

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, Societe Generale, the Certificates, or the Company (as defined below).

**5,000,000 European Style Cash Settled Long Certificates relating to
the ordinary H shares of Z.AI Co., Ltd.
with a Daily Leverage of 3x**

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Societe Generale

Issue Price: S\$2.00 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 Societe Generale (the “**Guarantor**”), and is supplemental to and should be read in conjunction with a base listing document dated 12 June 2026 including such further base listing documents as may be issued from time to time (the “**Base Listing Document**”) for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

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

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

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

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

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 12 June 2026 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 29 September 2026.

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.

28 September 2026

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 36 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section of this document for more information;
- (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 sideways 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 41 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 not provide certification of their compliance with IRS rules to disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer or an investor's broker or custodian may be subject to FATCA and, as a result, may be required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide the Issuer or the relevant broker or custodian with such certification, the Issuer and the Guarantor or other withholding agent could be required to withhold U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer or the relevant broker or custodian could be required to close an account of an investor who does not comply with the FATCA certification procedures.

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

(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 is still subject to further discussions and as a result its precise legal application date is unknown. As such, 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.

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.

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

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

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

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

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

The EU Banking Package Reforms introduced, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet ("**FSB TLAC Term Sheet**"), by adapting, among other things, the existing regime relating to the specific MREL with the 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 imposes 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:	5,000,000 European Style Cash Settled Long Certificates relating to the ordinary H shares of Z.AI Co., Ltd. traded in HKD (the “ Underlying Stock ”)
ISIN:	LU2088918557
Company:	Z.AI Co., Ltd. (RIC: 2513.HK)
Underlying Price ³ and Source:	HK\$622.00 (Reuters)
Calculation Agent:	Societe Generale
Strike Level:	Zero
Daily Leverage:	3x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 2.00
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	42.00%, 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:	22 September 2026
Closing Date:	28 September 2026
Expected Listing Date:	29 September 2026

³ These figures are calculated as at, and based on information available to the Issuer on or about 28 September 2026. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 28 September 2026.

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

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

⁶ These costs are embedded within the Leverage Strategy.

Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 6 March 2028
Expiry Date:	13 March 2028 (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:	10 March 2028 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. Investors may also refer to the Issuer's website at https://dlc.socgen.com/en/products/expired-dlc for the Cash Settlement Amount upon expiry.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of $(1 - \text{Management Fee} \times (\text{ACT}(t-1;t) \div 360)) \times (1 - \text{Gap Premium}(t-1) \times (\text{ACT}(t-1;t) \div 360))$, where:

“t” refers to “**Observation Date**” which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding 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 21 to 26 below.

Initial Exchange Rate³: 0.1630

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.

In addition, the Conditions have been modified as follows:

1. Condition 9(b) is deleted and replaced with the following:

“(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.”

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

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

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

On Observation Date(1):

$$LSL_1 = 1000$$

On each subsequent Observation Date(t):

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

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

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

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

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

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

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

TC means the Transaction Costs applicable (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to:
0.11%

“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

S_t means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.

$Rate_t$ means, in respect of each Observation Date(t), a rate calculated as of such day in accordance with the following formula:

$$Rate_t = CashRate_t + \%SpreadLevel_t$$

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

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

where

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

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

$\%SpreadLevel_t$ means, in respect of each Observation Date(t), a rate which shall be determined with respect to such Valuation Date(t) by the Calculation Agent as the difference between (1) the 12-month HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC H1HKD1YD= and (2) Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC H1HKDOND= or any successor page, each being the rate as of day (t), provided that if any of such rates is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of modification, the permanent or indefinite cancellation or cessation in the provision of HIBOR, or a regulator or other official sector entity prohibits the use of HIBOR, the Calculation Agent may make adjustments as it may determine appropriate to

account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

Provided that if such difference is negative, %**SpreadLevel**_t should be 0%.

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

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

**Extraordinary Strategy
Adjustment for
Performance Reasons**

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

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

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

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

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

$ILSL_{IR(k)}$

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

(1) for $k = 1$:

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

(2) for $k > 1$:

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

ILR_{IR(k-1),IR(k)}	means the Intraday Leveraged Return between IR(k-1) and IR(k), calculated as follows: $ILR_{IR(k-1),IR(k)} = \text{Leverage} \times \left(\frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right)$
IRC_{IR(k-1),IR(k)}	means the Intraday Rebalancing Cost of the Leverage Strategy in respect of IR(k) on a given Intraday Restrike Date, calculated as follows: $IRC_{IR(k-1),IR(k)} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left \frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right \right) \times TC$
IS_{IR(k)}	means the Underlying Stock Price in respect of IR(k) computed as follows: (1) for k=0 $IS_{IR(0)} = S_{IRD-1} \times Rfactor_{IRD}$ (2) for k=1 to n means in respect of IR(k), the lowest price of the Underlying Stock during the respective Intraday Restrike Observation Period (3) with respect to IR(C) $IS_{IR(C)} = S_{IRD}$ In each case, subject to the adjustments and provisions of the Conditions.
IR(k)	For k=0, means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date; For k=1 to n, means the kth Intraday Restrike Event on the relevant Intraday Restrike Date.
IR(C)	means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.
n	means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.
Intraday Restrike Event	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 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 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 12 June 2026, made by SG Issuer (the “**Issuer**”) and Societe Generale (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 Societe Generale, Tour Societe Generale, 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 Societe Generale 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, Societe Generale 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 Societe Generale 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:	Z.AI Co., Ltd.
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	5,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 12 June 2026 (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 29 September 2026.
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) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and
- (ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Strategy including the Funding Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
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Daily Fees	=	Daily Management Fee Adjustment	
		1 – Management Fee x ACT (t-1;t) / 360	
		x	
		Daily Gap Premium Adjustment	
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360	

Illustration of the Calculation of Cash Settlement Amount

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

Value of Certificates	=	<table border="1"> <tr><td>t'=0</td></tr> <tr><td>Notional Amount</td></tr> </table>	t'=0	Notional Amount	x	<table border="1"> <tr><td>t=1</td></tr> <tr> <td>Leverage Strategy daily performance⁸</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	t=1	Leverage Strategy daily performance ⁸	x	Daily Fees	x	<table border="1"> <tr><td>t=2</td></tr> <tr> <td>Leverage Strategy daily performance</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	t=2	Leverage Strategy daily performance	x	Daily Fees	x ...	<table border="1"> <tr><td>t=i</td></tr> <tr> <td>Leverage Strategy Daily performance</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	t=i	Leverage Strategy Daily performance	x	Daily Fees
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Value of Certificates	=	<table border="1"> <tr><td>t=0</td></tr> <tr><td>Notional Amount</td></tr> </table>	t=0	Notional Amount	x	<table border="1"> <tr><td colspan="2">Product of the daily Leverage Strategy Performance</td></tr> <tr> <td>Leverage Strategy daily performance</td> <td>x</td> <td>Leverage Strategy daily performance</td> </tr> </table>	Product of the daily Leverage Strategy Performance		Leverage Strategy daily performance	x	Leverage Strategy daily performance	x	<table border="1"> <tr><td colspan="2">Product of the Daily Fees (Hedging Fee Factor)</td></tr> <tr> <td>Daily Fees</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	Product of the Daily Fees (Hedging Fee Factor)		Daily Fees	x	Daily Fees
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Leverage Strategy daily performance	x	Leverage Strategy daily performance																
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Final Value of Certificates	=	<table border="1"> <tr><td>t=0</td></tr> <tr><td>Notional Amount</td></tr> </table>	t=0	Notional Amount	x	<table border="1"> <tr> <td colspan="2">Final Reference Level x Final Exchange Rate</td> </tr> <tr> <td colspan="2">÷</td> </tr> <tr> <td colspan="2">Initial Reference Level x Initial Exchange Rate</td> </tr> </table>	Final Reference Level x Final Exchange Rate		÷		Initial Reference Level x Initial Exchange Rate		x	<table border="1"> <tr><td colspan="2">Hedging Fee Factor</td></tr> </table>	Hedging Fee Factor	
			t=0													
Notional Amount																
Final Reference Level x Final Exchange Rate																
÷																
Initial Reference Level x Initial Exchange Rate																
Hedging Fee Factor																

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

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

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

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

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

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

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

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

Underlying Stock:	Ordinary H shares of Z.AI Co., Ltd. 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:	2.00 SGD
Notional Amount per Certificate:	2.00 SGD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	42.00%
Strike Level:	Zero

Hedging Fee Factor

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

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

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

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

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 42.00\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.8833\% \approx 99.8822\%$$

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

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

$$\text{HFF (2)} = 99.8822\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 42.00\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.8822\% \times 99.9967\% \times 99.6500\% \approx 99.5293\%$$

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

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

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 98.2470% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.8822%
5/7/2018	99.7646%
6/7/2018	99.6471%
9/7/2018	99.2950%
10/7/2018	99.1781%
11/7/2018	99.0613%
12/7/2018	98.9446%
13/7/2018	98.8281%
16/7/2018	98.4789%
17/7/2018	98.3629%
18/7/2018	98.2470%

Cash Settlement Amount

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

$$\begin{aligned} \text{Closing Level} &= [(\text{Final Reference Level} \times \text{Final Exchange Rate}) / (\text{Initial Reference Level} \times \text{Initial Exchange Rate}) - \text{Strike Level}] \times \text{Hedging Fee Factor} \\ &= [(1200 \times 1) / (1000 \times 1) - 0] \times 98.2470\% \\ &= 117.90\% \end{aligned}$$

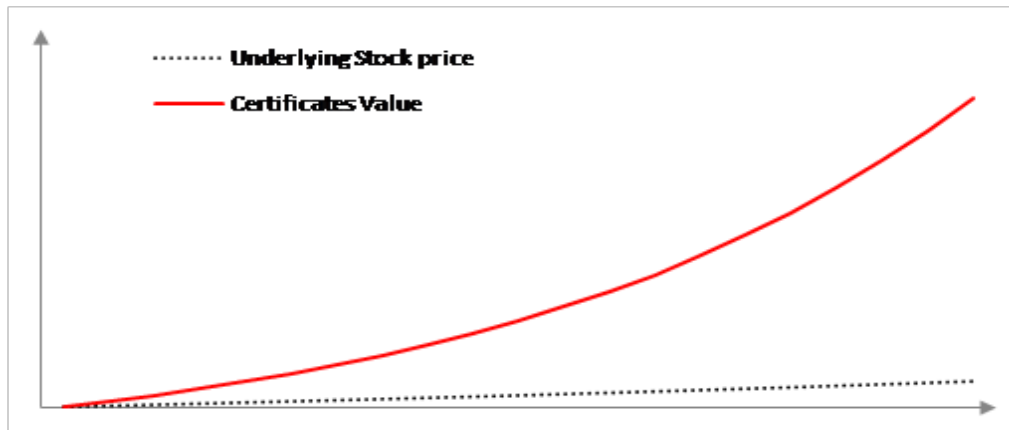
$$\begin{aligned} \text{Cash Settlement Amount} &= \text{Closing Level} \times \text{Notional Amount per Certificate} \\ &= 117.90\% \times 2.00 \text{ SGD} \\ &= \mathbf{2.358 \text{ SGD}} \end{aligned}$$

Illustration on how returns and losses can occur under different scenarios

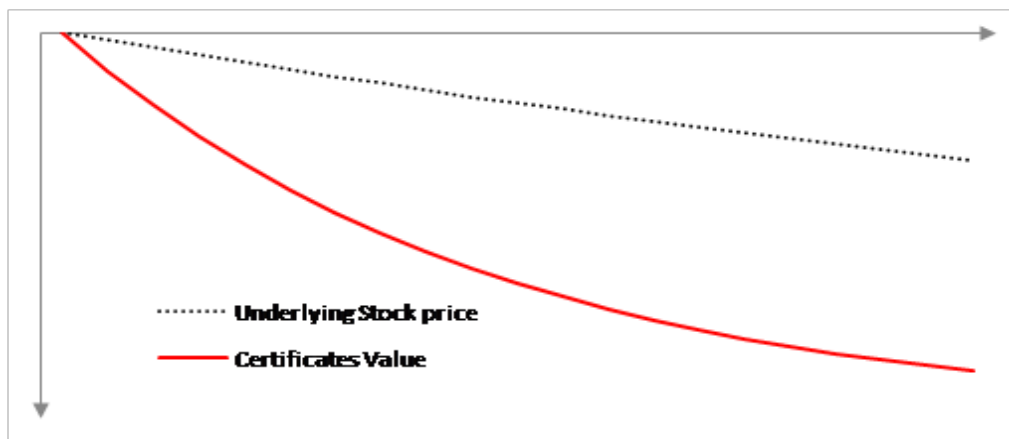
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends,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

1. Illustrative examples

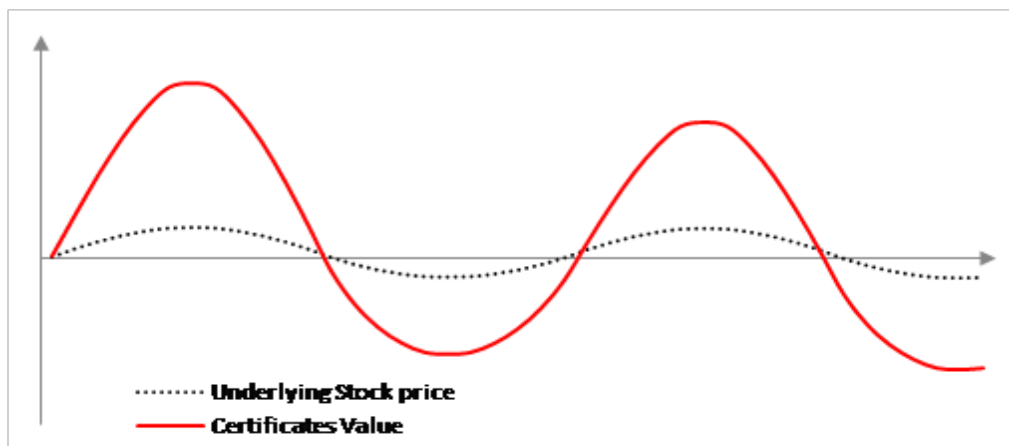
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

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

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		6.0%	6.0%	6.0%	6.0%	6.0%
Price at end of day	2.00	2.12	2.25	2.38	2.52	2.68
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	2.00	1.88	1.77	1.66	1.56	1.47
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	2.00	2.12	1.99	2.11	1.99	2.10
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.

