consists of a limited review as of 30 June.

NOTE 14 – OFF-BALANCE SHEET

As at 31 December 2024, financial instruments to be issued (commitment taken before 31 December 2024 with value date after 31 December 2024) amount to KEUR 8 583 451 (31 December 2023: KEUR 4 721 740).

Notes to the financial statements
As at 31 December 2024

Warrants issuance summary

The Warrants issued as at 31 December 2024 and 2023 break down as follows:

				31 December 2024			31 December 2023		
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)**
Currency Warrant	Currency	Currency	Call				42	317 609	-
			Put				47	271 723	-
Equity Warrant	Equity	Ordinary Share	Call	136	1 891 844	13 188	522	9 474 493	11 691
			Put	1 441	35 156 224	55 957	250	2 437 384	3 412
		REIT	Call	1	31 976	2	-	-	-
	Fund	Mutual Fund	Call	3	74 598	298	2	102 479	-
			Put	3	40 044	5 991	1	30 883	
Funds	Fund	Fund	Call	-	-		9	37 467	**5 006**
Index Warrant	Equity	Mutual Fund	Call	-	-		2	22 274	**413**
		Ordinary Share	Call	-	-		63	549 667	**2 538**
			Put	-	-		51	430 787	**719**
		Equity	Call	-	-		1	-	**-**
	Fund	Fund	Call	-	-		1	-	**-**
	Index	Index	Call	128	4 815 156	1 078	365	11 165 363	**27 313**
			Put	12	318 210	381	337	13 234 333	**6 054**
Fund Warrant	Fund	Mutual Fund	Call				-	-	**-**
			Put				-	-	**-**
		Fund	Call				1	-	**-**
Total Call				**268**	**6 813 574**	**14 566**	**1 008**	**21 669 353**	**46 963**
Total Put				**1 456**	**35 514 478**	**62 330**	**686**	**16 405 110**	**10 185**
Total Warrants				**1 724**	**42 328 052**	**76 896**	**1 694**	**38 074 463**	**57 148**

NOTE 15 – 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.

15.1 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 mirrored with FFS concluded with Société Générale, with strictly identical characteristics. In the same way, the Warrants issued are mirrored 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. 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.

Climate and ESG matters have been considered in the fair value of the financial instruments. These are deemed to have a minor impact.

15.2 Foreign currency risk

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. Translation-related risks are therefore not included in the assessment of the Company's exposure to currency risks.

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

Following explanation above, foreign currency risk is strictly limited.

Process of control allows to monitor it closely and to confirm that exposure of the entity to foreign currency risk remains in a very conservative limit.

15.3 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 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 31 December 2024 and 2023, no financial assets were past due nor impaired. No Estimated Credit Loss (ECL) was booked for financial assets.

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 31 December 2024, the rating of Société Générale is: A- from Fitch Ratings, A from R&I, A from Standard & Poor's and A1 from Moody's.

15.4 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 mirror the financial instruments issued, the Company is not significantly exposed to interest rate risk.

15.5 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 material liquidity risk thanks to the perfect replication between the contractual obligations of:

- The financial instruments issued by the Company; and
- The financial assets replicating the financial instruments issued by the Company.

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As at 31 December 2024

Analysis per remaining contractual maturities

As at 31 December 2024, analysis per remaining contractual maturities is as follows:

31.12.2024 - EUR' 000	**< 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**> 5 years**	**Total**
Cash and cash equivalents	63 575				**63 575**
Financial assets at fair value through profit or loss					
- *Mandatorily at fair value through profit or loss*	4 502 308	7 413 592	17 609 084	19 592 928	**49 117 912**
- *Trading derivatives*	17 036	32 857	27 897	160	**77 950**
Loans and receivables	48 026	200	800	1 000	**50 026**
Financial liabilities at amortised cost	69 550	27 071			**96 621**
Financial liabilities at fair value through profit or loss					
- *Designated at fair value through profit or loss*	4 410 064	7 413 257	17 618 922	19 678 019	**49 120 262**
- *Trading derivatives*	16 793	33 124	26 979	0	**76 896**

As at 31 December 2023 analysis per remaining contractual maturities is as follows:

31.12.2023 - EUR' 000	**< 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**> 5 years**	**Total**
Cash and cash equivalents	42 010	-	-	-	42 010
Financial assets at fair value through profit or loss					
- *Mandatorily at fair value through profit or loss*	4 125 291	6 937 558	19 617 291	20 437 952	51 118 092
- *Trading derivatives*	7 210	25 313	24 793	-	57 316
Loans and receivables	48 035	200	800	1 000	50 035
Other assets	2 182 233	-	-	-	2 182 233
Financial liabilities at amortised cost	331	82 410	-	-	82 741
Financial liabilities at fair value through profit or loss					
- *Designated at fair value through profit or loss*	4 129 857	6 936 107	19 615 243	20 430 859	51 112 066
- *Trading derivatives*	6 902	25 246	25 000	-	57 148

15.6 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 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 FFS are classified as Level 3 when the valuation of the associated embedded derivatives (underlying 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 sensibilities 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).

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15.6.1 Estimates of Level 3 instruments and other most significant unobservable inputs as at 31 December 2024 (by type of underlying):

Type of underlying	Assets In million EUR	Liabilities In million EUR	Main products	Valuation techniques used	Significant unobservable inputs	Range of unobservable inputs Min & Max
Equity / funds	16 297	16 295	Simple and complex derivatives on funds, equities or baskets on stocks	Various option models on funds, equities or baskets on stocks	Equity volatilities	[3% ; 166%]
					Equity dividends	[0.0% ; 11.0%]
					Unobservable correlations	[-200% ; 200%]
					Hedge funds volatilities	N/A
					Mutual funds volatilities	[1.7% ; 26.8%]
Rates and Forex	9 241	9 241	Hybrid forex / interest rate or credit / interest rate derivatives	Hybrid forex interest rate or credit interest rate option pricing models	Correlations	[-60% ; 90%]
			Forex derivatives	Forex option pricing models	Forex volatilities	[1% ; 25%]
			Interest rate derivatives whose notional is indexed on the prepayment behavior on European collateral pools	Prepayement modeling	Constant prepayment rates	[0.0% ; 20.0%]
			Inflation instruments and derivatives	Inflation pricing models	Inflation/ inflation correlations	[81% ; 92%]
Credit	3 780	3 780	Collateralized Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	[0% ; 100%]
					Recovery rate variance for single name underlying	[0% ; 100%]
			Other credit derivatives	Credit default models	Time to default correlations	[0% ; 100%]
					Quanto correlations	[0% ; 100%]
					Unobservable credit spreads	[0bps ; 90.8 bps]
Commodity	-	-	Derivatives on commodities baskets	Option models on commodities	Commodities correlations	0
Total	**29 318**	**29 316**				

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 mirror 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 minor effect on both assets and liabilities.

Finally, the Company considers that changes in the unobservable parameters would not a material impact on the profit or loss of the Company considering the mirroring in place for financial instruments (refer to Note 4).