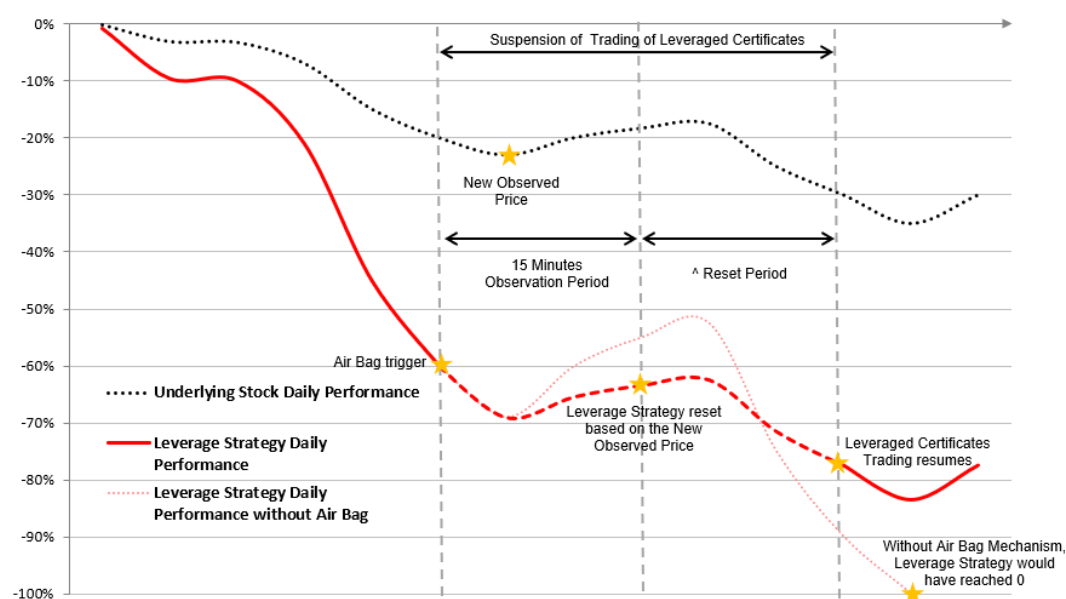
The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour. The Issuer will provide at least 15 minutes' notice of the resumption of trading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

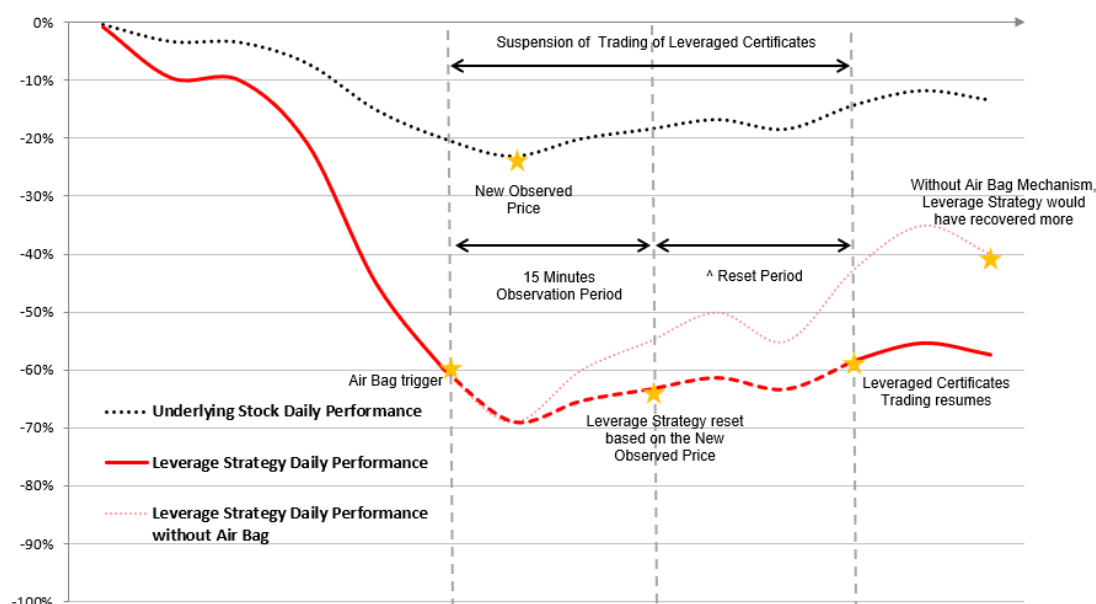
Illustrative examples of the Air Bag Mechanism⁹

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.

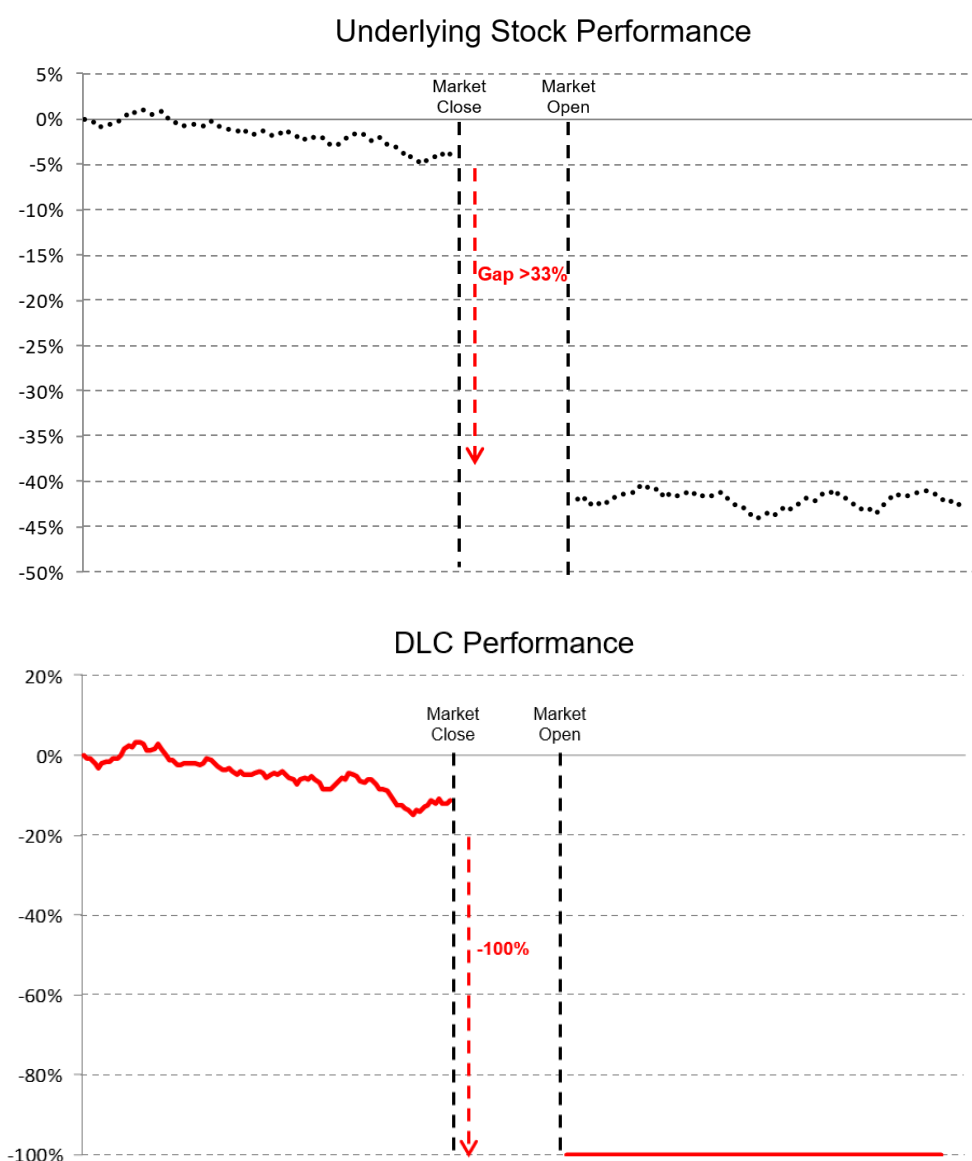
⁹ The illustrative examples are not exhaustive.

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.

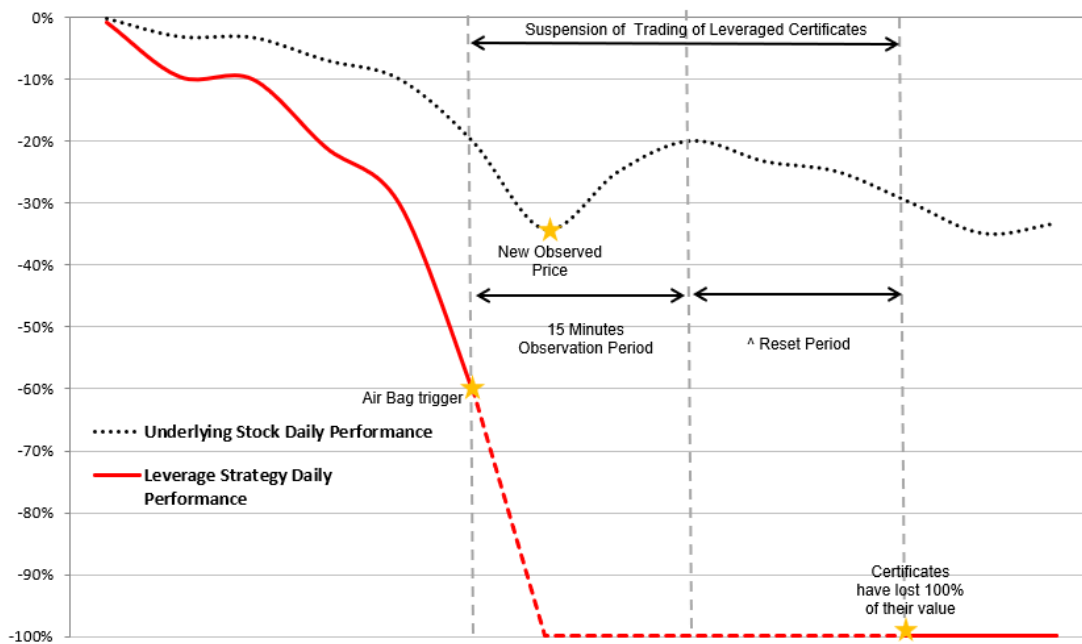
Scenario 1 – Overnight fall of the Underlying Stock

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:

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

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:

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

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

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

1. Stock split

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

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

$$S_t = \$51$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

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

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

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
2.00	2.12	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. Share Consolidation

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

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

$$S_t = \$202$$

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

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

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

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

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

As a consequence:

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

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)
2.00	2.06	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.

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

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

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

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

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

As a consequence:

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

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)
2.00	2.30	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:

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

$$S_t = \$85$$

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

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

$$R = \$0$$

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

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

As a consequence:

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

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)
2.00	2.12	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.

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

$$S_t = \$84$$

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

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

$$R = \$0$$

$$M = 0$$

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

As a consequence:

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

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)
2.00	2.30	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.zhipuai.cn/investor_relations. The Issuer has not independently verified any of such information.

Z.AI Co., Ltd. (the “**Company**”) formerly Knowledge Atlas Technology JSC Ltd, is a China-based company primarily engaged in the provision of large model-related services. The Company operates through two segments. The On-premise Deployment segment is primarily engaged in the development and provision of customised large model-related services according to the customers' instructions and needs at the customers' infrastructure. The Cloud-based Deployment segment is engaged in the development and provision of cloud-based large model-related services to customers through cloud infrastructure. The Company's products primarily consist of open platforms and Application Programming Interface (API), enterprise-level agents, enterprise-level general-purpose large models, technical services and others. The Company primarily conducts its business in the domestic market.

The information set out in the Appendix to this document relates to the unaudited condensed consolidated interim results of the Company and its subsidiaries for the six months ended 30 June 2026 and has been extracted and reproduced from an announcement by the Company dated 31 August 2026 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

Societe Generale 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 GUARANTOR

On 23 September 2026, the share capital of Societe Generale changed to EUR 924,080,290.00, divided into 739,264,232 shares with a nominal value of EUR 1.25 each.

For the Guarantor's unaudited consolidated financial results for the 6-month period ending 30 June 2026, please refer to the weblink at <https://www.societegenerale.com/sites/default/files/resultats-publication/en/2026-07/q2-2026-financial-statements-en.pdf>.

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 2025 or the Guarantor since 30 June 2026, 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. Societe Generale, 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 Societe Generale at the above address for the attention of Societe Generale 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 Societe Generale, 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 be deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act 2001 of Singapore.

Hong Kong

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

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

European Economic Area

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

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

United Kingdom

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute 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 either one (or both) of the following:
 - (i) not 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 European Union (Withdrawal) Act 2018; or
 - (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; 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 buy 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 other 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

REPRODUCTION OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 OF Z.AI CO., LTD. AND ITS SUBSIDIARIES

The information set out below is a reproduction of the unaudited condensed consolidated interim results of the Company and its subsidiaries for the six months ended 30 June 2026 and has been extracted and reproduced from an announcement by the Company dated 31 August 2026 in relation to the same.

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Z.AI Co., Ltd.

北京智譜華章科技股份有限公司

(A joint stock company established in the People's Republic of China with limited liability)

(Stock Code: 2513)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The Board is pleased to present the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2026, together with the comparative figures for the corresponding period in 2025.

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies between the total amounts listed in any tables, charts, or other data and the sum of the individual amounts listed therein are due to rounding.

FINANCIAL SUMMARY			
	For the six months ended June 30,		Year-on-Year
	2026	2025	Change
	<i>RMB in thousands</i>		<i>%</i>
	(Unaudited)	(Unaudited)	
Revenue	953,892	190,877	399.7
Gross profit	251,611	95,424	163.7
R&D expenses	(2,131,171)	(1,594,661)	33.6
Loss for the period	(2,071,992)	(2,357,852)	-12.1
Adjusted net loss for the period	(1,964,138)	(1,751,974)	12.1

	For the six months ended June 30,				Year-on-Year Change in Revenue Growth
	2026		2025		
	<i>RMB in thousands</i>	<i>% of total</i>	<i>RMB in thousands</i>	<i>% of total</i>	<i>%</i>
	(Unaudited)		(Unaudited)		
Revenue					
Open platform and API	825,176	86.5	29,100	15.2	2,735.7
Enterprise-level agents	55,561	5.8	13,739	7.2	304.4
Enterprise-level general-purpose large models	67,037	7.0	147,555	77.3	-54.6
Technical services and others	6,118	0.7	483	0.3	1,166.7
Total	953,892	100.0	190,877	100.0	399.7

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the first half of 2026, the Company validated the deliverability of large models in the domain of coding – progressing from early-stage simple code recommendations, to full-file code generation, and then to the implementation of complete engineering projects (Agentic Engineering). It has fully traversed this trajectory: the model is no longer merely a tool, but possesses the capability to complete an entire task independently. Accordingly, its revenue structure shifted: the share of open-platform and API services – billed on a per-invocation basis – rose from 26.3% of the previous full year to 86.5%, while on-premises model deployment revenue fell from 73.7% to 13.5%. The restructuring of our core revenue mix in the first half of 2026 is essentially an inevitable consequence of a generational leap in model capability. Cybersecurity Co-work is an extension of the same capability curve. Software vulnerability discovery does not rely on memorization, but on the model’s reasoning depth and long-range autonomy – precisely the direction that naturally follows after coding capability crosses the threshold of engineering project delivery. During the Reporting Period, the Company’s model achieved a score of 84.5% on CyberGym (surpassing Fable 5 and GPT-5.6 Sol) and completed 130 tasks on ExploitGym (ranking second only to Fable 5 and GPT-5.6 Sol).

Underpinning these two trajectories is infrastructure. Since the beginning of 2026, the Company has fully implemented an All-in-Infra strategy, investing in both training and inference, and integrating domestic chips as a primary inference compute resource. It has achieved large-scale, low-cost inference across a cluster of over 100,000 domestic chips, with unit Token inference costs declining by 80% from the beginning of the year. Given the persistent global supply constraints on compute, this path ensures that the Company's cost curve remains within its own control. As at the end of the Reporting Period, the number of enterprise and developer users on the GLM MaaS platform exceeded 5.8 million. The Company's total revenue amounted to approximately RMB954 million (approximately USD142 million), representing **a nearly 400% increase year-on-year**. Among this, open-platform and API revenue amounted to approximately RMB825 million (approximately USD123 million), **up 2,735.7% year-on-year**.

In August 2026, the Company released GLM-5.3 and GLM-5.3-Flash (Ox-Alpha), and simultaneously made the GLM Coding Plan subscription available to all users, covering Lite, Pro, Max and Team editions – making it one of the earliest large-model services in China to deliver coding-agent capabilities under a subscription model. As of the date of this announcement, the GLM MaaS platform had over 7.4 million enterprise and developer users.

I. Strategic Focus

Intelligence upper bound defines the task boundary; task value defines the commercial space

At the beginning of 2026, we set out a formula: AGI Commercial Value = Upper Bound of Intelligence × Token Consumption Scale. This time, we would like to elaborate a bit on this.

The upper bound of intelligence determines which tasks the model can handle and how much user value can be created per Token. A higher intelligence upper bound means that the model can handle tasks with higher value density, and each unit of intelligence corresponds to greater economic output. Token consumption scale reflects the breadth and depth of intelligence utilization; the upper bound of intelligence first unlocks the task boundary, and the task boundary then determines where Tokens are assigned to in terms of value density. The same volume of Token used for casual chat versus fixing a production-environment vulnerability yields an output difference of several orders of magnitude.

Capability Ladder. The evolution of model capabilities is not a set of parallel product lines, but a ladder that can only be climbed sequentially:

Chat → Coding → Agent → Co-work → Autonomous AI

Chat delivers a single response; the task ends within one round, with the lowest value density but broadest coverage. Coding delivers runnable code, introducing the first objective acceptance criterion – it either runs or it does not. Agent delivers a completed multi-step task chain, where the model begins to invoke tools and handle intermediate failures by itself. Co-work delivers a work product that can be reviewed by a professional, entering real workflows and priced by completed tasks. Autonomous AI delivers continuous operation capability, where the model undertakes long-term objectives without human supervision. Each step upward is gated by a concrete technical threshold. From Chat to Coding, the threshold is verifiability of results; from Coding to Agent, it is long-horizon planning and error recovery; from Agent to Co-work, it is reliability to the level that professionals are willing to review rather than redo from scratch; from Co-work to Autonomous AI, it is whether the model can judge the correctness of its own outputs. If the threshold cannot be crossed, the business model for that level does not hold.

Market Space. As the task boundary moves upward, the market space expands correspondingly. By rough order-of-magnitude estimates: Chat corresponds to the search market of approximately USD100 billion – the answer given by the Internet era; Coding corresponds to roughly USD500 billion in software R&D expenditure; Co-work corresponds to approximately USD5 trillion in knowledge-work spending; and in the longer term, AI-driven re-architecting of operating systems and human-computer interaction, together with industry-wide upgrades, corresponds to an addressable space of about USD30 trillion. (The above market space figures are the Company’s rough estimates based on publicly available industry data, used solely to illustrate the correspondence between task tiers and market magnitudes, have not been independently verified, and do not constitute a forecast or guarantee by the Company of its business, financial condition or results of operations. The shareholders and investors of the Company should not place undue reliance on such figures.) Correspondingly, industry evaluation criteria are also shifting: from single-turn response quality and Token consumption volume to long-horizon task success rate, unit intelligence cost, result verifiability, and the actual business outcomes delivered to customers.

During the Reporting Period, the Company’s focus lay between the second rung (Coding) and the fourth rung (Co-work) of the ladder. The coding direction has been fully traversed; cybersecurity has entered the co-work validation phase; and other areas such as legal remain at early stages. The Company’s R&D expenditure for the first half of 2026 amounted to approximately RMB2.131 billion (approximately USD317 million), demonstrating a steadfast commitment to scaling new heights.

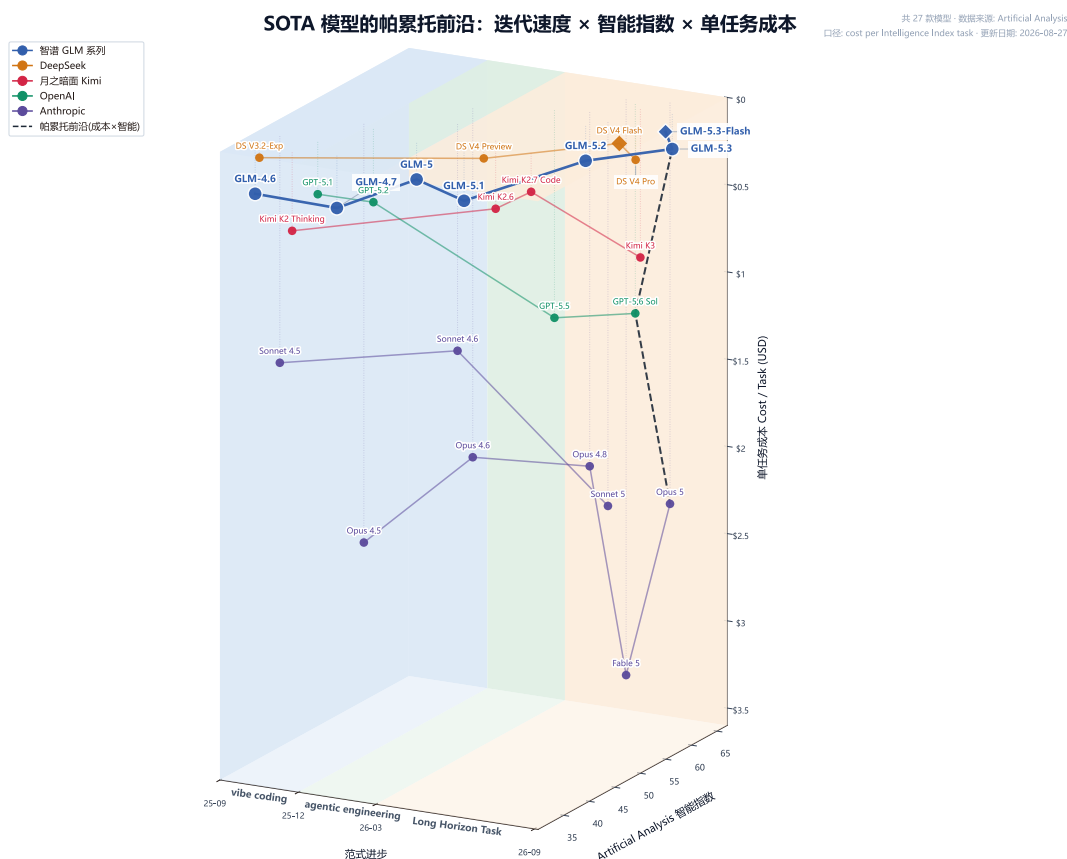
Why this order. We hold a straightforward understanding of AGI: it is not the intelligence of a single person, but the sum total of human intelligence, and should ultimately possess the capability to generate original knowledge on par with the theory of relativity. What determines progress along this path is the generational level of model capabilities. This is the starting point for all of the Company’s products and business logic.

The Company was among the earliest teams in China to invest in large-model R&D. From the GLM pre-training architecture and the Wudao series to today’s GLM-5 series, we have focused essentially on one thing: training more powerful models. When the industry was hot, we did not divert resources to roll out multiple product lines; when the industry cooled, we did not pause model iteration. In retrospect, every sharp increase in revenue occurred after – not before – model capabilities improved and new task scenarios were unlocked.

II. Technology Roadmap and Model Progress

The core capability of a model-building company lies in the efficiency of converting unit resources into intelligence. Compute, data and talent all carry costs; how efficiently the Company can convert these inputs into model intelligence determines how far it can go. Our optimal organizational approach is that research problems originate from real tasks, and research outcomes go directly into the next-generation model, delivering end-to-end service capabilities to users.

- *How We Understand SOTA*



Over the past year, the industry’s understanding of “SOTA” has been rewritten. Leading a point-in-time leaderboard is no longer the most important thing. What truly matters is who can sustainably bring more capable models to market at a faster pace and with better cost-efficiency. We place 27 flagship models from five vendors from September 2025 to the present into a single coordinate system: the horizontal axis is paradigm progress, the vertical axis is intelligence index, and the depth axis is cost per task. In this framework, a single-point champion is merely a fleeting dot; sustained optimality is a trajectory that keeps advancing upward. All players are moving forward, but the pace and cost differ. The GLM series completed six iterations – 4.6, 4.7, 5, 5.1, 5.2 and 5.3 – over approximately 11 months, with the intelligence index rising from 32 to 60 and per-task costs stable at around USD0.20, spanning all three paradigm stages shown in the figure. GLM-5.3-Flash, with a per-task cost of USD0.045, has entered the intelligence-cost frontier. (Intelligence Index and per-task cost source: Artificial Analysis Intelligence Index, as of August 27, 2026; task metric: cost per Intelligence Index task.)

During the Reporting Period, the Company’s technology roadmap comprised three generations of models.

1. GLM-5: Using Coding as the Entry Point to Unlock Long-Horizon Intelligence

We chose coding as the entry point for capability breakthroughs because software engineering is the closest real-world environment to “verifiable intelligence”: task goals are clear, the toolchains are complete, and whether code runs, tests pass and issues are fixed all constitute clear feedback signals. Without verifiable feedback, there are no targets to optimize against.

The capability focus of GLM-5 extends from code generation to system understanding, task planning, tool invocation, continuous debugging and engineering delivery, driving the model from Vibe Coding towards Agentic Engineering.

The value of coding to the Company goes beyond helping developers write code. Over longer task chains, the model needs to continuously understand goals, invoke tools, handle exceptions and adjust strategies based on environmental feedback. Through coding – a high-feedback-density real-world environment – the long-horizon task capabilities accumulated can be transferred to cybersecurity, data analytics, complex automation and other professional domains. During the Reporting Period, the coding direction had already become the Company’s primary revenue source, and the capability transfer mentioned above was validated in Cybersecurity Co-work.

2. GLM-5.2 and GLM-5.3: Scaling Deep While Scaling Up

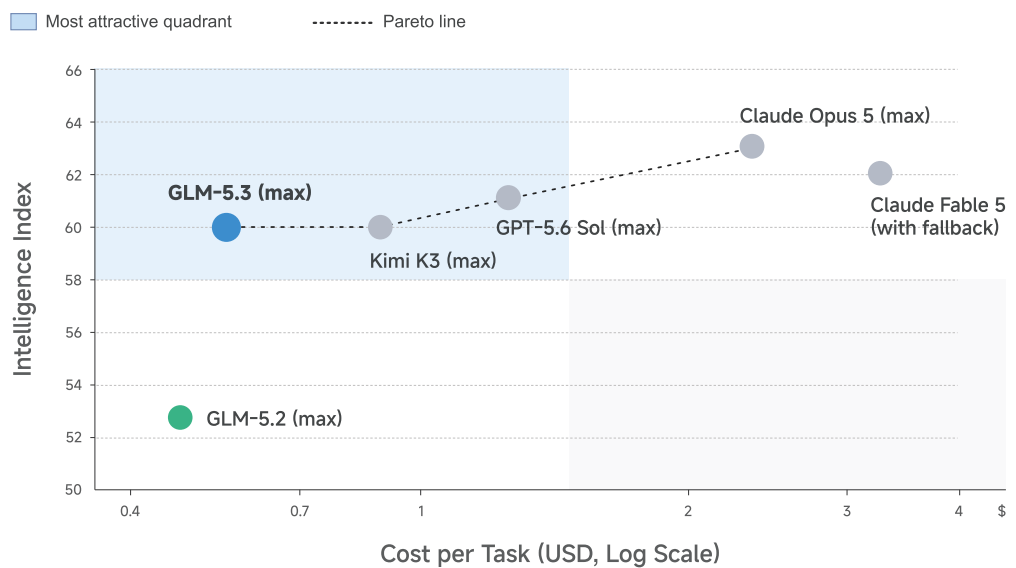
Scaling up means expanding model size, context length, compute power and system capacity; scaling deep means investing in post-training, reinforcement learning, long-horizon trajectories and task feedback. At the current stage, we prioritize resource allocation for the latter. There have been several historical precedents. Kaplan’s Law drove parameter growth far ahead of data growth; Chinchilla revised this path using the “20 Tokens per parameter” ratio: the 70B model trained on 1.4T Tokens comprehensively outperformed the 280B Gopher. In the inference era, models are invoked billions of times per day, inference costs exceed training costs, and the optimum shifts toward “smaller yet trained longer.” MoE further splits parameters into two dimensions: total parameters determine how much is memorized, while active parameters and depth determine how deep the reasoning goes. Recent research also indicates that the optimal Token-to-parameter ratio is task-dependent: memory-oriented tasks favor larger parameters, while reasoning-oriented tasks favor more data. Tasks like cybersecurity do not require memorizing more CVEs; they require pushing a twenty-step causal chain to the end without breaking – a capability that does not reside in total parameters.

CVE (Common Vulnerations and Exposures)

MoE (Mixture-of-Experts)

GLM-5.3 is a test of this judgment. It shares the same architecture, total parameter count and active parameter count with GLM-5.2; the only variable is the scale of post-training – using one month to scale up long-horizon task environments and reinforcement learning. In the Company’s self-built real-world coding evaluation, the end-to-end completion rate improved by over 50% compared with GLM-5.2 (evaluation methodology and sample size are detailed in the GLM-5.3 technical blog at <https://z.ai/blog/glm-5.3>). This approximates a controlled experiment, demonstrating that scaling is not just about parameters, and that post-training currently offers the largest headroom for performance gains.

Frontier Models: Intelligence vs. Cost per Task



Source: Artificial Analysis Intelligence Index

Our thesis is that a capable model can only be obtained by applying appropriate data at the right time and training at a suitable scale. The objective is not simply to pursue maximum size, but to deliver the model that, under current data and compute constraints and with sufficient training depth, delivers the highest intelligence upper bound.