Notes to the financial statements
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15.6.2. Carrying amounts and fair values of assets and liabilities not measured at fair value in the statement of financial position

31.12.2024 – EUR' 000	**Carrying amount**	**Fair value**
Cash and cash equivalents	63 575	63 575
Loans and receivables *	50 026	50 094
Other assets	292 904	292 904

31.12.2024 – EUR' 000	**Carrying amount**	**Fair value**
Financial liabilities at amortised cost *	96 621	96 728
Other liabilities	306 067	306 067
Tax liabilities	87	87

* 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).

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31.12.2023 - EUR' 000	Carrying amount	Fair value
Cash and cash equivalents	42 010	42 010
Loans and receivables *	50 035	49 915
Other assets	2 182 233	2 182 233

31.12.2023 - EUR' 000	Carrying amount	Fair value
Financial liabilities at amortised cost *	82 741	82 744
Other liabilities	2 195 502	2 195 502
Tax liabilities	13	13

* 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.

Regarding financial instruments at amortised cost with short term maturity (<1 year), the Company considers the difference between fair value and carrying amount as non-material.

Regarding other assets and other liabilities, in consideration of their short term nature, the Company considers the difference between fair value and carrying amount as non-material.

Notes to the financial statements
As at 31 December 2024

15.6.3 The fair value hierarchy of IFRS 13

As at 31 December 2024, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

31.12.2024 - EUR' 000	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
- Mandatorily at fair value through profit or loss	**-**	**19 815 438**	**29 302 474**	**49 117 912**
Commodities instruments	-	1 546	0	1 546
Credit derivatives/securities	-	1 043 704	3 520 322	4 564 026
Equity and index securities	-	16 721 749	16 287 602	33 009 351
Foreign exchange instruments/securities	-	346 941	1 714 102	2 061 043
Interest rate instruments/securities	-	1 545 087	7 527 010	9 072 097
Other financial instruments	-	156 411	253 438	409 849
- Trading derivatives	**-**	**62 432**	**15 518**	**77 950**
Equity and Index instruments	-	62 134	9 527	71 661
Foreign exchange instruments / securities	-	298	5 991	6 289
Financial liabilities at fair value through profit or loss				
- Designated at fair value through profit or loss	**-**	**19 819 729**	**29 300 533**	**49 120 262**
Commodities instruments	-	1 546	0	1 546
Credit derivatives/securities	-	1 043 641	3 520 322	4 563 963
Equity and index securities	-	16 726 121	16 285 388	33 011 509
Foreign exchange instruments/securities	-	346 940	1 714 148	2 061 088
Interest rate instruments/securities	-	1 545 087	7 527 237	9 072 324
Other financial instrument	-	156 394	253 438	409 832
- Trading derivatives	**-**	**61 378**	**15 518**	**76 896**
Equity and Index instruments	-	61 080	9 527	70 607
Foreign exchange instruments / securities	-	298	5 991	6 289

Notes to the financial statements
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As at 31 December 2023, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

31.12.2023 - EUR' 000	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
- Mandatorily at fair value through profit or loss		**24 163 037**	**26 955 055**	**51 118 092**
Commodities instruments	-	5 139	-	5 139
Credit derivatives/securities	-	1 095 924	3 611 352	4 707 276
Equity and index securities	-	17 428 536	17 146 422	34 574 958
Foreign exchange instruments/securities	-	847 056	330 314	1 177 370
Interest rate instruments/securities	-	4 652 926	5 582 430	10 235 356
Other financial instruments	-	133 456	284 537	417 993
- Trading derivatives		**39 589**	**17 727**	**57 316**
Equity and Index instruments	-	34 167	12 848	47 015
Other financial instruments	-	5 422	4 879	10 301
Financial liabilities at fair value through profit or loss				
- Designated at fair value through profit or loss		**24 163 037**	**26 949 029**	**51 112 066**
Commodities instruments	-	5 139	-	5 139
Credit derivatives/securities	-	1 095 924	3 611 352	4 707 276
Equity and index securities	-	17 427 697	17 140 396	34 568 093
Foreign exchange instruments/securities	-	847 056	330 314	1 177 370
Interest rate instruments/securities	-	4 652 926	5 582 430	10 235 356
Other financial instrument	-	134 295	284 537	418 832
-Trading derivatives		**39 024**	**18 124**	**57 148**
Equity and Index instruments	-	38 611	13 118	51 729
Other financial instruments	-	413	5 006	5 419

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

Financial assets at fair value through profit or loss	**Balance at 01.01.2024**	Acquisitions (Issuance)	Change in fair value	Reimbur-sements	Transfers from L2 to L3	Transfers from L3 to L2	**Balance 31.12.2024**
Designated at fair value through P&L	**26 955 055**	**10 659 140**	**-2 651 637**	**-3 490 185**	**707 712**	**-2 877 611**	**29 302 474**
Equity and index instrument	17 146 422	5 298 314	-2 144 203	-2 579 063	484 522	-1 918 390	16 287 602
Foreign exchange instruments	330 314	1 356 658	-62 099	-45 268	185 318	-50 822	1 714 101
Interest rate instruments	5 582 430	2 843 962	-56 281	-488 354	21 101	-375 847	7 527 011
Credit derivatives/securities	3 611 352	998 985	-306 088	-292 605	16 771	-508 093	3 520 322
Others financial instruments	284 537	161 221	-82 966	-84 895		-24 459	253 438
Trading derivatives	**17 727**	**-**	**2 394**	**-4 546**	**-**	**-57**	**15 518**
Equity and index instruments	12 848	-	1 073	-4 337	-	-57	**9 527**
Foreign exchange instruments	-	-	-	-	-	-	**-**
Other financial instruments	4 879	-	1 321	-209	-	-	**5 991**

Financial liabilities at fair value through profit or loss	**Balance at 01.01.2024**	Acquisitions (Issuance)	Change in fair value	Reimbur-sements	Transfers from L2 to L3	Transfers from L3 to L2	**Balance 31.12.2024**
Designated at fair value through P&L	**26 949 028**	**10 663 226**	**-2 651 637**	**-3 490 185**	**707 712**	**-2 877 611**	**29 300 533**
Equity and index instrument	17 140 396	5 302 126	-2 144 203	-2 579 063	484 522	-1 918 390	16 285 388
Foreign exchange instruments	330 314	1 356 705	-62 099	-45 268	185 318	-50 822	1 714 148
Interest rate instruments	5 582 429	2 844 189	-56 281	-488 354	21 101	-375 847	7 527 237
Credit derivatives/securities	3 611 352	998 985	-306 088	-292 605	16 771	-508 093	3 520 322
Others financial instruments	284 537	161 221	-82 966	-84 895		-24 459	253 438
Trading derivatives	**18 124**	**-**	**1 997**	**-4 546**	**-**	**-57**	**15 518**
Equity and index instruments	13 118	-	803	-4 337	-	-57	**9 527**
Foreign exchange instruments	-	-	-	-	-	-	**-**
Other financial instruments	5 006	-	1 194	-209	-	-	**5 991**

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.).

15.7 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), collect of 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 16 – RELATED PARTIES

During the year, the Company entered into transactions with related parties. Those transactions along with related balances as at 31 December 2024 and 2023 are presented below. Related parties are considered to be a party that has the ability to control the Company or exercise significant influence over the Company in making financial or operational decisions. The Company has a related party relationship with SG Luxembourg, its parent company (SG) and with its Executive Board Members, Supervisory Board Members and Executive Officers. As disclosed below in the table, the Company entered into transactions with SG Luxembourg, its parent company (SG) and other SG Group entities.