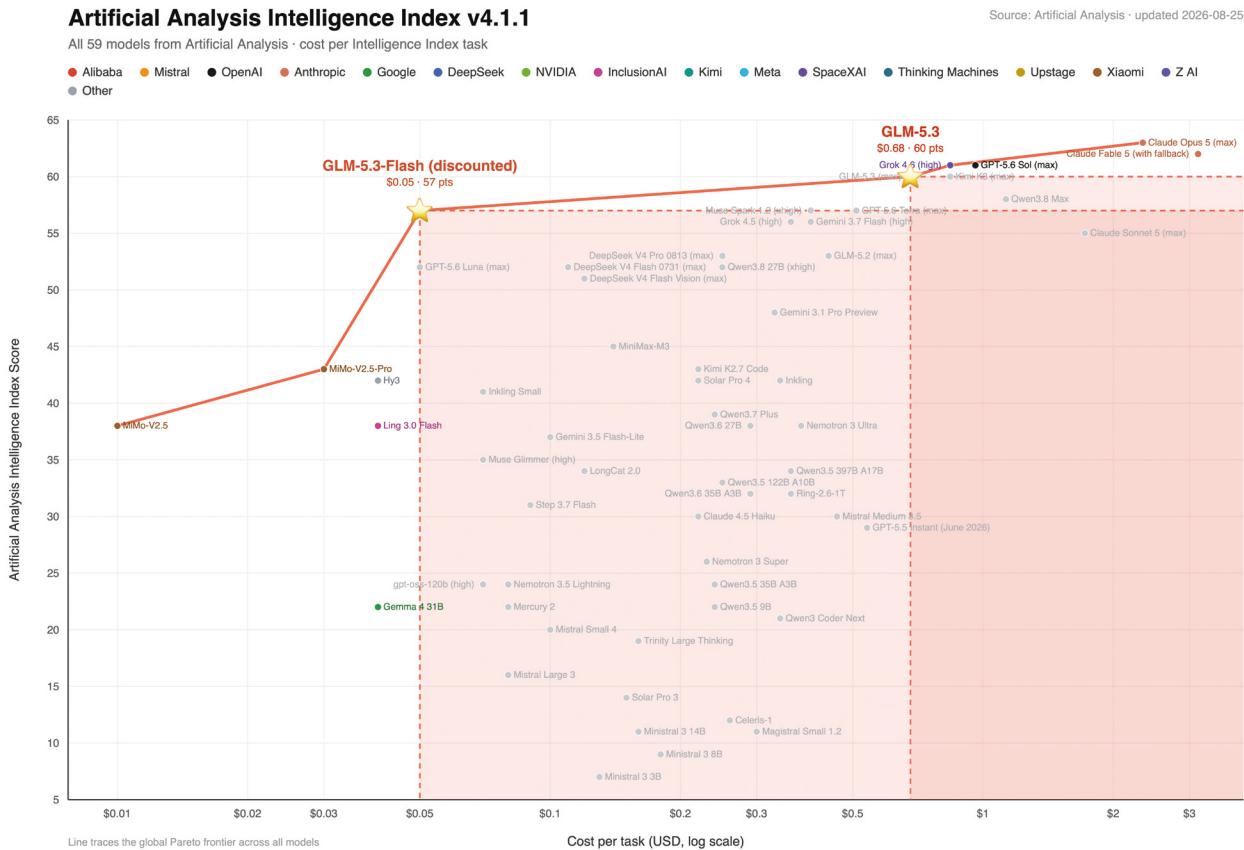
This approach unfolds across four dimensions. (i) Data: continuously increase knowledge density and task complexity, and accumulate high-quality long-horizon Agent trajectories through the developer ecosystem, industry partnerships and Model-with-Model Self-Play, which are then filtered, validated, synthesized and fed back into training; (ii) Mid-training: between pre-training and post-training, the Company has separately allocated compute for the mid-training stage to increase knowledge density, extend effective context length, and establish foundational patterns for tool invocation and long-horizon tasks. The marginal returns of the three stages differ, and compute is budgeted separately rather than as a single one-off investment; (iii) Algorithms: in response to new challenges in reward allocation, feedback utilization and continual learning over long trajectories, we are moving from GRPO to explore Critic-based SAO, and extending from SFT towards OPD. Starting with GLM-5.2, we have introduced Critic-based single-trajectory optimization for ultra-long trajectories; (iv) Engineering and Environment: Slime improves the efficiency of large-scale reinforcement learning training; Index Share reduces the overhead of long-context sparse attention; MTP optimizes inference decoding; and LayerSplit and ZCube improve KV cache management and cluster network efficiency. At the same time, we continue to expand Coding Agent and more real-world interactive environments across additional domains, enabling the model to learn through continuous execution, failure and replanning. As the number, type and complexity of environments grow, the model learns not only how to answer, but how to continuously complete complex work in dynamic environments. These four dimensions interlock: environments generate trajectories; algorithms improve trajectory utilisation; engineering supports larger-scale training and inference; and data sets the starting point.

3. GLM-5.3-Flash (Test Codename Ox-Alpha): Next-Generation Architecture and System Capability

If GLM-5.3 represents the current capability upper bound, GLM-5.3-Flash represents the cost frontier. The two serve different task regimes: the former targets long-horizon tasks requiring the highest intelligence; the latter targets high-frequency, high-volume, cost-sensitive invocations.

GLM-5.3-Flash adopts a brand-new architecture, purpose-built for ultra-low cost. It has 320B total parameters, 18B active parameters and 45 layers. It employs a hybrid architecture of sparse attention and linear attention, which substantially reduces long-context serving costs while maintaining long-context precision, and uses manifold-constrained hyperconnection (mHC) to enhance scaling capability. Combined with a 30T-scale multimodal pre-training corpus, GLM-5.3-Flash outperforms GLM-5.2 on benchmarks and in real-world applications, at one-tenth of the latter’s price.

Before the official release, we deployed the anonymous model Ox-Alpha on OpenCode and OpenRouter for real-world invocation testing. On its first day online, it reached the top of the OpenRouter leaderboard and set a new single-day Token usage record on that platform; within one week, it became the most-invoked model on both platforms, with a 6-day cumulative Token volume of more than 62 trillion, driving an over 20% increase in overall platform traffic.



4. Domestic Chips Power Domestic Models

The inference of GLM-5.3-Flash marks the first time the Company has fully deployed a domestic chip cluster to serve ultra-large-scale real-world traffic, with chips interconnected via a self-developed high-bandwidth network. The way this work was accomplished is itself worth recording: the entire inference engine was substantially accelerated by an infra agent powered by GLM-5.3, which assisted engineers in developing and optimizing operators, diagnosing performance bottlenecks, and improving the deployment service stack. The model optimizes the system, and the system hosts the model – this loop ran internally for the first time. Operator development cycles were shortened by half. This also serves as an internal validation of the Company’s own co-work approach.

The main technical constraint is the memory capacity and bandwidth of domestic chips, making 1M context support particularly challenging. To address this, we built a dedicated inference engine on top of SGLang, with custom optimizations that trade compute for bandwidth and communication for memory, and adopted at the cluster level a production-grade Encode – Prefill – Decode disaggregated architecture, splitting multimodal encoding, prompt pre-filling and per-Token decoding into independently schedulable and scalable worker pools. Compared with the initial baseline on the same hardware, end-to-end service performance tripled; in coding scenarios, the per-Token inference cost on domestic chips has reached a level comparable in cost-performance to mainstream imported GPUs. Domestic chips can economically support inference for cutting-edge models at large scale.

III. Commercialization Progress: The Right Model Will Natively Go to Market

(I) Revenue Structure Flip

The evolution of the Company’s revenue structure is essentially a progression of transaction modes driven by model capability improvement:

Sell Model → Sell Invocations → Sell Subscriptions → Sell End-to-End Task Outcomes

These four transaction modes are not parallel product lines, but forms unlocked sequentially as model capability improves. The more complete the tasks the model can independently accomplish, the closer the customer’s purchase is to the outcome itself, and the unit of revenue measurement changes accordingly.

1. On-premise Deployment Phase: Completing Deep Industry Accumulation and Validation

In the early days, when the model was not yet capable of independently completing a full task, customers purchased tools that needed to be integrated, customized and deployed in their own environments. Combined with requirements for data security, compliance and autonomous control, on-premise deployment became the natural starting point for enterprise adoption of large models. The transaction mode at this phase was selling models – one-time licensing, project-based delivery. During this phase, the Company completed penetration into key industries, developed understanding of complex scenarios, and built enterprise-grade delivery capabilities. These accumulations remain valuable today – what has changed is the delivery form, not the industry understanding.

2. Coding Phase: From One-Time Delivery to Continuous Invocation

The improvement in GLM's coding capability drove rapid growth in API and Coding Plan adoption. During this phase, the Company proactively scaled back its on-premise model software licensing business, shifting toward continuously providing invocable, scalable and quantifiable intelligence services. By end-2025, API invocation volume had grown approximately seven times from end-June 2025, with the revenue from the open platform and API accounting for approximately 26.3% of total revenue, and gross margin improving to 18.9%. Coding became the first scaled entry point for Token consumption and cloud revenue growth. The significance of this step extends beyond growth rate: revenue recognition shifted from one-off to recurring, giving the Company predictable recurring revenue for the first time.

3. Agent and Co-work Phase: From Model Invocation to Task Delivery

In the first half of 2026, GLM's capabilities in Agent planning, tool invocation, continuous execution and long-horizon tasks continued to improve, extending the business from the single-point application in coding to high-value scenarios such as software engineering, cybersecurity, data analytics and complex automation. The transaction mode evolved further from selling invocations to selling subscriptions and end-to-end task outcomes.

During the Reporting Period, revenue from the open platform and API reached RMB825 million, representing a year-on-year increase of over 27 times and accounting for approximately 86.5% of total revenue, compared with 15.2% in the same period last year – a rise of 71.3 percentage points.

Co-work represents the part currently being unlocked: the model connects to enterprise data, tools and business systems, embedding into procurement, finance, customer service, R&D, IT operation and maintenance and other functions, moving from understanding requirements to executing tasks. In turn, enterprises' real workflows become learnable environments and data for the model. During the Reporting Period, the Company initiated pilot efforts in cybersecurity, legal, finance, education and other sectors, with cybersecurity progressing most rapidly; the others remain at early stages and have not yet generated material revenue.

Looking back at these three phases, they form a cohesive trajectory: with each leap in model capabilities, what customers purchase moves one step closer to tangible outcomes, and the Company's revenue structure is reshaped accordingly.

(II) Volumes Surge While Prices Rise, with Improving Gross Profit and Narrowing Loss

The above growth did not come at the expense of price. As of the date of this announcement, the Token invocation volume of the MaaS platform had increased over 40 times from the beginning of 2026, with Coding Plan invocation volume growing over 23 times. During the same period, the average API selling price increased by approximately 101%, and Coding Plan subscription prices also went up. Volumes surged while prices rose.

During the Reporting Period, the gross profit margin for the open platform and API business increased to 24.6%, an improvement of approximately 25 percentage points year-on-year and up approximately 6 percentage points from 2025. The Company's loss for the period decreased by 12.1% year-on-year, the loss ratio (loss/revenue) **narrowed by 4.7 times compared with the same period last year**, and the adjusted net loss ratio for the period (adjusted loss/revenue for the period) **shrunk by 3.5 times compared with the same period last year**. While the scale expanded, unit economics improved, which is the set of metrics we value more.

(III) From Coding to Co-work

Coding is currently the largest-consumption and most fully validated scenario. Leveraging code generation, engineering understanding, tool invocation and long-horizon task capabilities, the Company is extending from code assistance to the full software development lifecycle. Through Harness, ZCode undertakes the tasks of context management, tool invocation, task scheduling, caching and result verification, improving the model's performance in real-world engineering. As long-horizon capabilities advance, the complexity ceiling of coding tasks continues to rise.

The Company uses three dimensions to decide which co-work directions to enter: intellectual threshold – the requirements for reasoning, planning, tool invocation and long-horizon execution; unit intelligence consumption – the effective Token, inference duration, computing power and human intervention required to complete a task; and unit output value – the revenue generated by a single delivery, labor time saved, and risk reduced. Together, these three factors determine whether it is necessary to handle over a task to the model today.

For large enterprises and public institutions, the Company continues to provide on-premise deployment and organization-level intelligent infrastructure to satisfy the demands for data security, permission management, system integration and domestic computing power adaptation. Such demands will not disappear, but their roles in revenue have shifted from primary contributor to supplementary contributor.

(IV) User Scale and Engagement Depth

As of the date of this announcement, the Company's MaaS platform had over 7.4 million users, an increase of 144% from the beginning of 2026, with the number of paid daily active users rising by 603%. For the top ten customers by revenue, the average daily invocation volume soared 98 times from the beginning of 2026.

These three figures point to the same direction, with increasing magnitudes: more users, faster growth in paying users, and deeper usage among heavy paying users. The third figure is especially important as it indicates that the model is moving from trial to production within customer organizations.

(V) Compute Multiplier

During the Reporting Period, the Company's compute multiplier, defined as the open platform and API revenue generated from every RMB1 of computing power investment (including both training and inference), increased by approximately 14 times year-on-year.

This improvement in the curve comes from both ends: the intelligence per Token is increasing, while the Token and cost consumed per task are decreasing. The former is determined by model capability; the latter by infrastructure. Only when both of them improve simultaneously can there be a Pareto advance in the "intelligence-cost" frontier. The revenue recovered per RMB1 of computing power investment is increasing, meaning the model's self-sustaining capability is strengthening. We intend to continue pushing this curve upward.

IV. Ecosystem and Safety: Earning Real-World Trust for Capability

Between model capability and a dependable service lies one thing: whether the real world trusts it. The Company works on two fronts simultaneously: open-source and openness, so that safety capabilities grow in tandem with model capabilities. On one hand, the Company makes model weights, the MaaS platform, Coding Plan and the global developer network available for users, allowing the model to enter as many real-world scenarios as possible. On the other hand, the Company establishes verifiability of capabilities through permission controls, process supervision, risk assessment, vulnerability disclosure and external validation. They are mutually reinforcing: without openness and open-source, safety cannot be examined; without safety, openness and open-source cannot be sustained.

Safety is not merely a compliance cost; it can also be a verifiable public good, helping the market judge whether a model can be safely, stably and durably deployed in real-world environments.

From Capability to Public Good

Since the launch of GLM-5.2, the Company, in collaboration with multiple security teams, has conducted ongoing red-team testing and safety evaluations. As of the end of the Reporting Period, a total of 2,436 vulnerabilities had been identified (after initial screening and deduplication), of which 1,097 were medium- or high-severity, covering 269 projects including system kernels, operating systems, browser engines, open-source foundational components, Internet applications and network protocols. A considerable portion of the vulnerabilities are long-standing, previously undiscovered historical vulnerabilities, with the oldest having existed for more than 20 years.

These discoveries have evolved into an ongoing vulnerability discovery and disclosure effort, with related vulnerabilities being submitted to national vulnerability databases such as CNNVD/CNVD. To enhance transparency, the Company has established a Security Disclosure Ledger (<https://cvd.z.ai/>) that records the entire process from discovery, confirmation to remediation. The ledger is continuously updated, which only discloses the vulnerabilities that have been disclosed and remediated by vendors; for those still in the coordinated disclosure phase, only hash values are made public for subsequent verification, without disclosing reproducible exploit code.

The significance of this mechanism is that it places the model's capabilities in a position subject to third-party verification. Benchmark scores are reported by us; vulnerability disclosures are confirmed by national vulnerability databases and vendors, with the latter being the source of external trust.

Open Source and Openness

With the launch of GLM-5.3, the Company simultaneously launched the “Open Source Shield” initiative, comprising three ongoing commitments. First, we conduct continuous security audits of key open-source projects, helping maintainers identify and remediate risks free of charge, with audit results made public through OpenVuln (<https://huggingface.co/spaces/zai-org/OpenVuln>). Second, we provide free model quotas and defence access for the open-source community, allowing open-source project maintainers to apply for these resources for security audit and defence tasks; Third, we offer code audit functionality in ZCode, integrating security checks into daily R&D workflows.

The common thread across these three initiatives is putting the Company’s most advanced capabilities into the hands of those who need them most but can least afford them. Open-source foundational components underpin almost all modern software, while maintainers are often a few unpaid individuals. While attackers’ cost of using cutting-edge models is falling rapidly, defenders may not be able to afford them. If the strongest spear is locked in the hands of a few, the best shield must belong to everyone. Before open-sourcing, the Company, together with top domestic security teams, has conducted sustained red-team testing and automated jailbreak evaluations, using newly generated samples to iteratively harden the review system, and invited professional teams to independently assess the model’s high-risk task capabilities. The balance between capability release and risk mitigation is judged by external parties, not by the Company itself.

From a commercial perspective, open-source and safety are not cost items. The distribution scale brought by open-source is a prerequisite for the model to receive real-world task feedback; the external confirmation brought by security disclosures is the basis upon which enterprise customers decide whether to integrate the model into their production systems.