The issued Notes are sold to Société Générale as market maker, such Notes being expected to be subscribed *in fine* by third party investors, either for their own account or via distribution network. Moreover, all Notes are guaranteed by Société Générale.

Also, the Company borrows securities from Société Générale, which serve as collateral for the secured Notes issued by the Company.

Notes to the financial statements
As at 31 December 2024

As at 31 December 2024 **EUR' 000**	**Société Générale (Parent Company)**	**SG Luxembourg**	**Other SG Group entities**
Cash and cash equivalents	57 309	0	12
Financial assets at fair value through profit or loss			
- *Mandatorily at fair value through profit or loss*	49 117 912	-	-
- *Trading derivatives*	77 950	-	-
Loans and receivables	-	50 026	-
Other assets	292 904	-	-
Total assets	**49 546 075**	**50 026**	**12**
Financial liabilities at amortised cost	262	93 529	-
Financial liabilities at fair value through profit or loss			
- *Designated at fair value through profit or loss**	140 341	-	312 728
- *Trading derivatives**	36 207	-	-
Other liabilities	302 977	3 090	-
Tax liabilities	-	-	-
Total liabilities	**479 787**	**96 619**	**312 728**
Interest income	-	2 018	-
Commission income	42 769	-	-
Total revenues	**42 769**	**2 018**	**-**
Interest expenses	0	(29 041)	-
Personnel expenses		(256)	-
Other operating expenses	(4 205)	(4 953)	-
Total expenses	**(4 205)**	**(34 250)**	**-**
Total comprehensive income for the financial year	**38 564**	**(32 232)**	**-**
Financial commitments	**8 545 530**	**-**	**-**
Financial commitments-collateral to be returned	**7 251 220**	**-**	**-**

***The financial liabilities at fair value through profit or loss appearing on the statement of financial position are the financial instruments issued by the Company and subscribed by investors, who are not related parties.

Notes to the financial statements

As at 31 December 2024

As at 31 December 2023 EUR' 000	Société Générale (Parent Company)	SG Luxembourg	Other SG Group entities
Cash and cash equivalents	38 451	2 002	704
Financial assets at fair value through profit or loss			
- *Mandatorily at fair value through profit or loss*	51 118 092	-	-
- *Trading derivatives*	57 316	-	-
Loans and receivables	-	50 035	-
Other assets	2 182 232	-	-
Total assets	**53 396 091**	**52 037**	**704**
Financial liabilities at amortised cost	294 444	84 679	314 875
Financial liabilities at fair value through profit or loss			
- *- Designated at fair value through profit or loss**	-	-	-
- *- Trading derivatives**	-	-	-
Other liabilities	256 240	2 108	-
Tax liabilities	-	-	-
Total liabilities	**550 684**	**86 787**	**314 875**
Interest income	-	1 745	-
Commission income	47 931	-	-
Total revenues	**47 931**	**1 745**	**-**
Interest expenses	-	(38 331)	-
Personnel expenses	-	(303)	-
Other operating charges	(1 049)	(5 468)	-
Total expenses	**(1 049)**	**(44 102)**	**-**
Total comprehensive income for the financial year	**46 882**	**(42 357)**	**-**
Financial commitments	**4 721 740**	**-**	**-**
			-
Financial commitments-collateral to be returned	**5 865 142**	**-**	**-**

*****The financial liabilities at fair value through profit or loss appearing on the statement of financial position are the financial instruments issued by the Company and subscribed by investors, who are not related parties.

NOTE 17 – REMUNERATION, ADVANCES AND LOANS GRANTED TO MEMBERS OF THE ADMINISTRATIVE OR SUPERVISORY BODY

The independent director of the Company earned a remuneration of EUR 28 000 for his services related to the year ended 31 December 2024 (31 December 2023: EUR 28 000).

As at 31 December 2024 and 2023, no other payment, advance or loans were given to members of the administrative or supervisory body.

NOTE 18 – 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).

On 27 July 2021, the Company received a new letter from end investors in order to obtain compensation for the financial loss they suffered on their investment in securities issued by the Company. This letter relates to the same litigation described above.

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.

No change on this case compared to 31 December 2023 financial statements.

NOTE 19 – CAPITAL MANAGEMENT

In consideration of the information mentioned in the previous notes, the exposure of the Company to various risks is limited thanks to the mirroring that is in place for the financial instruments.

The Company does not have any loan covenants.

For dividends, please refer to the Note 8.2.2.

NOTE 20 – USE OF DERIVATIVES

The Company uses derivatives to mirror the instruments issued. These derivatives are measured at fair value through profit or loss.

The Company does not apply hedge accounting.

For further details on the derivatives, please refer to Notes 4.1 and 15.

NOTE 21 - SIGNIFICANT CHANGES IN THE CURRENT PERIOD

There are no significant events in the current period that may have an impact on the financial statements that would not be included in the preceding notes.

NOTE 22 – SUBSEQUENT EVENTS

Following the decision of the Extraordinary General Meeting of 26 March 2025, the Company has changed its corporate address to 10, Porte de France, L-4360 Esch-sur-Alzette, Luxembourg.

Apart, from the abovementioned item, there was no other subsequent events which could have a significant impact on the financial information as at 31 December 2024.

APPENDIX III

REPRODUCTION OF THE PRESS RELEASE DATED 30 APRIL 2025 CONTAINING THE GUARANTOR'S CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2025

The information set out below is a reproduction of the press release dated 30 April 2025 containing the Guarantor's consolidated financial results for the first quarter ended 31 March 2025.

SOCIETE GENERALE

RESULTS AT 31 MARCH 2025

Press release
Paris, 30 April 2025

STRONG QUARTERLY RESULTS, AHEAD OF OUR 2025 TARGETS

Quarterly revenues of EUR 7.1 billion, +6.6% vs. Q1 24 and +10.2% excluding asset disposals (vs. an annual target of more than +3%). Positive contribution from all businesses, driven by a strong rebound in French Retail Banking, a solid performance of Global Banking and Investor Solutions and a sustained activity in Mobility, International Retail Banking and Financial Services

Strict cost management with operating expenses down -4.4% vs. Q1 24, excluding asset disposals. Ahead of our 2025 target to reduce operating expenses by more than -1%, excluding asset disposals

Cost-to-income ratio at 65.0% in Q1 25, ahead of our 2025 target (<66%)

Low cost of risk at 23 basis points in Q1 25, below the 2025 target of 25 to 30 basis points. The amount of S1/S2 provisions remains high at EUR 3.1 billion (more than 2x 2024 cost of risk), and has been further increased

Group net income of EUR 1,608 million, x2.4 vs. Q1 24

Profitability (ROTE) at 11.0%, ahead of our 2025 target of more than 8%. Even if restated for net gains on asset disposals of around EUR 200 million and considering a quarterly linear distribution of taxes (IFRIC 21) for an amount of around EUR 300 million, the ROTE stands at 10.9%

SOLID CAPITAL AND LIQUIDITY PROFILE

CET1 ratio of 13.4%[1] at end-Q1 25, around 320 basis points above the regulatory requirement

Liquidity Coverage Ratio at 140% at end-Q1 25

Provision for distribution of EUR 0.91[2] per share, at end-March 2025

Completion of the 2024 share buy-back programme of EUR 872 million

ORDERLY EXECUTION OF ASSET DISPOSALS

Disposal of SGEF's activities completed on 28 February 2025, except for those in the Czech Republic and Slovakia, representing a positive impact **of around +30 basis points on the Group's CET1 ratio in Q1 25**

Disposals of Societe Generale Private Banking Suisse and SG Kleinwort Hambros completed on 31 January 2025 and 31 March 2025, for a total impact of around +10 basis points on the Group's CET1 ratio

Slawomir Krupa, the Group's Chief Executive Officer, commented:
« We are releasing today a very good set of results. Our revenues have grown across all our businesses. Our costs and our cost-to-income ratio have decreased across all our businesses. Our first quarter results are above all our annual targets, putting us in a favourable position to achieve them, thanks to our disciplined execution and prudent and rigorous risk management. Since the presentation of our Strategic Plan, we have built a strong capital position, and we have delivered a steady and material increase in our performance. Our diversified and resilient model allows us to navigate efficiently in the current environment. This is the result of the precise execution of our strategy by fully focused and talented teams whom I warmly thank for their commitment. We measure how far we've come and how far we still have to go. We will therefore pursue our work with the same focus and discipline, confident in our ability to deliver our 2026 roadmap and beyond, a sustainable and profitable growth. »

[1] Including Basel IV phasing
[2] Based on a pay-out ratio of 50% of the Group net income restated from non-cash items and after deduction of interest on deeply subordinated notes and undated subordinated notes, pro forma including Q1 25 results

1. GROUP CONSOLIDATED RESULTS

In EURm	Q1 25	Q1 24	Change	
Net banking income	7,083	6,645	+6.6%	+9.9%*
Operating expenses	(4,604)	(4,980)	-7.6%	-4.6%*
Gross operating income	2,479	1,665	+48.9%	+53.0%*
Net cost of risk	(344)	(400)	-13.9%	-9.5%*
Operating income	2,135	1,265	+68.8%	+72.1%*
Net profits or losses from other assets	202	(80)	n/s	n/s
Income tax	(490)	(274)	+79.0%	+84.8%*
Net income	1,855	917	x 2.0	x 2.1*
O.w. non-controlling interests	247	237	+4.0%	+12.0%*
Group net income	1,608	680	x 2.4	x 2.4*
ROE	9.7%	3.6%		
ROTE	11.0%	4.1%		
Cost to income	65.0%	74.9%		

Asterisks* in the document refer to data at constant perimeter and exchange rates

Societe Generale's Board of Directors, which met on 29 April 2025 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for the first quarter of 2025.

Net banking income

Net banking income stood at EUR 7.1 billion, up +6.6% vs. Q1 24 and up +10.2% vs. Q1 24, excluding asset disposals.

Revenues of **French Retail, Private Banking and Insurance** were up +14.1% vs. Q1 24 (+16.5% excluding asset disposals and +2.5% excluding both asset disposals and short-term hedge impact) to stand at EUR 2.3 billion in Q1 25. Net interest income recovered sharply in Q1 25 (+28.4% vs. Q1 24) and was broadly stable when restated for asset disposals and short-term hedges accounted for in Q1 24 (around EUR -270 million). Assets under management in **Private Banking and Insurance** grew by +6% and +5%, respectively (excluding asset disposals in Switzerland and in the United Kingdom) in Q1 25 vs. Q1 24. Lastly, **BoursoBank** continued its strong commercial development with nearly 460,000 new customers during the quarter, reaching a customer base of around 7.6 million clients at end-March 2025.

Global Banking and Investor Solutions registered a +10.0% increase in revenues relative to Q1 24. These totalled EUR 2.9 billion for the quarter, driven by strong momentum in equities and in Financing and Advisory. **Global Markets** grew by +10.9% in Q1 25 vs. Q1 24. Equity revenues were up +21.8%, reaching a quarterly record level[1], driven by strong momentum in flow and listed products. Fixed income and currencies were down -2.4% due to lower client activity on rates investment solutions and margin compression in financing activities. Commercial activity nevertheless remained buoyant in rates and forex brokerage due to high volatility. In **Global Banking and Advisory**, revenues are up +10.5% with a solid commercial momentum in asset finance. Furthermore, the performance was resilient in Mergers and Acquisitions (M&A) and Debt Capital Markets (DCM). Similarly, **Global Transaction and Payment Services** posted an +8.7% increase in revenues vs. Q1 24, driven by higher payment volumes with institutional clients and strong commercial development for corporate clients.

Mobility, International Retail Banking and Financial Services' revenues were down -7.4% vs. Q1 24, mainly due to a perimeter effect of EUR -176 million in Q1 25. Excluding the impact of asset disposals, they were up +0.8%. **International Retail Banking** recorded a -12.1% fall in revenues vs. Q1 24 to EUR 0.9 billion, due to a perimeter effect related to the disposals completed in Africa (Morocco, Chad, Madagascar). They rose by +1.9% at constant perimeter and exchange rates. Revenues from **Mobility**

[1] At comparable business model post GFC (Global Financial Crisis) regulatory regime

and Financial Services were also down -3.0% vs. Q1 24 due to the disposal of SGEF's operations (except for those in the Czech Republic and Slovakia) in Q1 25. Besides, Ayvens' revenues were stable vs. Q1 24 owing to improved margins, offsetting the normalisation of the results of used car sales.

The **Corporate Centre** recorded revenues of EUR -112 million in Q1 25.

Operating expenses

Operating expenses came to EUR 4,604 million in Q1 25, down -7.6% vs. Q1 24 and -4.4% excluding asset disposals. The decrease in operating expenses is notably explained by a decrease in transformation charges of EUR 278 million, an increase of EUR 29 million related to taxes on variable compensation, an increase in expenses of EUR 22 million related to Bernstein perimeter, and EUR 5 million related to disposal transaction costs. Excluding these non-recurring items, operating expenses were slightly up, confirming the strong cost discipline.

The cost-to-income ratio stood at 65.0% in Q1 25, down sharply from Q1 24 (74.9%) and below the target of <66% estimated for 2025.

Cost of risk

The cost of risk was stable over the quarter at 23 basis points (or EUR 344 million). It comprises a provision for non-performing loans of EUR 330 million (around 22 basis points) and a provision for performing loans of EUR 14 million.

At end-March, the Group had a stock of provisions for performing loans of EUR 3,131 million, slightly up +0.4% compared with 31 December 2024, which represents more than 2x 2024 cost of risk.

The gross non-performing loan ratio stood at 2.82%[1,2] at 31 March 2025, broadly stable compared to its end-December 2024 level (2.81%). The net coverage ratio on the Group's non-performing loans stood at 82%[3] at 31 March 2025 (after netting of guarantees and collateral).

Net profits from other assets

The Group recorded a net gain of EUR +202 million in Q1 25, mainly related to the accounting impacts of completed asset sales of SGEF[4], Societe Generale Private Banking Suisse and SG Kleinwort Hambros.