Capability Boundaries and Controlled Access

The model’s capabilities in cybersecurity have dual-use implications. For the most sensitive capabilities, the Company adopts a controlled-access approach: which are made available to verified security researchers and institutions, while all other users follow standard security policies. Before open-sourcing the model, the Company completes safety assessments, model hardening and usage boundary design.

Future Outlook

In the first half of 2026, we have validated that the model can independently complete an entire task. The next step is to enable it to undertake an entire business process.

(I) Tasks: From Long-Horizon Tasks to Autonomous Systems

Longer time horizons. We will enable the model to stay consistent with its goals over longer periods and continuously perform task decomposition, tool invocation, environmental interaction, error remediation and result verification. Today's frontier is engineering tasks on the order of hours, while the next step will be complete delivery on the order of days.

Multi-agent collaboration. We will move from a single Agent to multi-Agent collaboration, with the model undertaking complete business processes, shifting from assisting work to executing work. The threshold at this step lies not entirely in intelligence itself, but is more about in reliability and auditability, indicating the model must be able to operate without step-by-step human inspection, while leaving verifiable traces.

Each outward expansion of the task boundary raises the requirements on model capability by an order of magnitude. The consequent question is: along which dimensions can capability continue to improve.

(II) Capability: Scaling Never Stops

Scaling remains the main path to higher intelligence. What has changed is what we are scaling.

Over the past few years, scaling was almost synonymous with parameter count. However, once parameters pass the threshold of “housing the world”, the marginal return from further width diminishes rapidly, while other dimensions still have substantial untapped headroom. What determines a model's upper bound today is a combination of four factors: base model scale, effective depth, training depth and task environments. Their marginal returns differ and rotate across stages; the Company's resource allocation is about judging which factor offers the highest immediate return at each stage.

Base Model Scale: The upper bound is set by pre-training. Post-training is the knob with the highest immediate return, but the ceiling on intelligence is determined by the base model. How deep a model can be trained depends on how much of the world it has seen during pre-training and how many structures remain available for activation. After post-training is pushed to its extreme, the next phase of growth must return to the base model. The Company has never ceased base-model iteration. GLM-5.3-Flash has already used a new-generation architecture and a 30T-scale multimodal pre-training corpus, validating the new architecture’s efficiency at medium parameter scale. Building on this, the Company is advancing the training of the next-generation base model, targeting larger effective scale, longer native context and unified native multimodal modelling.

Effective Depth: Let the model think several steps ahead. Parameters determine how much is remembered; depth determines how far it can think. Loop Transformer increases effective computational depth through layer recycling without significantly increasing parameter count, shifting compute from “remembering” to “thinking” (the Company has preliminarily validated this concept in early experiments). This path aligns with our judgment on tasks: cybersecurity-type work requires pushing a twenty-step causal chain to the end without breaking, a capability that comes from depth, not parameter count.

Training Depth: Currently the largest untapped margin. GLM-5.3 is direct evidence for this judgment. It shares the same architecture, total parameters and active parameters as GLM-5.2, with the only variable being post-training scale. It achieved an end-to-end completion rate improvement of over 50%. This curve has not yet plateaued. The Company will continue to scale up reinforcement learning over long-horizon tasks, extend effective training trajectories and improve trajectory utilization efficiency.

Task Environments: A newly emerging variable. When algorithms and computing power are no longer the sole bottleneck, the number, type and complexity of environments begin to directly determine what the model can learn. This is a dimension that has emerged over the past two years and is among the most concentrated areas of the Company’s next-stage investment.

(III) Systems: Fully Self-training

Among the four knobs, the speed of environment building is becoming the new bottleneck. And at a deeper level, early evidence is emerging that AI is taking over all three components of the training system: data, environments and infrastructure.

Data is starting to be self-generated. High-quality human-generated data is peaking, with publicly available data nearly exhausted, while next-generation base model requires trillions of Tokens of ever-improving quality. Our solution is a model-vs-model self-play pipeline: one model generates solutions and content, while another model reviews, tests and executes validation, with only data that passes adversarial checks moving to the next stage. This is followed by four layers of filtering – rule-based verification confirms compilability, reasoning consistency and format compliance; execution validation actually runs in a sandbox, where execution results themselves are the highest-quality training signal; model review adds another judgment layer; and finally manual spot checks are conducted for calibration. What is accumulated is verifiable, executable and debuggable data that feeds back into all three stages of pre-training, mid-training and post-training.

Thus, the upper bound on data quality is no longer determined by human annotation speed. Instead, it is determined by the model’s own verification capability. The stronger the model, the harder the problems it generates and the stricter its validation, leading to higher-quality data; better data then trains a stronger next model. Data transforms from a one-time consumable into a reusable capital asset that spans generations.

Environments are starting to be self-built. A useful training environment must be executable, verifiable and close to real-world professional work, and there must be thousands of environments, which cannot be built through manual work. In the GLM-5.3 technical blog, we shared some of our approaches: research agents capture task patterns from real-world work, converting work that would take senior engineers several days into runnable long-horizon environments containing multi-step dependencies and hidden states; judge agents test-run each task to confirm solvability; verifiers are synthesized without access to ground-truth answers, and solver trajectories are then used to detect and seal reward shortcuts; verifiers that pass oracle, no-op and unsolved checks ultimately produce binary rewards directly usable for reinforcement learning. The Slime architecture reduces mathematics, code, sandboxes and verifiers to plug-and-play data components, turning environments into standard products on an assembly line.

It should be noted that this pipeline still involves a considerable amount of human intervention. Our next step is to make environment building and validation more autonomous.

Infrastructure is starting to self-optimize. Inference system optimization, including kernels, scheduling, quantization and operators, is essentially a code-engineering task, which happens to be the model’s strongest domain. The inference engine for GLM-5.3-Flash was built through the following approach: an infrastructure agent powered by GLM-5.3 assisted engineers in developing and optimizing kernels, diagnosing performance bottlenecks and improving the service stack, ultimately achieving a 300% improvement in end-to-end service performance on domestic chips. The same logic is also operating on the training side: Slime enables training and large-scale inference rollout to share a common data flow, and configuration experience and scheduling strategies accumulated in reinforcement learning can be directly transferred to production serving.

These three threads point to the same end state: the model participates in its own improvement, forming recursive self-improvement. This is not a distant concept and its early form has already emerged in the first half of 2026: GLM-5.3 contributed to the optimization of the inference engine serving GLM itself, and environments generated by GLM are training the next-generation GLM. The only difference today is that a large number of engineers still stand in this loop. Each time the loop tightens, the pace of intelligence progress is increasingly determined by the speed at which environments grow.

This is our technical vision: Fully Self Training. The next-generation GLM will be trained in the environments built by the previous-generation GLM.

(IV) Boundaries and Governance

The technical aspiration of the Company is that the model can automatically participate in the building of the training system. However, we must ensure that the assessment of its capabilities and the judgment of the risks ultimately remain human-mediated, with external institutions invited to perform evaluation independently. In the first half of 2026, we have already done so in cybersecurity: the most sensitive capabilities are subject to controlled access, open-sourcing is preceded by independent evaluation by third-party professional teams, and vulnerabilities are disclosed through national vulnerability databases. Benchmark scores are reported by us; risk judgments are subject to external confirmation. This division of labor will not change as capabilities improve; it will only be reinforced as capabilities ascend.

The Company will continue to seek new balances among capability ceiling, inference efficiency, task value density and safety governance, so that higher-level intelligence can enter the real world stably and controllably, and everyone can benefit from universal access to intelligence.

Financial Review

The following discussion is based on the financial data and accompanying notes set out in other sections of this interim results announcement and should be read in conjunction therewith.

ANALYSIS OF KEY OPERATING PERFORMANCE ITEMS

Revenue

During the Reporting Period, we achieved substantial revenue growth. Our revenues were RMB190.9 million for the six months ended June 30, 2025 and RMB953.9 million for the six months ended June 30, 2026, respectively, representing an increase of 399.7%. The expansion in revenue scale was primarily driven by the explosive growth of the cloud-based deployment business, marking a shift in the Group's primary revenue growth driver from on-premise deployment business to cloud-based deployment business.

By deployment method:

Cloud-based Deployment

Revenue from cloud-based deployment increased from RMB29.1 million for the six months ended June 30, 2025 to RMB825.2 million for the six months ended June 30, 2026, representing an increase of 2,735.7%. This growth primarily reflected the Company's gradual enhancement of its model capabilities for high-value task scenarios, and the continuous progress in the model's long-horizon task capabilities, enabling users to consistently leverage the model in complex scenarios, thereby driving a significant increase in average daily Token usage per user. Meanwhile, the number of users on the MaaS platform continued to expand, and the momentum of simultaneous growth in both volume and price persisted. Revenue from cloud-based deployment as a percentage of total revenue increased from 15.2% for the corresponding period of the previous year to 86.5%, and has become the Group's primary source of revenue.

On-premise Deployment

Revenue from on-premise deployment decreased from RMB161.8 million for the six months ended June 30, 2025 to RMB128.7 million for the six months ended June 30, 2026, representing a decrease of 20.5%. This decrease was primarily due to the Group's greater emphasis on the quality of its on-premise business and its selection of industries amid the explosive growth of its cloud-based deployment business, thereby laying a solid foundation for the future development of its model capabilities from general-purpose scenarios to high-value, specialised task scenarios in vertical industries.

	For the six months ended June 30,			
	2026		2025	
	<i>RMB in</i>	<i>% of total</i>	<i>RMB in</i>	<i>% of total</i>
	<i>thousands</i>		<i>thousands</i>	
	(Unaudited)		(Audited)	
Cloud-based deployment	825,176	86.5%	29,100	15.2%
On-premise deployment	128,716	13.5%	161,777	84.8%
Total	953,892	100.0%	190,877	100.0%

By business form and core product lines:

Open Platform and API

Revenue from the Open Platform and API, or cloud services provided by the Group based on general-purpose large models, increased from RMB29.1 million for the six months ended June 30, 2025 to RMB825.2 million for the six months ended June 30, 2026, representing an increase of 2,735.7%. This growth primarily reflected the Company's gradual enhancement of its model capabilities for high-value task scenarios, as well as the continuous improvement and qualitative advancement in long-horizon task capabilities driven by multiple rounds of iteration of the GLM series of models. These improvements enable users to continuously invoke the models in complex scenarios, thereby leading to a significant increase in average daily Token usage per user. Meanwhile, the user base of the MaaS platform continued to expand, and the momentum of simultaneous growth in both volume and price persisted.

Enterprise-level Agents

Revenue from enterprise-level agents, or autonomous intelligent systems developed by the Group for complex corporate scenarios, increased from RMB13.7 million for the six months ended June 30, 2025 to RMB55.6 million for the six months ended June 30, 2026, marking an increase of 304.4%. This was attributable to the accelerated adoption of intelligent agents by enterprise customers. On the one hand, the execution capabilities of the GLM series models in long-horizon tasks and complex scenarios continued to improve, enabling enterprise workflow-oriented agent products to cover more high-value scenarios; on the other hand, during the Reporting Period, enterprise customers demonstrated rapidly growing demand for the deployment of agent-based use cases, thereby contributing to the revenue growth of this segment.

Enterprise-level General-purpose Large Models

Revenue from enterprise-level general-purpose large models, namely a matrix of pre-trained models independently developed by the Group primarily delivered through private on-premise deployment, decreased from RMB147.6 million for the six months ended June 30, 2025 to RMB67.0 million for the six months ended June 30, 2026, representing a decrease of 54.6%. The decrease was primarily attributable to the Group's greater emphasis on the quality of its enterprise-level general-purpose large language model business and its selection of industries, thereby laying a solid foundation for the future development of its model capabilities from general-purpose scenarios to high-value, specialised task scenarios in vertical industries. Meanwhile, some enterprise-level general-purpose large language model customers gradually migrated to Open Platform and API services, which created a positive flywheel effect.

Technical Services and Others

Revenue from technical services and others increased from RMB0.5 million for the six months ended June 30, 2025 to RMB6.1 million for the six months ended June 30, 2026, representing a period-on-period increase of 1,120.0%, primarily due to the Group's exploration of extending the capabilities of its self-developed large models to more application scenarios. The revenue base of this segment remained relatively small, and its changes had a limited impact on the Group's overall revenue structure.

	For the six months ended June 30,			
	2026		2025	
	<i>RMB'000</i>	<i>% of Total</i>	<i>RMB'000</i>	<i>% of Total</i>
	(Unaudited)		(Unaudited)	
Open platform and API	825,176	86.5%	29,100	15.2%
Enterprise-level agents	55,561	5.8%	13,739	7.2%
Enterprise-level general-purpose large models	67,037	7.0%	147,555	77.3%
Technical services and others	6,118	0.7%	483	0.3%
Total	953,892	100.0%	190,877	100.0%

Gross Profit and Gross Profit Margin

The Group's gross profit increased from RMB95.4 million for the six months ended June 30, 2025 to RMB251.6 million for the six months ended June 30, 2026, representing an increase of 163.7%. The Group's gross profit margin decreased from 50.0% for the six months ended June 30, 2025 to 26.4% for the six months ended June 30, 2026, primarily due to the change in revenue mix, as the proportion of cloud-based deployment business expanded rapidly. This

business segment, being in its early stage of rapid growth, was still experiencing a gross profit margin ramp-up, which structurally diluted the overall gross profit margin. Nevertheless, the gross profit margin of the cloud-based business itself turned from negative to positive and increased rapidly from the corresponding period of the previous year. During the Reporting Period, the Group's gross profit increased by more than 1.6 times, reflecting that the change in revenue mix has made a positive contribution to gross profit.

By deployment method:

Cloud-based Deployment

Gross profit from the cloud-based deployment business increased from RMB-0.1 million for the six months ended June 30, 2025 to RMB202.9 million for the six months ended June 30, 2026, representing a turnaround over the prior period. The gross profit margin increased from -0.4% for the six months ended June 30, 2025 to 24.6% for the six months ended June 30, 2026. This improvement was primarily attributable to: first, the economies of scale resulting from the explosive growth in revenue, with the exponential increase in Token usage significantly diluting fixed costs; second, the gradual upward adjustment of pricing strategies in line with the increase in the upper bound of model intelligence, while Token usage continued to grow, maintaining the momentum of simultaneous growth in both volume and price; and third, continuous full-stack self-developed engineering optimization that reduced model inference costs.

On-premise Deployment

Gross profit from the on-premise deployment business decreased from RMB95.5 million for the six months ended June 30, 2025 to RMB48.7 million for the six months ended June 30, 2026, representing a period-on-period decrease of 49.0%. The gross profit margin decreased from 59.1% for the six months ended June 30, 2025 to 37.9% for the six months ended June 30, 2026. Gross profit and gross profit margin both decreased, primarily due to the Group's efforts to advance the adjustment of its business model, resulting in changes in the product mix of its on-premise deployment business. The scale of private delivery of enterprise-level general-purpose large models with relatively high gross profit margin has contracted, while the proportion of enterprise-level agent products, which remained at the stage of large-scale expansion, has increased. Meanwhile, certain customers migrated from on-premises deployment to cloud services.