Group net Income

Group net income stood at EUR 1,608 million for the quarter, equating to a Return on Tangible Equity (ROTE) of 11.0%.

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[1] Ratio calculated according to EBA methodology published on 16 July 2019
[2] Ratio excluding loans outstanding of companies currently being disposed of in compliance with IFRS 5
[3] Ratio of S3 provisions, guarantees and collaterals over gross outstanding non-performing loans
[4] Except for operations in the Czech Republic and Slovakia

2. DELIVERING ON OUR ESG AMBITIONS

The Group is in line with its portfolio alignment targets in the most carbon-emitting sectors, including since 2019 a reduction of more than 50% in its upstream exposure to oil and gas, and a reduction of around 50% of its carbon emission intensity in power.

Reflecting progress on portfolio alignment, the Group's contribution to sustainable finance amounted to around 80 billion euros at the end of 2024, ahead of its target of 500 billion euros for the 2024-2030 period.

The Group is well positioned to seize new opportunities in the environmental transition. Societe Generale has acted as exclusive financial advisor for the UK’s Net Zero Teesside Power and Northern Endurance Partnership projects, which aim to be the world's first gas-fired power station project with carbon capture and storage.

These actions are recognized externally, with best-in-class ratings from extra-financial rating agencies and through numerous awards.

3. THE GROUP'S FINANCIAL STRUCTURE

At 31 March 2025, the Group's **Common Equity Tier 1** ratio stood at 13.4%, or around 320 basis points above the regulatory requirement. Likewise, the Liquidity Coverage Ratio (LCR) was well above regulatory requirements at 140% at end-March 2025 (an average of 150% for the quarter), while the Net Stable Funding Ratio (NSFR) stood at 115% at end-March 2025.

All liquidity and solvency ratios are well above the regulatory requirements.

	31/03/2025	31/12/2024	Requirements
CET1[1]	13.4%	13.3%	10.22%
Tier 1 ratio[1]	16.1%	16.1%	12.14%
Total Capital[1]	19.1%	18.9%	14.70%
Leverage ratio[1]	4.4%	4.3%	3.60%
TLAC (% RWA)[1]	29.7%	29.7%	22.32%
TLAC (% leverage)[1]	8.2%	8.0%	6.75%
MREL (% RWA)[1]	33.3%	34.2%	27.59%
MREL (% leverage)[1]	9.2%	9.2%	6.23%
End of period LCR	140%	162%	>100%
Period average LCR	150%	150%	>100%
NSFR	115%	117%	>100%

In EURbn	31/03/2025	31/12/2024
Total consolidated balance sheet	1,554	1,574
Group shareholders' equity	71	70
Risk-weighted assets	393	390
O.w. credit risk	318	327
Total funded balance sheet	931	952
Customer loans	459	463
Customer deposits	596	614

As of 31 March 2025, the parent company has issued EUR 9.0 billion of medium/long-term debt under its 2025 financing programme, including EUR 4.5 billion of pre-financing raised at the end of 2024. The subsidiaries had issued EUR 1.0 billion. In all, the Group has issued a total of EUR 10.0 billion in medium/long-term debt.

At end of April 2025, the parent company's 2025 funding programme is 54% complete for vanilla notes.

The Group is rated by four rating agencies: (i) FitchRatings - long-term rating "A-", stable outlook, senior preferred debt rating "A", short-term rating "F1"; (ii) Moody's - long-term rating (senior preferred debt) "A1", negative 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".

[1] Including Basel IV phasing and pro forma Q1 25 results

4. FRENCH RETAIL, PRIVATE BANKING AND INSURANCE

In EURm	Q1 25	Q1 24	Change	
Net banking income	2,299	2,016	+14.1%	+16.5%*
Of which net interest income	*1,061*	*827*	*+28.4%*	*+31.6%**
Of which fees	*1,056*	*1,018*	*+3.7%*	*+6.2%**
Operating expenses	(1,566)	(1,728)	-9.4%	-6.6%*
Gross operating income	734	288	x 2.5	x 2.5*
Net cost of risk	(171)	(247)	-30.8%	-30.8%*
Operating income	563	41	x 13.7	x 11.2*
Net profits or losses from other assets	7	0	x 19.2	x 19.2*
Group net income	421	31	x 13.4	x 10.9*
Cost to income	68.1%	85.7%		

Commercial activity

SG network, Private Banking and Insurance

The SG network's average deposit outstandings amounted to EUR 230 billion in Q1 25, down -1% from Q1 24, with a shift of inflows into savings life insurance.

The SG network's average loan outstandings contracted by -3% vs. Q1 24 to EUR 193 billion, and by -1.8% vs. Q1 24 excluding repayments of state-guaranteed loans. Mortgage loan production saw a sharp increase of +115% vs. Q1 24.

The average loan-to-deposit ratio stood at 83.8% in Q1 25, down 1.1 percentage point relative to Q1 24.

In **Private Banking**, assets under management[1] strongly rose by +6% vs. Q1 24 at EUR 130 billion. Net asset inflows totalled EUR 2 billion in Q1 25, with asset gathering (annualised net new money divided by AuM) standing at +6% in Q1 25. Net banking income came to EUR 361 million for the quarter, a +3.4% increase at constant perimeter[1] and exchange rates, down -3.9% vs. Q1 24.

Insurance, which covers activities in and outside France, posted a very strong commercial performance. Life insurance outstandings increased sharply by +5% vs. Q1 24 to reach a record EUR 148 billion at end-March 2025. The share of unit-linked products remained high at 40%. Gross life insurance savings inflows amounted to EUR 5.4 billion in Q1 25.

In France, personal protection and Property & Casualty premia were up by +4% vs. Q1 24.

BoursoBank

BoursoBank reached almost 7.6 million clients in Q1 25. The bank recorded growth of +20.7% in the number of clients vs. Q1 24 (+1.3 million year-on-year), with onboarding still high this quarter (~458,000 new clients in Q1 25) while the churn rate remained low.

BoursoBank has once again confirmed its leading position in France in terms of client satisfaction with an NPS (Net Promoter Score) of +54[2]. The online bank is also ranked as the best digital bank in France[3].

Average loan outstandings rose by +7.3% compared with Q1 24 to EUR 16 billion in Q1 25.

NB: SG network, Private Banking and Insurance - end Q1 25 loans and deposits exclude disposals
[1] Excluding asset disposals in Switzerland and the United Kingdom
[2] Jointly with another bank in 2025, Bain and Company, April 2025
[3] Deloitte, January 2025

Average outstanding savings, including deposits and financial savings, totalled EUR 67 billion, an increase of +15.5% vs. Q1 24. Deposits outstanding totalled EUR 41 billion in Q1 25, posting another sharp increase of +16.3% vs. Q1 24. Average life insurance outstandings, at EUR 13 billion in Q1 25, rose by +8.9% vs. Q1 24 (of which 49.2% in unit-linked products). This activity continued to register strong gross inflows over the quarter (+24.6% vs. Q1 24, 57% in unit-linked products). The brokerage activity recorded more than 3 million transactions in Q1 25, a record quarter with an increase of +48.4% vs. Q1 24.

Net banking income

In Q1 25, revenues came to EUR 2,299 million (including PEL/CEL provision), up +14.1% vs. Q1 24. Net interest income grew by +28.4% vs. Q1 24 and was broadly stable excluding asset disposals and the impact of short-term hedges in Q1 24. Fee income rose by +3.7% relative to Q1 24.

Operating expenses

Operating expenses came to EUR 1,566 million for the quarter, including around EUR 23 million euros of transformation charges, down -9.4% vs. Q1 24. The cost-to-income ratio stood at 68.1% in Q1 25, an improvement of 17.6 percentage points vs. Q1 24.

Cost of risk

In Q1 25, the cost of risk amounted to EUR 171 million, or 29 basis points, which was higher than in Q4 24 (20 basis points).

Group net Income

Group net income totalled EUR 421 million for the quarter. RONE stood at 9.5% in Q1 25.

5. GLOBAL BANKING AND INVESTOR SOLUTIONS

In EUR m	Q1 25	Q1 24	Change	
Net banking income	2,896	2,631	+10.0%	+8.8%*
Operating expenses	(1,755)	(1,757)	-0.1%	-0.6%*
Gross operating income	1,140	874	+30.4%	+27.6%*
Net cost of risk	(55)	20	n/s	n/s
Operating income	1,085	894	+21.3%	+18.9%*
Group net income	856	697	+22.8%	+19.6%*
Cost to income	60.6%	66.8%		

Net banking income

Global Banking and Investor Solutions reported strong results in Q1 25, with revenues up +10.0% vs. Q1 24 to stand at EUR 2,896 million.

Global Markets and Investor Services recorded solid growth of +10.0% over the quarter compared with Q1 24, at EUR 1,922 million.

Market Activities grew in the first quarter with revenues of EUR 1,759 million, up +10.9% vs. Q1 24 in a volatile market environment.

The Equities business delivered a record performance[1] in Q1 25 with revenues of EUR 1,061 million, a sharp increase of +21.8% compared with Q1 24, driven by positive momentum particularly in flow and listed products.

Fixed Income and Currencies were slightly down -2.4% to EUR 698 million in Q1 25, due to lower client activity on rates investment solutions and margin compression in financing activities. Commercial momentum also remained strong in flow activities, particularly for rates and forex products, driven by higher volatility.

In Securities Services, revenues were up +1.4% compared with Q1 24 at EUR 163 million and overall stable (-0.2%) excluding participation. The level of fees is good in comparison to a high Q1 24, notably thanks to a strong commercial performance in fund distribution. Assets under Custody and Assets under Administration amounted to EUR 5,194 billion and EUR 637 billion, respectively.

Revenues for the **Financing and Advisory business** totalled EUR 973 million, a sharp increase of +10.0% vs. Q1 24.

Global Banking & Advisory posted significant revenues, up +10.5% compared with Q1 24, driven by buoyant activity in asset finance. Asset-Backed Products are steady despite less conducive market conditions compared to Q1 24. Furthermore, the performance was resilient in Mergers and Acquisitions (M&A) and Debt Capital Markets (DCM).

Global Transaction & Payment Services once again delivered a strong performance compared with Q1 24, with a sharp increase in revenues of +8.7%, notably due to higher payment volumes with institutional clients and good commercial performance on the corporate franchise.

[1] At comparable business model post GFC (Global Financial Crisis) regulatory regime

Operating expenses

Operating expenses came to EUR 1,755 million for the quarter and included around EUR 12 million in transformation charges. These are stable relative to Q1 24. The cost-to-income ratio stood at 60.6% in Q1 25.

Cost of risk

Over the quarter, the cost of risk was EUR 55 million, or 13 basis points vs. -5 basis points in Q1 24.

Group net Income

Group net income increased by +22.8% vs. Q1 24 to **EUR 856 million**.

Global Banking and Investor Solutions reported **a strong RONE of 18.7% for the quarter**.

6. MOBILITY, INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES

In EURm	Q1 25	Q1 24	Change	
Net banking income	2,000	2,161	-7.4%	+1.1%*
Operating expenses	(1,180)	(1,350)	-12.6%	-4.8%*
Gross operating income	**820**	**810**	**+1.2%**	**+10.8%***
Net cost of risk	(124)	(182)	-31.8%	-23.1%*
Operating income	**696**	**629**	**+10.7%**	**+20.3%***
Net profits or losses from other assets	0	4	-98.3%	-98.3%*
Non-controlling interests	212	195	+8.3%	+16.1%*
Group net income	**319**	**278**	**+14.5%**	**+24.4%***
Cost to income	**59.0%**	**62.5%**		

Commercial activity

International Retail Banking

International Retail Banking posted robust commercial activity with loan outstandings of EUR 61 billion, up +4.3%* vs. Q1 24, and deposits of EUR 75 billion, slightly up +1.1%* vs. Q1 24.

In **Europe**, loan outstandings rose by 6.1%* vs. Q1 24 to EUR 45 billion in Q1 25 for both client segments of KB and BRD, particularly in home loans. Deposit outstandings totalled EUR 55 billion in Q1 25, slightly up +0.6%* vs. Q1 24, mainly driven by Romania.

Overall, loan outstandings in **Africa, Mediterranean Basin and French Overseas Territories** amounted to EUR 16 billion, broadly stable* vs. Q1 24, with mixed situations across geographies. Deposit outstandings increased by +2.5%* vs. Q1 24 to EUR 20 billion in Q1 25, mainly driven by sight deposits from corporate clients.

Mobility and Financial Services

Overall, **Mobility and Financial Services** maintained a good commercial performance.

Ayvens' earning assets totalled EUR 53.5 billion at end-March 2025, a +1.4% increase vs. end-March 2024.

Consumer Finance posted loans outstanding of EUR 23 billion, still down -3.0% vs. Q1 24, but decreasing at a slower pace than previously.

Net banking income

In Q1 25, Mobility, International Retail Banking and Financial Services recorded revenues of EUR 2,000 million, up slightly (+1.1%* vs. Q1 24).

International Retail Banking revenues increased slightly by +1.9%* vs. Q1 24, to EUR 913 million in Q1 25.

Revenues in **Europe** increased by +5.4%* vs. Q1 24, to EUR 520 million in Q1 25. This robust growth, both in the Czech Republic and Romania, was driven by a solid performance of net interest income and a sharp increase in fees.

In **Africa, Mediterranean Basin and French Overseas Territories**, revenues remained high at EUR 393 million in Q1 25, a slight down -2.3%* compared with a strong first quarter of 2024.

Overall, revenues from **Mobility and Financial Services** were stable* vs. Q1 24, to EUR 1,087 million in Q1 25.

At **Ayvens,** net banking income stood at EUR 796 million in Q1 25, stable vs. Q1 24, with an increase in margins[1]. Margins are continuing to improve, standing at 562 basis points in Q1 25, vs. 522 basis points in Q1 24. The secondary market for vehicle sales is gradually returning to normal, as expected, with an average profit margin per vehicle of EUR 1,229[2] per unit this quarter, vs. EUR 1,267[2] in Q4 24 and EUR 1,661[1] in Q1 24. At its level, Ayvens has a cost-to-income ratio of 58.0%[3], in line with the 2025 target (57%-59%).