	For the six months ended June 30,			
	2026		2025	
	Gross profit (RMB'000) (Unaudited)	Gross profit margin (%)	Gross profit (RMB'000) (Audited)	Gross profit margin (%)
Cloud-based deployment	202,871	24.6	(116)	-0.4
On-premise deployment	48,740	37.9	95,540	59.1
Total	251,611	26.4	95,424	50.0

By business form and core product lines:

Open Platform and API

Gross profit from the Open Platform and API business increased from RMB-0.1 million for the six months ended June 30, 2025 to RMB202.9 million for the six months ended June 30, 2026, representing a turnaround over the prior period. The gross profit margin improved from -0.4% for the six months ended June 30, 2025 to 24.6% for the six months ended June 30, 2026. This improvement was primarily attributable to the realization of economies of scale, upward adjustments to pricing, and continued full-stack engineering optimization that reduced inference costs.

Enterprise-level Agents

Gross profit from the enterprise-level agents business increased from RMB8.9 million for the six months ended June 30, 2025 to RMB19.8 million for the six months ended June 30, 2026, representing a period-on-period increase of 122.5%. The gross profit margin decreased from 64.6% for the six months ended June 30, 2025 to 35.6% for the six months ended June 30, 2026. Gross profit increased while gross profit margin decreased, primarily due to increasingly growing demands from enterprise customers for the deployment of agent-based use cases during the Reporting Period. To ensure delivery quality and the depth of scenario coverage, relatively significant development and delivery costs were made to meet diversified customer needs; as economies of scale gradually emerge, the gross profit margin is expected to stabilize and recover.

Enterprise-level General-purpose Large Models

Gross profit from the enterprise-level general-purpose large models business decreased from RMB86.3 million for the six months ended June 30, 2025 to RMB28.4 million for the six months ended June 30, 2026, representing a period-on-period decrease of 67.1%. The gross profit margin decreased from 58.5% for the six months ended June 30, 2025 to 42.3% for the six months ended June 30, 2026. Gross profit and gross profit margin both decreased, primarily due to the Group's greater emphasis on the quality of this type of business and its selection of industries, thereby laying a solid foundation for the future development of its model capabilities from general-purpose scenarios to high-value, specialised task scenarios in vertical industries. Meanwhile, the delivery and maintenance costs of this type of business have a certain degree of rigidity, resulting in reduced economies of scale. In addition, as customer needs have been upgraded, certain projects have shifted towards enterprise-level agent solutions, which also had a temporary impact on gross profit margin.

Technical Services and Others

Gross profit from the technical services and others business increased from RMB0.3 million for the six months ended June 30, 2025 to RMB0.6 million for the six months ended June 30, 2026, representing a period-on-period increase of 100.0%. The gross profit margin decreased from 65.8% for the six months ended June 30, 2025 to 9.4% for the six months ended June 30, 2026. Gross profit increased while gross profit margin decreased, primarily due to increased investment in certain exploratory scenario projects during the Reporting Period, and the relatively small revenue base of this segment, which resulted in a more significant impact on gross profit margin.

	For the six months ended June 30,			
	2026		2025	
	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)
	(Unaudited)		(Unaudited)	
Open platform and API	202,871	24.6	-116	-0.4
Enterprise-level agents	19,796	35.6	8,880	64.6
Enterprise-level general-purpose large models	28,368	42.3	86,342	58.5
Technical services and others	576	9.4	318	65.8
Total	251,611	26.4	95,424	50.0

Cost of Sales

The Group's cost of sales increased from RMB95.5 million for the six months ended June 30, 2025 to RMB702.3 million for the six months ended June 30, 2026, representing a period-on-period increase of 635.4%. The increase in costs was primarily attributable to the increase in computing service fees resulting from business expansion and revenue growth, which was broadly in line with the trend of revenue growth.

Capital Expenditure

The Group's capital expenditure increased from RMB53.7 million for the six months ended June 30, 2025 to RMB390.6 million for the six months ended June 30, 2026, representing a period-on-period increase of 627.4%. This increase was primarily due to the Company's completion of the acquisition of the entire equity interest in Beijing Hongzuan Technology Development Co., Ltd. (北京紅鑽科技發展有限公司) ("**Beijing Hongzuan**"), resulting in the addition of a significant amount of property, plant and equipment.

Other Income

The Group's other income increased from RMB4.6 million for the six months ended June 30, 2025 to RMB41.4 million for the six months ended June 30, 2026, representing a period-on-period increase of 800.0%. This was primarily due to the substantial increase in the scale of the Group's bank deposits following the Company's listing in January 2026, which resulted in a corresponding increase in interest income.

Research and Development Expenses

The Group's research and development expenses increased from RMB1,594.7 million for the six months ended June 30, 2025 to RMB2,131.2 million for the six months ended June 30, 2026, representing a period-on-period increase of 33.6%. This was primarily due to the Group's continued increase in research and development investment in model training to support the continuous breakthroughs in the upper bound of intelligence of the GLM series models.

Selling and Marketing Expenses

The Group's Selling and marketing expenses decreased from RMB208.6 million for the six months ended June 30, 2025 to RMB177.7 million for the six months ended June 30, 2026, representing a period-on-period decrease of 14.8%. This was primarily due to the Group's optimization of its allocation of marketing resources and improvement in the conversion efficiency of marketing investments.

General and Administrative Expenses

The Group's general and administrative expenses decreased from RMB185.2 million for the six months ended June 30, 2025 to RMB103.3 million for the six months ended June 30, 2026, representing a period-on-period decrease of 44.2%. This was primarily due to the decrease in professional service fees and equity-settled share-based compensation expenses during the reporting period, compared to the same period last year.

Impairment Losses on Financial Assets

The Group's impairment losses on financial assets increased from RMB10.9 million for the six months ended June 30, 2025 to RMB27.4 million for the six months ended June 30, 2026, representing a period-on-period increase of 151.4%. This was primarily due to the increase in the gross amount of trade and bills receivables resulting from the expansion of the business scale.

Finance Costs

The Group's finance costs increased from RMB53.3 million for the six months ended June 30, 2025 to RMB95.9 million for the six months ended June 30, 2026, representing a period-on-period increase of 79.9%. This was primarily due to the recognition of net foreign exchange losses and the increase in interest expenses on bank loans during the Reporting period.

Share of Profits Less Losses of Associates

The Group's share of profits less losses of associates increased from RMB14.1 million for the six months ended June 30, 2025 to RMB144.2 million for the six months ended June 30, 2026, representing a period-on-period increase of 922.7%. This was primarily due to the improvement in the operating and financial results of the associates during the Reporting Period.

Changes in Fair Value of Financial Instruments Measured at FVPL

The changes in fair value of financial instruments measured at fair value through profit or loss increased from RMB9.8 million for the six months ended June 30, 2025 to RMB50.4 million for the six months ended June 30, 2026, representing a period-on-period increase of 414.3%. This was primarily due to the increase in the valuation of the financial instruments held by the Group during the period, resulting in the recognition of fair value gains.

Changes in the Carrying Amount of Financial Instruments Issued to Investors

The carrying amount of financial instruments issued to investors resulted in a loss of RMB429.3 million for the six months ended June 30, 2025, which decreased to a loss of RMB22.1 million for the six months ended June 30, 2026, representing a period-on-period decrease of 94.9%. This was primarily due to the termination of financial instruments issued to investors and related redemption rights and their derecognition upon listing in January 2026, resulting in changes in carrying amount being recognized only for the short period prior to the listing during the Reporting Period.

Net Loss

The Group recorded a net loss of RMB2,072.0 million for the six months ended June 30, 2026, representing a decrease from a net loss of RMB2,357.9 million for the six months ended June 30, 2025. This was primarily due to an increase in gross profit during the reporting period and a significant decrease in losses arising from changes in the carrying amount of financial instruments issued to investors upon listing, which were converted into ordinary shares. The increase in research and development expenses partially offset the decrease.

Non-IFRS Measure

	For the six months ended June 30,	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss for the Period	(2,071,992)	(2,357,852)
Add:		
– Equity-settled share-based compensation expenses	85,764	158,852
– Changes in the carrying amount of financial instruments issued to investors	22,090	429,295
– Listing expense	–	17,731
Adjusted net loss for the period (non-IFRS measure)	(1,964,138)	(1,751,974)

ANALYSIS OF KEY ITEMS IN FINANCIAL POSITION

Financial Position

Shareholders' equity increased from RMB-8,111.0 million as at December 31, 2025 to RMB4,429.6 million as at June 30, 2026, primarily due to the successful listing of the Group during the Reporting Period, pursuant to which the financial instruments issued to investors and related redemption rights had been terminated, and the related financial liabilities were transferred to the Company's equity.

Liquidity and Financial Resources

As at June 30, 2026, the Group held cash and cash equivalents of RMB3,993.7 million, an increase of RMB1,734.6 million from RMB2,259.1 million as at December 31, 2025. This fluctuation was mainly attributable to the receipt of proceeds from the listing and an increase in bank loans during the Reporting Period, while operating expenses consumed part of the funds.

Debt/Borrowings

As at June 30, 2026, the Group's total bank loans amounted to RMB2,224.8 million, an increase of RMB1,535.3 million from RMB689.5 million as at December 31, 2025, primarily due to funds borrowed to meet operational needs. All relevant loans are interest-bearing, denominated primarily in RMB and unsecured.

Lease Liabilities

As at June 30, 2026, the total lease liabilities recognized by the Group (including both current and non-current portions) amounted to RMB379.4 million, a decrease of RMB165.7 million from RMB545.1 million as at December 31, 2025. This fluctuation was primarily attributable to the payment of lease payments during the Reporting Period and changes in lease arrangements.

Gearing Ratio

The Group's gearing ratio (Gearing ratio is calculated by bank loans and lease liabilities divided by total equity as of the end of the period multiplied by 100%) was 58.8% as at June 30, 2026, compared to -15.2% as at December 31, 2025. This change was primarily attributable to the termination of the financial instruments issued to investors and related redemption rights upon listing, and the related financial liabilities were transferred to the Company's equity resulting in total equity changing from negative to positive.

Asset Pledges

The Group had no pledged assets for the six months ended June 30, 2026.

Capital Commitments

The Group had no outstanding capital commitment for the six months ended June 30, 2026.

Contingent Liabilities

The Group had no significant contingent liabilities for the six months ended June 30, 2026.

Significant Investments and Major Acquisitions and Disposals of Subsidiaries, Associates, and Joint Ventures

Pursuant to the resolution of the Board dated March 31, 2026 and the acquisition framework agreement dated April 14, 2026, the Company acquired 100% of the equity interest of Beijing Hongzuan at a total consideration of no more than RMB360.52 million. Upon completion of the acquisition, Beijing Hongzuan has been accounted for as a subsidiary of the Company. For details, please refer to the Company's announcement dated April 14, 2026.

Save as disclosed above, as of June 30, 2026, the Group did not make any significant investments or engage in any other major acquisitions or disposals of subsidiaries, associates, or joint ventures. The Group had no specific future plans for the acquisition of material capital assets as of the date of this announcement.

Employees and Remuneration Policy

As at June 30, 2026, the Group had 981 permanent employees (June 30, 2025: 883), with staffing levels subject to operational needs. The Group incurred total remuneration costs (including share-based payments) of RMB482.1 million during the Reporting Period (six months ended June 30, 2025: RMB499.6 million).

Talent is the Company's most core strategic resource. In light of the characteristics of the artificial intelligence industry, we have established a talent management system that is capability-oriented and incentive-driven, supporting the Company's continuous technological innovation and business expansion in the AI field.

In terms of remuneration strategy, we adopt a three-tier structure of “fixed remuneration + performance bonus + medium- and long-term incentives” to ensure that rewards are closely aligned with the Company’s performance and individual contributions. Through employee incentive plans and employee shareholding platforms, we closely align the interests of core management personnel, key technical personnel and business professionals with the Company’s long-term development. We regularly conduct industry remuneration benchmarking to maintain the market competitiveness of our remuneration levels and attract and retain top talent.

In terms of employee care, in addition to statutory social insurance and housing provident fund, we provide multiple layers of benefits, including supplementary commercial insurance, annual health check-ups, meal allowances and holiday benefits. We also support various cultural, recreational and sports activities, pay attention to employees’ physical and mental well-being, and foster a positive and uplifting working environment. The Company has established systematic internal training and knowledge-sharing mechanisms, encouraging cross-departmental collaboration and technical exchanges and providing ongoing support for employees’ career development.

As a leading enterprise in the large language model sector, we have established an AI-native working model as the fundamental mode of organizational operations. Built on our self-developed models and intelligent agent systems, we have positioned ourselves as a frontier environment for the large-scale validation of model capabilities in real-world production environments. In our daily R&D activities, standardized processes such as code generation, defect fixing and test writing are largely completed autonomously by AI, while employees focus on identifying the essence of problems, designing technical solutions and exploring innovative directions. This collaborative paradigm of “AI performs the work, while people make the decisions” is reshaping the Company’s productivity and pace of innovation.

Exposure to Exchange Rate Fluctuation

The Group’s foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in currencies other than the functional currency of the relevant Group entities. The Company’s functional currency is Renminbi. Most non-RMB assets and liabilities are cash and cash equivalents denominated in US dollars and Hong Kong dollars.

The Group is primarily exposed to risks arising from fluctuations in RMB/USD and RMB/HKD exchange rate. Currently, we have not conducted hedging activities designed or intended to manage foreign exchange rate risks. However, we manage foreign exchange risks by closely monitoring exchange rate movements, and will take necessary measures to mitigate such risks.

Principal Risks and Uncertainties

Our operations involve certain risks and uncertainties, including (i) risks related to our research and development; (ii) risks related to our commercialization; (iii) risks related to our operations; (iv) risks related to our intellectual property; (v) risks related to our financial position and additional funding requirements; and (vi) risks related to the jurisdictions in which we conduct business, including but not limited to:

- The AI industry represents a cutting-edge technology sector characterized by constant changes. The Group's future business operations, results of operations, financial position and competitive standing hinge on its capacity to continuously upgrade and iterate its models and technologies.
- We have made and expect to continue to make substantial investments in R&D to continuously upgrade and iterate our large models.
- The Group is exposed to risks relating to customer changes and slower-than-expected development of new customers.
- The development of AGI is still at an early stage and there are substantial uncertainties in the future realization of AGI.
- We need to maintain a sufficient and stable team of technical personnel over the long term to respond to market changes in a timely manner. Any adverse changes involving our key technical personnel may affect the development, advancement and commercialization of major R&D projects of the Group, which may in turn adversely affect the Group's operations.
- We are exposed to management risks arising from business expansion.
- The Group's assets and revenue have grown rapidly in scale, while the number of personnel has continued to increase, placing higher demands on the Group's management capabilities and risk control. The Group may, to a certain extent, face management risks arising from business expansion.
- We rely on third parties to provide computing resources to us, and any disruption of their services or fluctuation of prices could adversely affect our business, results of operations and financial condition.

- China’s AI industry is subject to an evolving and increasingly stringent regulatory environment. Future laws and regulations may impose additional requirements and other obligations that could adversely affect our business, results of operations, financial condition and prospects.
- We may not be able to obtain or maintain adequate intellectual property rights protection for our business, or the scope of such intellectual property rights protection may not be sufficiently broad.
- We are exposed to risks from intensifying market competition in the future. If the Group’s technological development and product iterations fail to remain at the leading level in the industry, the Group’s competitive position, market share and operating results may be adversely affected.
- The size of our addressable market and the demand for our solutions may not increase as rapidly as we anticipate due to a variety of factors, which would adversely affect our business, results of operations, financial condition and prospects.
- Any failure of our MaaS platform to perform as required could harm our business, results of operations, financial condition and prospects.
- We have a limited track record in the commercialization of our business. In addition, the large model market is subject to dual impacts from technological iteration and changes in regulatory policies, making it difficult to accurately predict development opportunities and the future market size.

The above list is not exhaustive. For further details, please refer to the “Risk Factors” section of our Prospectus.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

(Expressed in Renminbi (“RMB”))

		Six months ended 30 June	
		2026	2025
	Note	RMB'000	RMB'000
Revenue	3	953,892	190,877
Cost of revenue		<u>(702,281)</u>	<u>(95,453)</u>
Gross profit	3(b)	251,611	95,424
Other income		41,436	4,614
Selling and marketing expenses		(177,666)	(208,570)
General and administrative expenses		(103,346)	(185,165)
Research and development expenses		(2,131,171)	(1,594,661)
Impairment losses on financial assets		<u>(27,416)</u>	<u>(10,867)</u>
Loss from operations		(2,146,552)	(1,899,225)
Finance costs		(95,925)	(53,270)
Share of profits less losses of associates		144,152	14,147
Changes in fair value of financial instruments measured at fair value through profit or loss (“FVPL”)		50,385	9,791
Changes in the carrying amounts of financial instruments issued to investors		<u>(22,090)</u>	<u>(429,295)</u>
Loss before taxation		(2,070,030)	(2,357,852)
Income tax	4	<u>(1,962)</u>	–
Loss for the period		<u><u>(2,071,992)</u></u>	<u><u>(2,357,852)</u></u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

(Expressed in Renminbi (“RMB”))

		Six months ended 30 June	
		2026	2025
	Note	RMB'000	RMB'000
Loss for the period		(2,071,992)	(2,357,852)
Other comprehensive income for the period (after tax):			
Item that may be reclassified to profit or loss:			
– Exchange differences on translation of financial statements into presentation currency		(3,049)	414
Total comprehensive income for the period		(2,075,041)	(2,357,438)
Loss attributable to:			
Equity shareholders of the Company		(2,071,326)	(2,351,173)
Non-controlling interests		(666)	(6,679)
		(2,071,992)	(2,357,852)
Total comprehensive income attributable to:			
Equity shareholders of the Company		(2,074,375)	(2,350,759)
Non-controlling interests		(666)	(6,679)
		(2,075,041)	(2,357,438)
Loss per share			
Basic and diluted (RMB)	5	(4.67)	(6.23)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited

(Expressed in RMB)

		30 June 2026 RMB'000	31 December 2025 RMB'000
	Note		
Non-current assets			
Property, plant and equipment	6	855,060	655,825
Intangible assets		67,801	50,963
Goodwill		283,815	39,379
Interests in associates		532,133	338,081
Other non-current assets		912,325	198,202
		<u>2,651,134</u>	<u>1,282,450</u>
Current assets			
Short-term investments measured at FVPL		506,139	377,287
Inventories and contract costs		87,100	125,817
Trade and bills receivables	7	782,944	303,208
Prepayments and other receivables	8	1,621,311	395,734
Contract assets		2,480	1,625
Time deposits		–	108,593
Cash at bank and on hand		3,993,722	2,259,147
		<u>6,993,696</u>	<u>3,571,411</u>
Current liabilities			
Trade and other payables	9	2,135,759	1,328,631
Contract liabilities		302,325	148,644
Bank loans		789,831	604,836
Lease liabilities		161,711	251,316
Financial instruments issued to investors		–	10,072,827
		<u>3,389,626</u>	<u>12,406,254</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited

(Expressed in RMB)

	30 June 2026 RMB'000	31 December 2025 RMB'000
Net current assets/(liabilities)	<u>3,604,070</u>	<u>(8,834,843)</u>
Total assets less current liabilities	<u>6,255,204</u>	<u>(7,552,393)</u>
Non-current liabilities		
Bank loans	1,434,958	84,616
Lease liabilities	217,699	293,827
Deferred income	<u>172,991</u>	<u>180,146</u>
	<u>1,825,648</u>	<u>558,589</u>
NET ASSETS/(LIABILITIES)	<u><u>4,429,556</u></u>	<u><u>(8,110,982)</u></u>
CAPITAL AND RESERVES		
Share capital	44,584	40,281
Reserves	<u>4,372,464</u>	<u>(8,132,783)</u>
Total equity/(total equity – deficit) attributable to equity shareholders of the Company	4,417,048	(8,092,502)
Non-controlling interests	<u>12,508</u>	<u>(18,480)</u>
TOTAL EQUITY/(TOTAL EQUITY – DEFICIT)	<u><u>4,429,556</u></u>	<u><u>(8,110,982)</u></u>

1 BASIS OF PREPARATION

Z.AI Co., Ltd. (formerly known as “**Knowledge Atlas Technology Joint Stock Company Limited**”) was established in the People’s Republic of China (the “**PRC**”) on 11 June 2019 as a limited liability company. On 26 March 2025, the Company was converted from a limited liability company into a joint stock limited liability company. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 January 2026.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of large model-related services.

The interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with International Accounting Standard (“**IAS**”) 34, Interim financial reporting, issued by the International Accounting Standards Board (the “**IASB**”). It was authorised for issue on 31 August 2026.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of the interim financial statements in conformity with IAS 34 requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of new and revised IFRS Accounting Standards, that are first effective for the current accounting period. Of these, only the amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements. The application of the amendments does not have a material impact on the Group's consolidated financial statements for the periods presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The amendments would also affect the disclosures to be included in the Group's annual financial statements for the period ending 31 December 2026 in respect of investments in equity instruments designated at FVOCI and financial instruments not measured at FVPL with specified contingent features. No additional disclosure has been included in the interim financial statements.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the provision of large model-related services.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major service types and timing of revenue recognition are as follows:

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major service types:		
– On-premise deployment	128,716	161,777
– Cloud-based deployment	825,176	29,100
	<u>953,892</u>	<u>190,877</u>
Timing of revenue recognition		
At a point in time	854,270	155,636
Over time	99,622	35,241
	<u>953,892</u>	<u>190,877</u>

(b) Segment reporting

The Group manages its businesses by service types. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- **On-premise deployment:** this segment develops and provides customised large model-related services according to the customers' specific instructions and needs at the customers' infrastructure.
- **Cloud-based deployment:** this segment develops and provides cloud-based large model-related services to customers through cloud infrastructure.

(i) Segment results

For the purposes of assessing segment performance and allocating resources, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and direct expenses incurred by those segments. The measure used for reporting segment result is gross profit. No inter-segment sales have occurred during the period. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other operating income and expenses, such as other income, selling and marketing expenses, general and administrative expenses, research and development expenses, impairment losses on financial assets, finance costs, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance during the period is set out below.

	Six months ended 30 June 2026		
	On-premise deployment RMB'000	Cloud-based deployment RMB'000	Total RMB'000
Segment revenue derived from external customers	128,716	825,176	953,892
Segment gross profit	48,740	202,871	251,611

	Six months ended 30 June 2025		
	On-premise deployment	Cloud-based deployment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue derived from external customers	<u>161,777</u>	<u>29,100</u>	<u>190,877</u>
Segment gross profit	<u>95,540</u>	<u>(116)</u>	<u>95,424</u>

(ii) *Reconciliation of reportable segment profit or loss*

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Reportable segment gross profit	251,611	95,424
Other income	41,436	4,614
Selling and marketing expenses	(177,666)	(208,570)
General and administrative expenses	(103,346)	(185,165)
Research and development expenses	(2,131,171)	(1,594,661)
Impairment losses on financial assets	(27,416)	(10,867)
Finance costs	(95,925)	(53,270)
Share of profits less losses of associates	144,152	14,147
Changes in fair value of financial instruments measured at FVPL	50,385	9,791
Changes in the carrying amounts of financial instruments issued to investors	<u>(22,090)</u>	<u>(429,295)</u>
Consolidated loss before taxation	<u>(2,070,030)</u>	<u>(2,357,852)</u>

4 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Current taxation	1,962	—
Deferred taxation	—	—
	<u>1,962</u>	<u>—</u>

Entities of the Group established in the Chinese Mainland were subject to the PRC Corporate Income Tax rate of 25% during the Reporting Period (six months ended 30 June 2025: 25%).

Taxation for subsidiaries incorporated in other jurisdictions is calculated at the applicable income tax rates in the relevant jurisdictions.

Certain subsidiaries of the Group obtained the certificates of “High and New Technology Enterprise” from the tax authorities and were subject to a preferential tax rate of 15% during the six months ended 30 June 2026 and 2025.

According to the PRC income tax law and its relevant regulations, entities that qualified as small and low profit enterprise are entitled to a preferential income tax rate of 5% (for taxable income less than RMB3,000,000). Certain subsidiaries of the Group were qualified as small and low profit enterprise and entitled preferential income tax rate during the six months ended 30 June 2026 and 2025.

5 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares in issue or deemed to be in issue during the Reporting Period.

The Company was converted into a joint stock company with limited liability on 26 March 2025. The Company's paid-in capital of RMB36,224,375 was converted into 36,224,375 shares of RMB1.00 each accordingly. For the purpose of computing basic and diluted loss per share, the weighted average number of ordinary shares deemed to be in issue before the Company's conversion into a joint stock company was determined assuming the conversion into joint stock company had occurred since 1 January 2025, at the exchange ratio established in the conversion in March 2025.

In addition, the weighted average number of shares during the Reporting Period has also been adjusted retrospectively for the impact of a share subdivision that became effective immediately prior to the completion of the listing of the Company's shares on 8 January 2026.

	Six months ended 30 June	
	2026	2025
Loss for the period attributable to ordinary equity shareholders of the Company (<i>RMB'000</i>) (<i>Note 5(a)</i>)	(2,020,788)	(993,276)
Weighted average number of ordinary shares (<i>'000</i>) (<i>Note 5(b)</i>)	432,359	159,522
Basic loss per share (<i>RMB</i>)	(4.67)	(6.23)

(a) Loss for the period attributable to ordinary equity shareholders of the Company

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the period attributable to all equity shareholders of the Company	(2,071,326)	(2,351,173)
Allocation of loss for the period attributable to financial instruments issued to investors	50,538	1,357,897
Loss for the period attributable to ordinary equity shareholders of the Company	(2,020,788)	(993,276)

(b) Weighted average number of ordinary shares

	Six months ended 30 June	
	2026	2025
	<i>Number of shares '000</i>	<i>Number of shares '000</i>
Ordinary shares issued at 1 January	40,281	36,224
Effect of shares issued by initial public offering	40,361	–
Effect of ordinary shares deemed to be in issue	–	1,536
Effect of the financial instruments issued to investors	(1,081)	(21,808)
Effect of share subdivision	352,798	143,570
Weighted average number of ordinary shares at 30 June	432,359	159,522

(c) **Diluted loss per share**

The financial instruments issued to investors were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share for the six months ended 30 June 2026 and 2025 are the same as basic loss per share.

6 PROPERTY, PLANT AND EQUIPMENT

Acquisitions of owned assets

In May 2026, the Company completed the acquisition of the entire share capital of Biejing Hongzuan for a total consideration of RMB360,226,000, comprising (1) the cash consideration for the acquired equity interest of RMB79,158,000 (*Note 9*); and (2) the sum of RMB281,068,000 to facilitate the repayment of the relevant indebtedness of Beijing Hongzuan. Full payment of the consideration had been completed as at 21 August 2026.

The Company made the election to apply the concentration test permitted under IFRS 3, *Business Combinations*, and concluded that the acquisition of Beijing Hongzuan is an asset acquisition rather than business combination. The identifiable assets and liabilities acquired from Beijing Hongzuan as at the completion date were as follows:

	Fair value as at completion date RMB'000
Identifiable assets and liabilities acquired:	
Property, plant and equipment	360,000
Prepayments and other receivables	869
Cash and cash equivalents acquired	49
Trade and other payables	(692)
Total consideration paid/payable	360,226

7 TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Trade receivables	838,139	339,198
Bills receivables	6,445	–
	844,584	339,198
Less: loss allowance	(61,640)	(35,990)
	782,944	303,208
		

At the end of the Reporting Period, the ageing analysis of trade and bills receivable (net of loss allowance), based on the invoice date, is as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Within 3 months	626,201	243,484
3 months to 6 months	23,697	19,831
6 months to 1 year	109,486	31,406
1 year to 2 years	23,538	8,415
2 years to 3 years	22	72
	782,944	303,208

The Group generally requires customers of on-premise deployment and related services to settle progress billings, and cloud-based deployment customers to either pay in advance or due within a period of 0–60 days from the date of invoice under usage-based and related services contracts and periodic billings under subscription-based contracts and related services.

8 PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Deposits	78,404	70,538
Receivables from disposal of investments in equity securities measured at FVPL	–	7,098
Other receivables	110,379	52,029
	188,783	129,665
Less: loss allowance	(20,923)	(18,994)
	167,860	110,671
Prepayments for computing service fee and others	1,243,736	116,295
Input VAT deductible	209,715	168,768
	1,453,451	285,063
	1,621,311	395,734

9 TRADE AND OTHER PAYABLES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Trade payables	241,589	297,139
Payables for computing service fees	1,427,415	727,348
Payables for marketing and promotion services	51,004	42,812
Payables of staff costs	122,923	146,507
Consideration payable for business combination and assets acquisition (Note 6 and 11)	229,809	–
Other payables and accruals	26,869	54,437
Financial liabilities measured at amortised cost	2,099,609	1,268,243
Other taxes payables	17,515	39,774
Provisions for warranties	18,635	20,614
	2,135,759	1,328,631

As at the end of the Reporting Period, the ageing analysis of trade payables, based on the invoice date, are as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Within 3 months	171,575	229,890
3 months to 6 months	15,254	46,448
6 months to 1 year	50,208	19,506
More than 1 year	4,552	1,295
	241,589	297,139

10 DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: none).

11 BUSINESS COMBINATION

On 5 June 2026, the Group, via the Company, entered into a purchase agreement with the equity holders of Beijing XCore Sigma Intelligent Technology Co., Ltd. (北京中科加禾智能科技有限公司) (“XCore Sigma”), to acquire 60% equity interests in XCore Sigma with a total cash consideration of RMB291,916,000. In accordance with the purchase agreement, the consideration will be paid in four installments, and RMB141,264,000 had been paid in June 2026. XCore Sigma is principally engaged in the development of AI-infrastructure research and development. The acquisition was completed in June 2026.

The fair value of the identifiable assets and liabilities of XCore Sigma acquired is set out as follows:

	On acquisition date RMB'000
Identifiable assets and liabilities:	
Property, plant and equipment	1,309
Intangible assets	22,510
Deferred tax assets	3,377
Inventories	3,934
Trade and bills receivables	1,373
Prepayments and other receivables	209
Cash at bank and on hand	66,567
Trade and other payables	(6,558)
Contract liabilities	(9,906)
Lease liabilities	(304)
Deferred tax liabilities	(3,377)
Fair value of net identifiable assets acquired	79,134
Less: non-controlling interests	(31,654)
Add: goodwill	244,436
Total acquisition consideration	<u><u>291,916</u></u>

Analysis of net cash outflow of cash and cash equivalents in respect of acquisition of XCore Sigma as at the date of acquisition:

	<i>RMB'000</i>
Total cash consideration	291,916
Less: cash acquired as at the date of acquisition	(66,567)
Less: consideration payable (<i>Note 9</i>)	(150,651)
Net cash outflow for the acquisition of a subsidiary included in the condensed consolidated cash flow statement	74,698

12 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 13 July 2026, the Company completed a share placement and issued 19,780,000 ordinary shares at the price of HK\$1,588. The gross proceeds from the placing were approximately HK\$31,410,640,000 (equivalent to approximately RMB27,230,826,000).