Revenues for the **Consumer Finance** business stabilised vs. Q1 24 at EUR 223 million in Q1 25.

Operating expenses

Over the quarter, operating expenses decreased significantly by -4.8%* vs. Q1 24, to EUR 1,180 million in Q1 25 (of which EUR 39 million of transformation charges). The cost-to-income ratio improved in Q1 25 to 59.0% vs. 62.5% in Q1 24.

International Retail Banking posted costs of EUR 546 million in Q1 25, down by -3.2%* vs. Q1 24.

Mobility and Financial Services costs reached EUR 635 million in Q1 25, a sharp decrease of -6.1%* vs. Q1 24, with cost synergies materialising at Ayvens driven by the continued LeasePlan integration.

Cost of risk

Over the quarter, the cost of risk amounted to EUR 124 million or 31 basis points, which was considerably lower than in Q1 24 (43 basis points).

Group net Income

Over the quarter, Group net income came to EUR 319 million, up +24.4%* vs. Q1 24. RONE stood at 11.2% in Q1 25. RONE was 14.1% in International Retail Banking and 9.4% in Mobility and Financial Services in Q1 25.

[1] Excluding non-recurring items
[2] Excluding impacts of depreciation adjustments
[3] As communicated by Ayvens in its Q1 25 results (excluding used car sales result and non-recurring items)

7. CORPORATE CENTRE

In EURm	Q1 25	Q1 24
Net banking income	(112)	(162)
Operating expenses	(103)	(145)
Gross operating income	(215)	(308)
Net cost of risk	6	9
Net profits or losses from other assets	192	(84)
Income tax	61	90
Group net income	12	(327)

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 several costs incurred by the Group that are not re-invoiced to the businesses.

Net banking income

The **Corporate Centre's net banking income totalled EUR -112 million** for the quarter, vs. EUR -162 million in Q1 24, notably thanks to management actions to more efficiently use excess liquidity.

Operating expenses

Over the quarter, **operating expenses totalled EUR -103 million**, vs. EUR -145 million in Q1 24, notably thanks to a decrease in transformation charges.

Net profits from other assets

The Group recorded EUR +192 million in net profits from other assets during the quarter at the Corporate Centre level, notably following asset disposals of SGEF[1], Societe Generale Private Banking Suisse and SG Kleinwort Hambros.

Group net Income

The **Corporate Centre's net income totalled EUR +12 million** for the quarter, vs. EUR -327 million in Q1 24.

[1] Except for operations in the Czech Republic and Slovakia

8. 2025 FINANCIAL CALENDAR

2025 Financial communication calendar	
May 20th, 2025	Combined General Meeting
May 26th, 2025	Dividend detachment
May 28th, 2025	Dividend payment
July 31st, 2025	Second quarter and first half 2025 results
October 30th, 2025	Third quarter and nine months 2025 results

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, cost of risk in basis points, ROE, ROTE, RONE, net assets and tangible net assets are presented in the methodology notes, as are the principles for the presentation of prudential ratios.

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

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:
- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

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

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

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

9. APPENDIX 1: FINANCIAL DATA

GROUP NET INCOME BY CORE BUSINESS

In EURm	Q1 25	Q1 24	Variation
French Retail, Private Banking and Insurance	421	31	x 13.4
Global Banking and Investor Solutions	856	697	+22.8%
Mobility, International Retail Banking & Financial Services	319	278	+14.5%
Core Businesses	1,596	1,007	+58.5%
Corporate Centre	12	(327)	n/s
Group	1,608	680	x 2.4

MAIN EXCEPTIONAL ITEMS

In EURm	Q1 25	Q1 24
Operating expenses - Total one-off items and transformation charges	(74)	(352)
Transformation charges	(74)	(352)
Of which French Retail, Private Banking and Insurance	*(23)*	*(81)*
Of which Global Banking & Investor Solutions	*(12)*	*(154)*
Of which Mobility, International Retail Banking & Financial Services	*(39)*	*(69)*
Of which Corporate Centre	*0*	*(47)*
Other one-off items - Total	202	(80)
Net profits or losses from other assets	202	(80)

CONSOLIDATED BALANCE SHEET

In EUR m	31/03/2025	31/12/2024
Cash, due from central banks	169,891	201,680
Financial assets at fair value through profit or loss	548,999	526,048
Hedging derivatives	8,171	9,233
Financial assets at fair value through other comprehensive income	99,248	96,024
Securities at amortised cost	41,224	32,655
Due from banks at amortised cost	91,527	84,051
Customer loans at amortised cost	447,815	454,622
Revaluation differences on portfolios hedged against interest rate risk	(480)	(292)
Insurance and reinsurance contracts assets	545	615
Tax assets	4,170	4,687
Other assets	73,618	70,903
Non-current assets held for sale	2,911	26,426
Investments accounted for using the equity method	414	398
Tangible and intangible fixed assets	61,250	61,409
Goodwill	5,085	5,086
Total	1,554,388	1,573,545

In EUR m	31/03/2025	31/12/2024
Due to central banks	10,661	11,364
Financial liabilities at fair value through profit or loss	405,056	396,614
Hedging derivatives	14,028	15,750
Debt securities issued	154,356	162,200
Due to banks	100,825	99,744
Customer deposits	521,141	531,675
Revaluation differences on portfolios hedged against interest rate risk	(6,168)	(5,277)
Tax liabilities	2,301	2,237
Other liabilities	96,417	90,786
Non-current liabilities held for sale	2,560	17,079
Insurance and reinsurance contracts liabilities	152,899	150,691
Provisions	4,098	4,085
Subordinated debts	16,148	17,009
Total liabilities	1,474,322	1,493,957
Shareholder's equity	-	-
Shareholders' equity, Group share	-	-
Issued common stocks and capital reserves	20,812	21,281
Other equity instruments	9,873	9,873
Retained earnings	37,863	33,863
Net income	1,608	4,200
Sub-total	70,156	69,217
Unrealised or deferred capital gains and losses	400	1,039
Sub-total equity, Group share	70,556	70,256
Non-controlling interests	9,510	9,332
Total equity	80,066	79,588
Total	1,554,388	1,573,545

10. APPENDIX 2: METHODOLOGY

1 –The financial information presented for the first quarter 2025 was examined by the Board of Directors on April 29th, 2025 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. The information has not been audited.

2 - Net banking income

The pillars' net banking income is defined on page 38 of Societe Generale's 2025 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 5 to the Group's consolidated financial statements as at December 31st, 2024. The term "costs" is also used to refer to Operating Expenses. The Cost/Income Ratio is defined on page 38 of Societe Generale's 2025 Universal Registration Document.

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

The cost of risk is defined on pages 39 and 748 of Societe Generale's 2025 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		Q1 25	Q1 24
French Retail, Private Banking and Insurance	Net Cost Of Risk	171	247
	Gross loan Outstandings	233,536	238,394
	Cost of Risk in bps	29	41
Global Banking and Investor Solutions	Net Cost Of Risk	55	(20)
	Gross loan Outstandings	172,782	162,457
	Cost of Risk in bps	13	(5)
Mobility, International Retail Banking & Financial Services	Net Cost Of Risk	124	182
	Gross loan Outstandings	159,126	167,892
	Cost of Risk in bps	31	43
Corporate Centre	Net Cost Of Risk	(6)	(9)
	Gross loan Outstandings	25,592	23,365
	Cost of Risk in bps	(9)	(15)
Societe Generale Group	Net Cost Of Risk	344	400
	Gross loan Outstandings	591,036	592,108
	Cost of Risk in bps	23	27

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").

5 - 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 pages 39 and 40 of Societe Generale's 2025 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 40 of Societe Generale's 2025 Universal Registration Document. Starting from Q1 25 results, normative return to businesses is based on a 13% capital allocation. The Q1 25 allocated capital includes the regulatory impacts related to Basel IV, applicable since 1 January 2025.
Group net income used for the ratio numerator is the accounting Group net income adjusted for "Interest paid and payable to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisation". For ROTE, income is also restated for goodwill impairment.
Details of the corrections made to the accounting 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)	Q1 25	Q1 24
Shareholders' equity Group share	70,556	67,342
Deeply subordinated and undated subordinated notes	(10,153)	(10,166)
Interest payable to holders of deeply & undated subordinated notes, issue premium amortisation[1]	(60)	(71)
OCI excluding conversion reserves	582	696
Distribution provision[2]	(710)	(256)
Distribution N-1 to be paid	(1,718)	(999)
ROE equity end-of-period	58,496	56,545
Average ROE equity	58,609	56,522
Average Goodwill[3]	(4,191)	(4,006)
Average Intangible Assets	(2,835)	(2,956)
Average ROTE equity	51,583	49,560
Group net Income	1,608	680
Interest paid and payable to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisation	(188)	(166)
Adjusted Group net Income	1,420	514
ROTE	11.0%	4.1%

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

In EURm	Q1 25	Q1 24	Change
French Retail, Private Banking and Insurance	17,687	16,518	+7.1%
Global Banking and Investor Solutions	18,324	16,011	+14.4%
Mobility, International Retail Banking & Financial Services	11,376	11,252	+1.1%
Core Businesses	47,386	43,781	+8.2%
Corporate Centre	11,223	12,741	-11.9%
Group	58,609	56,522	+3.7%

[1] Interest net of tax
[2] The distribution provision is calculated based on a pay-out ratio of 50%, restated from non-cash items and after deduction of interest on deeply subordinated notes and on undated subordinated notes
[3] Excluding goodwill arising from non-controlling interests

6 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 41 of the Group's 2025 Universal Registration Document. The items used to calculate them are presented below:

End of period (in EURm)	Q1 25	2024	2023
Shareholders' equity Group share	70,556	70,256	65,975
Deeply subordinated and undated subordinated notes	(10,153)	(10,526)	(9,095)
Interest of deeply & undated subordinated notes, issue premium amortisation[1]	(60)	(25)	(21)
Book value of own shares in trading portfolio	(44)	8	36
Net Asset Value	60,299	59,713	56,895
Goodwill[2]	(4,175)	(4,207)	(4,008)
Intangible Assets	(2,798)	(2,871)	(2,954)
Net Tangible Asset Value	53,326	52,635	49,933
Number of shares used to calculate NAPS[3]	783,671	796,498	796,244
Net Asset Value per Share	76.9	75.0	71.5
Net Tangible Asset Value per Share	68.0	66.1	62.7

7 - 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 pages 40-41 of Societe Generale's 2025 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.
The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands)	Q1 25	2024	2023
Existing shares	800,317	801,915	818,008
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	2,586	4,402	6,802
Other own shares and treasury shares	7,646	2,344	11,891
Number of shares used to calculate EPS[4]	790,085	795,169	799,315
Group net Income (in EUR m)	1,608	4,200	2,493
Interest on deeply subordinated notes and undated subordinated notes (in EUR m)	(188)	(720)	(759)
Adjusted Group net income (in EUR m)	1,420	3,481	1,735
EPS (in EUR)	1.80	4.38	2.17

8 - Solvency and leverage ratios

Shareholder's equity, risk-weighted assets and leverage exposure are calculated in accordance with applicable CRR3/CRD6 rules, including the procedures provided by the regulation for the calculation of phased-in and fully loaded ratios. The solvency ratios and leverage ratio are presented on a pro-forma basis for the current year's accrued results, net of dividends, unless otherwise stated.

[1] Interest net of tax
[2] Excluding goodwill arising from non-controlling interests
[3] The number of shares considered is the number of ordinary shares outstanding at end of period, excluding treasury shares and buybacks, but including the trading shares held by the Group (expressed in thousands of shares)
[4] 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 (expressed in thousands of shares)

9 – Funded balance sheet, loan to deposit ratio

The funded balance sheet is based on the Group financial statements. It is obtained in two steps:

- A first step aiming at reclassifying the items of the financial statements into aggregates allowing for a more economic reading of the balance sheet. Main reclassifications:

  Insurance: grouping of the accounting items related to insurance within a single aggregate in both assets and liabilities.

  Customer loans: include outstanding loans with customers (net of provisions and write-downs, including net lease financing outstanding and transactions at fair value through profit and loss); excludes financial assets reclassified under loans and receivables in accordance with the conditions stipulated by IFRS 9 (these positions have been reclassified in their original lines).

  Wholesale funding: includes interbank liabilities and debt securities issued. Financing transactions have been allocated to medium/long-term resources and short-term resources based on the maturity of outstanding, more or less than one year.

  Reclassification under customer deposits of the share of issues placed by French Retail Banking networks (recorded in medium/long-term financing), and certain transactions carried out with counterparties equivalent to customer deposits (previously included in short term financing).

  Deduction from customer deposits and reintegration into short-term financing of certain transactions equivalent to market resources.

- A second step aiming at excluding the contribution of insurance subsidiaries, and netting derivatives, repurchase agreements, securities borrowing/lending, accruals and “due to central banks”.

The Group **loan/deposit ratio** is determined as the division of the customer loans by customer deposits as presented in the funded balance sheet.

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 a top tier European Bank with around 119,000 employees serving more than 26 million clients in 62 countries across the world. We have been supporting the development of our economies for 160 years, providing our corporate, institutional, and individual clients with a wide array of value-added advisory and financial solutions. Our long-lasting and trusted relationships with the clients, our cutting-edge expertise, our unique innovation, our ESG capabilities and leading franchises are part of our DNA and serve our most essential objective - to deliver sustainable value creation for all our stakeholders.

The Group runs three complementary sets of businesses, embedding ESG offerings for all its clients:

- **French Retail, Private Banking and Insurance**, with leading retail bank SG and insurance franchise, premium private banking services, and the leading digital bank BoursoBank.
- **Global Banking and Investor Solutions**, a top tier wholesale bank offering tailored-made solutions with distinctive global leadership in equity derivatives, structured finance and ESG.
- **Mobility, International Retail Banking and Financial Services**, comprising well-established universal banks (in Czech Republic, Romania and several African countries), Ayvens (the new ALD I LeasePlan brand), a global player in sustainable mobility, as well as specialized financing activities.

Committed to building together with its clients a better and sustainable future, Societe Generale aims to be a leading partner in the environmental transition and sustainability overall. The Group 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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