OTHER INFORMATION

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2026 (for the six months ended June 30, 2025: Nil).

Purchase, Sale, or Redemption of the Company's Listed Securities or Sale of Treasury Shares

Repurchase Mandate

The Board of the Company has been granted a general mandate (the “**Repurchase Mandate**”) pursuant to a resolution passed by the shareholders on June 22, 2026, to repurchase shares on the open market from time to time. Under the Repurchase Mandate, the Company is authorized to repurchase up to 10% of the total number of the Company's H shares issued as at the date on which the foregoing resolution was passed at the 2025 annual general meeting.

H Shares of the Company were first listed on the Main Board of the Hong Kong Stock Exchange on January 8, 2026. For the period from the Listing Date up to June 30, 2026, neither the Company nor any of its subsidiaries has purchased, sold, or redeemed any of the Company's securities listed on the Stock Exchange (including the sale of any treasury shares).

The Company does not hold any treasury shares as at June 30, 2026 within the meaning of the Listing Rules.

Significant Events After the Reporting Period

Placing of new H Shares under general mandate

On July 9, 2026 (before trading hours), the Company and China International Capital Corporation Hong Kong Securities Limited (the “**Sole Placing Agent**”) entered into a placing agreement (the “**July 2026 Placing**”), pursuant to which the Company agrees to appoint the Sole Placing Agent and the Sole Placing Agent has agreed to act as the agent of the Company, to procure not less than six (6) Placees, who will be professional, institutional or other investors, and who and whose ultimate beneficial owners shall be the Independent Third Parties, on a best effort basis, to subscribe for up to 19,780,000 new H Shares (the “**Placing Shares**”) at the Placing Price of HK\$1,588.00 per Placing Share under the general mandate granted to the Directors at the annual general meeting of the Company held on June 22, 2026. The July 2026 Placing was completed on July 13, 2026. The aggregate net proceeds from the July 2026 Placing, after deducting commission and estimated expenses, amounted to approximately HK\$31,374.95 million. For details, please refer to the announcements of the Company dated July 9, 2026 and July 13, 2026.

Save as disclosed above and in this announcement, there have been no other material events affecting the Company from the end of the Reporting Period until the date of this announcement.

Compliance with the Corporate Governance Code

The Company recognizes the value and importance of achieving high standards of corporate governance to enhance corporate performance, transparency and accountability, and further secure the trust of shareholders and the public. The Company is committed to maintaining robust corporate governance standards, and believes such standards are vital to its development and the protection of shareholders’ interests. Corporate governance is the process by which the Board directs the management of the Group in the conduct of its affairs to ensure that its objectives are met.

From the Listing Date until the date of this announcement, the Company has strictly complied with all applicable provisions of the Corporate Governance Code. In addition, the Company will actively refer to the recommended best practices of the Corporate Governance Code, including establishing a sound internal control system, enhancing the timeliness and accuracy of information disclosure, safeguarding shareholders’ right to information and participation, and continuously optimizing the governance structure.

Compliance with the Model Code

Since its Listing, the Company has adopted the Model Code as its code of conduct governing the Company's securities transactions conducted by its Directors and employees who may have access to inside information concerning the Group or the Company's securities.

Following specific enquiries made to all directors, all Directors have confirmed that they have complied with the Model Code for the period from the Listing Date up to June 30, 2026.

Employees of the Group who may possess inside information of the Group shall comply with the Model Code. For the period from the Listing Date up to June 30, 2026, the Company has not identified any incidents of non-compliance with the Model Code by the relevant employees.

Continuous Disclosure Obligations under the Listing Rules

Save as disclosed in this announcement, the Company has no other disclosure obligations under Rules 13.20, 13.21, and 13.22 of the Listing Rules.

Adequacy of Public Float

Based on the information disclosed publicly and to the best knowledge of the Directors, from the Listing Date until the date of this announcement, the Company has continuously maintained the public float as required by the Listing Rules.

Audit Committee

The Audit Committee comprises Dr. Xie Deren, Dr. Yang Qiang, and Dr. Li Juanzi. Dr. Xie Deren serves as the Chairman of the Audit Committee. The Audit Committee has reviewed the Group's interim results for the six months ended June 30, 2026, as well as the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2026, prepared in accordance with IFRS Accounting Standards. There has been no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company for the Reporting Period.

Review of Interim Financial Information

The financial information set out in this interim results announcement represents an extract from the interim financial report for the six months ended June 30, 2026, which is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of interim financial information performed by the independent auditor of the entity*”, issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be sent to shareholders.

Publication of Interim Results and Interim Report

This results announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zhipuai.cn). The Company’s interim report for the six months ended June 30, 2026 will be published on the aforementioned websites of the Stock Exchange and the Company in due course and will be sent to the Company’s H Share shareholders in accordance with their chosen method of receiving corporate communications.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

Definitions

“Audit Committee”	the Audit Committee of the Board
“Board”	the board of Directors of the Company
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, and solely for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region, and Taiwan
“Company”	Z.AI Co., Ltd. (北京智譜華章科技股份有限公司), a limited liability company established under the laws of the PRC on 11 June 2019 and converted into a joint stock company with limited liability on 26 March 2025, with its H Shares listed on the Stock Exchange (Stock Code: 2513)
“Director(s)”	the director(s) of the Company

“Global Offering”	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
“Group” or “We”	the Company and its subsidiaries
“H Shares”	the overseas-listed shares of the Company with a par value of RMB0.10 each, traded in Hong Kong dollars and listed and traded on the Stock Exchange
“Hong Kong dollar(s)”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS Accounting Standards”	IFRS Accounting Standards issued by the International Accounting Standards Board
“Independent Third Party(ies)”	third parties independent of and not connected with the Company and its connected persons
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange on January 8, 2026
“Listing Date”	January 8, 2026, the date on which the H Shares were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Prospectus”	the Prospectus of the Company dated December 30, 2025 in relation to the Global Offering and the Listing
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Reporting Period”	the six months ended June 30, 2026
“Share(s)”	ordinary share(s) of RMB0.10 each in the share capital of the Company, including Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“Unlisted Share(s)”	ordinary share(s) issued by the Company, with a par value of RMB0.10 each, which is/are not listed on any stock exchange
“US dollars” or “USD”	United States dollars, the lawful currency of the United States
“%”	percentage

Glossary of Technical Terms

Glossary	Definition
“Agent”	refers to an AI model capable of autonomously executing multi-step task chains, which can invoke tools on its own, handle intermediate failures and complete multi-step tasks without step-by-step human instructions
“Agentic Engineering”	refers to the capability stage in which a model progresses from simple code generation to the delivery of complete engineering projects, where the model needs to continuously understand objectives, invoke tools, handle exceptions, and adjust strategies based on environmental feedback to achieve end-to-end engineering delivery
“AGI Commercial Value Formula”	refers to the Group’s quantitative framework for the commercial value of AGI. The formula is: AGI commercial value $\Rightarrow$ (task value density $\times$ token consumption scale), where the upper bound of intelligence determines the task boundary, and the task boundary determines the value density in which tokens operate
“All-in-Infra strategy”	refers to the infrastructure strategy fully implemented by the Group since the beginning of 2026, which involves simultaneous investment in both training and inference, and incorporates domestic chips into primary inference computing power, in order to gain control over its own cost curve
“Computing Power Multiplier”	refers to the open platform and API revenue corresponding to every RMB1 of computing power invested (covering both training and inference), used to measure the model’s self-sustaining capability and the return efficiency of computing power investment
“Co-work”	refers to the fourth level in the model capability ladder, where the model delivers work outputs that can be reviewed by professionals, the model enters real-world workflows and is priced on a per-task-completed basis; the threshold is that reliability reaches a level where professionals are willing to review rather than redo the work

“Chat”	refers to the first level in the model capability ladder, where the model delivers a single-round response, the task is completed within one round, with the lowest value density but the broadest coverage
“Coding”	refers to the second level in the model capability ladder, where the model delivers a piece of runnable code, and an objective acceptance criterion (whether it can be executed successfully) emerges for the first time; the threshold for moving from Chat to Coding is verifiable results
“CyberGym”	refers to a benchmark testing platform for evaluating the capabilities of AI models in the field of cybersecurity
“ExploitGym”	refers to a benchmark testing platform for evaluating the vulnerability exploitation capabilities of AI models
“Scaling deep”	refers to the scaling path that goes deep into post-training, reinforcement learning, long-horizon trajectories and task feedback, as opposed to Scaling up (scaling up model size, context and computing power)
“Scaling up”	refers to the path of enhancing model capabilities by scaling up model size, context length, computing power and system capacity
“GLM-5.3-Flash (Ox-Alpha)”	refers to the Group’s next-generation lightweight flagship model, testing codename Ox-Alpha, built on an entirely new architecture with 320B total parameters, 18B activated parameters and 45 layers, adopting a hybrid architecture of sparse attention and linear attention, achieving high-performance inference at extremely low cost, with its design goal being the cost frontier
“GLM-5.3”	refers to the Group’s flagship large model, which shares the same architecture, total parameters and activated parameters as GLM-5.2, with the only variable being the scale of post-training; its end-to-end completion rate improves by over 50% compared with GLM-5.2, representing the current upper bound of model capabilities

“Mid-training”	refers to the training stage where the Group separately allocates computing power between pre-training and post-training, used to enhance knowledge density, extend effective context length, and establish foundational patterns for tool invocation and long-horizon tasks
“Critic-based SAO”	refers to the Group’s self-developed critic-based single-trajectory advantage optimization, which evolved from GRPO exploration and addresses the challenges of long trajectories in reward allocation, feedback utilisation and continual learning
“OPD”	refers to the training approach that the Group has extended from supervised fine-tuning (SFT) in the algorithm dimension, in full known as Offline Policy Distillation
“Index Share”	refers to the Group’s self-developed technology used to reduce the overhead of sparse attention over long contexts
“MTP”	refers to Multi-Token Prediction technology, used to optimise inference decoding efficiency
“LayerSplit”	refers to the Group’s self-developed technology used to optimise KV Cache management and cluster network efficiency
“ZCube”	refers to the Group’s self-developed technology, which works in synergy with LayerSplit to optimise KV Cache management and cluster network efficiency
“mHC (manifold-constrained Hyperconnection)”	refers to the architectural innovation adopted by GLM-5.3-Flash, in full known as manifold-constrained Hyperconnection, used to enhance the model’s scaling capability
“Encode-Prefill-Decode disaggregated architecture”	refers to the inference architecture adopted by the Group at the production-grade cluster level, which separates multimodal encoding, prompt prefill and token-by-token decoding into independently schedulable and independently scalable worker pools, to optimise inference performance on domestic chips

“Loop Transformer”	refers to a model architecture that increases effective computational depth by recurrently reusing layers without significantly increasing the number of parameters, shifting computing power from “memorisation” to “thinking”, suitable for high-complexity tasks requiring long-horizon reasoning
“Model-vs-Model self-play pipeline”	refers to the Group’s self-developed synthetic data generation mechanism: one model generates solutions and content, while another model reviews, tests and performs execution-based verification; only data that passes adversarial scrutiny enters the training process, and is then used for pre-training, mid-training and post-training after four layers of filtering (rule-based validation, execution-based verification, model review, and manual spot checks)
“Fully Self Training”	refers to the Group’s technical vision that the next generation of GLM models will be trained in environments built by the previous generation of GLM models, forming a closed loop of Recursive Self-Improvement, encompassing three dimensions: self-generated data, self-built environments, and self-optimising infrastructure
“Recursive Self-Improvement”	refers to the recursive closed loop formed by the model’s participation in its own improvement, including generating environments with models to train the next generation of models, and optimising the inference engine that serves the model itself
“Security Disclosure Ledger (CVD)”	refers to the Group’s public security disclosure mechanism, which records the entire process of vulnerabilities from discovery, confirmation to remediation, and only discloses vulnerabilities for which disclosure has been completed and which have been fixed by the vendors; for vulnerabilities still in the coordinated disclosure stage, hash values are published for subsequent verification
“OpenVuln”	refers to the public security audit results platform under the Group’s “Open-source Shield” initiative, used to disclose to the open-source community the results of ongoing security audits of key open-source projects

“ZCode”	refers to the Group’s coding agent product, in which the Harness undertakes context management, tool invocation, task scheduling, caching and result verification, improving the model’s performance in real engineering environments, and providing code audit functionality
“GLM Coding Plan”	refers to the coding agent subscription service opened by the Group to all users in August 2026, covering Lite, Pro, Max and Team editions, and is one of the earliest large model services in China to deliver coding agent capabilities on a subscription basis
“Capability Ladder”	refers to the Group’s framework for describing the model capability evolution path, which proceeds in order: Chat → Coding → Agent → Co-work → Autonomous AI; each level upwards has specific technical thresholds, and only after these thresholds are crossed can the business model of the next level be unlocked
“Autonomous AI”	refers to the fifth level in the capability ladder, where the model delivers continuously operating capabilities and undertakes long-term objectives under unattended conditions; the threshold is that the model is able to autonomously judge the quality of task completion
“Intelligence Index”	refers to the comprehensive model intelligence score compiled by Artificial Analysis, used to measure the overall capability level of models
“Pareto Frontier”	refers to the set of models that are simultaneously optimal across the two dimensions of cost and intelligence, i.e., the frontier formed by models with the highest intelligence at a given cost, or the lowest cost at a given level of intelligence
“Task Value Density”	refers to the economic output corresponding to each unit of intelligence consumed (i.e., each unit of tokens); the value gap produced by the same scale of tokens used for different tasks (e.g., casual chat versus fixing vulnerabilities in production environments) can span several orders of magnitude

For ease of reference, the names of Chinese laws and regulations, government authorities, institutions, natural persons or other entities are listed in both Chinese and English in this announcement. In the event of any ambiguity, the Chinese version shall prevail.

This announcement contains certain forward-looking statements. These forward-looking statements are made based on information currently available to the Group or the current beliefs, expectations and assumptions of the Board. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control, which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements. Given these risks and uncertainties, the forward-looking statements contained in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and shareholders and investors of the Company should not place undue reliance on such statements.

Unless otherwise specified, all charts, rankings and data presented in this announcement that reference third-party organizations, publicly available leaderboards, benchmarking platforms or industry research are quoted from publicly available sources and are provided for reference and illustrative purposes only. The Company was not involved in the compilation, calculation or verification of such data, rankings or benchmark results, and makes no representation, warranty or assumes any responsibility as to their methodology, sample scope, accuracy, completeness or timeliness.

By Order of the Board

Z.AI Co., Ltd.

Dr. LIU Debing

Executive Director and Chairman of the Board

Hong Kong, August 31, 2026

As at the date of this announcement, the Board comprises: (i) Dr. Liu Debing, Dr. Zhang Peng and Ms. Zhang Xiaohan as executive Directors; (ii) Dr. Li Juanzi, Mr. Li Jiaqing and Mr. Wang Meng as non-executive Directors; and (iii) Dr. Yang Qiang, Dr. Xie Deren and Mr. Xu Wenming as independent non-executive Directors.

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