

Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of UBS AG, acting through its London branch, the Certificates, or the Company (as defined below).

**4,000,000 European Style Cash Settled Long Certificates relating to
the ordinary shares of Geely Automobile Holdings Limited
with a Daily Leverage of 5x**

UBS AG

(Incorporated with limited liability in Switzerland)

acting through its London Branch

Issue Price: S\$0.50 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by UBS AG (the “**Issuer**”) acting through its London branch, and is supplemental to and should be read in conjunction with a base listing document dated 28 June 2023 (the “**Base Listing Document**”), including its supplements and addenda as executed from time to time, for the purpose of giving information with regard to the Issuer 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 the United States, the United Kingdom, the European Economic Area, Singapore and Hong Kong (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 and/or any of its affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer and/or any of its 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.

For the purpose of section 309B(1) of the Securities and Futures Act 2001 of Singapore (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A of the SFA) that 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.

Prospective purchasers should therefore ensure that they understand the nature of the Certificates and carefully study the risk factors set out in the Base Listing Document and pages 5 to 10 of this document before they invest in the Certificates.

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 6 September 2023.

As at the date hereof, the Issuer's long term credit rating by S&P Global Ratings Europe Limited is A+, by Moody's Investors Service Ltd. is Aa3 and by Fitch Ratings Ireland Limited is A+.

The Issuer is regulated by, among others, the Swiss Federal Banking Commission. In the United Kingdom, it is authorised by the Prudential Regulatory Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulatory Authority.

5 September 2023

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 accepts full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to itself and the Certificates. To the best of the knowledge and belief of the Issuer (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 it accepts 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 accepts 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.

No persons have been authorised to give any information or to make any representation save as contained in this document or otherwise authorised by the Issuer in connection with the Certificates and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer. 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 or its subsidiaries and associates since the date hereof.

This document does not constitute an offer or solicitation by or on behalf of the Issuer 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 requires persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Subject to certain exceptions, Certificates, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Certificates, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. 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 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 and/or any of its 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 and/or any of its 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.

Table of Contents

	<i>Page</i>
Risk Factors	5
Terms and Conditions of the Certificates	11
Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities	20
Summary of the Issue	31
Information relating to the European Style Cash Settled Long Certificates on Single Equities	33
Information relating to the Company	48
Information relating to the Designated Market Maker	49
Placing and Sale	51
Supplemental Information relating to the Issuer	56
Supplemental General Information	57
Appendix I	
Appendix II	

RISK FACTORS

The following risk factors are relevant to the Certificates:-

- (a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer will be unable to satisfy its obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;
- (b) the Certificates constitute direct, general and unsecured contractual obligations of the Issuer and if you purchase the Certificates you are relying upon the creditworthiness of the Issuer and have no rights under the Certificates against any 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 have no rights under the Certificates against the Company which has issued the Underlying Stock (as defined below). The Issuer has substantially no obligation to a Certificate Holder (as defined in the Conditions) other than to pay amounts in accordance with the terms thereof as set forth herein and in the Base Listing Document. The Issuer does not in any respect underwrite or guarantee the performance of any Certificate. Any profit or loss realised by a Certificate Holder in respect of a Certificate upon exercise or otherwise due to changes in the value of such Certificate or the Underlying Stock is solely for the account of such Certificate Holder. In addition, the Issuer shall have the absolute discretion to put in place any hedging transaction or arrangement which it deems appropriate in connection with any Certificate or the Underlying Stock. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by any one of its rating agencies could result in a reduction in the trading value of the Certificates;
- (c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has fallen sharply;
- (d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry and the creditworthiness of the Issuer;
- (e) fluctuations in the price of the Underlying Stock will affect the price of the Certificates but not necessarily in the same magnitude and direction, therefore, prospective investors intending to purchase Certificates to hedge their market risk associated with investing in the Underlying Stock which may be specified herein, should recognise the complexities of utilising the Certificates in this manner;
- (f) a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;

- (g) 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;
- (h) investors should note that the Issuer's obligations to pay amounts in accordance with the terms thereof as set forth herein shall be discharged by delivery of the aggregate Cash Settlement Amount (if positive) to all Certificate Holders in accordance with the agreement with the Warrant Agent;
- (i) 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;
- (j) 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;
- (k) 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 such expiry date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;
- (l) 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);
- (m) 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 the Rebalancing Cost (as defined below);
- (n) investors should note that there may be an exchange rate risk where the Cash Settlement Amount may be 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;
- (o) 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;
- (p) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideways

trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

- (q) 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);
- (r) 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;
- (s) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight fall in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when the market (in respect of which the Underlying Stock is listed) opens the following day (including pre-opening session or opening auction, as the case may be) or (ii) a sharp intraday fall in the Underlying Stock of 20% or greater during the observation period compared to the reference price, being: (a) if air bag event has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (b) if one or more air bag events have been previously triggered on the same day, the latest new observed price. Investors may refer to pages 41 to 42 of this document for more information;
- (t) certain events may, pursuant to the terms and conditions of the Certificates, trigger (A) the implementation of methods of adjustment or (B) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (A) general market conditions and (B) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to Condition 13 on pages 28 to 29 of this document for more information;
- (u) investors should note that it is not possible to predict the price at which the Certificates will trade in the secondary market or whether such market will be liquid or illiquid. To the extent Certificates of a particular issue are exercised, the number of Certificates of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Certificates of such issue. A decrease in the liquidity of an issue of Certificates may cause, in turn, an increase in the volatility associated with the price of such issue of Certificates. The Issuer may, but is not obligated to, at any time, purchase Certificates at any price in the open market or by tender or private agreement. Any Certificates so purchased may be held or resold or surrendered for cancellation. To the extent that an issue of Certificates becomes illiquid, an investor may have to exercise such Certificates to realise value;
- (v) 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;

- (w) 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 should refer to the Taxation Section in the Base Listing Document;
- (x) investors should note that the Issuer may enter into discount, commission or fee arrangements with brokers and/or any of its subsidiaries or affiliates with respect to the primary or secondary market in the Certificates. The arrangements may result in the benefit to investors in Certificates buying and selling Certificates through nominated brokers by reducing or eliminating the commission payable by such Certificate Holders. In the event that the commission payable by Certificate Holders is eliminated, fee arrangements between the Issuer and brokers and/or any of its subsidiaries or affiliates will continue to apply. Investors in the Certificates should note that any brokers with whom the Issuer has a commission arrangement does not, and cannot be expected to, deal exclusively in the Certificates, therefore any broker and/or any of its subsidiaries or affiliates may from time to time engage in transactions involving the Underlying Stock and/or structured products of other issuers over the Underlying Stock as the Certificates for their proprietary accounts and/or accounts of their clients. The fact that the same broker may deal simultaneously for different clients in competing products in the market place may affect the value of the Certificates and present certain conflicts of interests;
- (y) various potential and actual conflicts of interest may arise from the overall activities of the Issuer and any of its subsidiaries and affiliates.

The Issuer and any of its 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 and any of its 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 and any of its subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer and any of its 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;

- (z) 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 and any of its 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 and/or related derivatives. In addition, in connection with the offering of any Certificates, the Issuer and any of its respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock and/or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading

activities by the Issuer and any of its respective subsidiaries and its affiliates, the Issuer and any of its respective subsidiaries and affiliates may enter into transactions in the Underlying Stock and/or related derivatives which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

- (aa) 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;
- (bb) certain risks relating to the Issuer's operating environment and strategy, including those as set out in Appendix 2 of the Base Listing Document, may impact the Issuer's ability to execute its strategy and directly affect its business activities, financial condition, results of operations and prospects. As a broad-based international financial services firm, the Issuer is inherently exposed to risks that become apparent only with the benefit of hindsight, risks of which it is not presently aware or which it currently does not consider to be material could also materially affect its business activities, financial condition, results of operations and prospects. The sequence in which the risk factors are set out in Appendix 2 of the Base Listing Document is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences;
- (cc) 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 website of the SGX-ST. Investors will need to check the website of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;
- (dd) Generally, investing in the Certificates may involve risks related to the discontinuance, changes or adjustments to benchmarks generally

Discontinuance of, or changes to, benchmarks may require adjustments to the Issuer's agreements, systems and processes. The interbank offered rate(s) and other interest rate, equity, commodity, foreign exchange and other types of indices which are deemed to be "benchmarks", are the subject of national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be or may be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Certificates referencing such a benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks or any of the international or national reforms in making any investment decision with respect to any Certificates referencing a benchmark; and

- (ee) Specifically, 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.

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:	4,000,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Geely Automobile Holdings Limited traded in HKD (the “ Underlying Stock ” or the “ Underlying ”)
ISIN:	CH1227876609
Company:	Geely Automobile Holdings Limited (RIC: 0175.HK)
Underlying Price ³ and Source:	HK\$9.85 (Bloomberg)
Calculation Agent:	UBS AG acting through its London Branch
Strike Level:	Zero
Daily Leverage:	5x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 0.50
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	7.50%, is a hedging cost against extreme market movements overnight.
Funding Cost ⁶ :	The annualised costs of funding, referencing a publically 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:	24 August 2023
Closing Date:	5 September 2023
Expected Listing Date:	6 September 2023

³ These figures are calculated as at, and based on information available to the Issuer on or about 5 September 2023. 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 5 September 2023.

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 23 June 2025
Expiry Date:	30 June 2025 (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:	27 June 2025 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 5:00 p.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 5:00 p.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 (if positive) 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 33 to 47 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from Expected Listing Date 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).

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 33 to 47 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 15 to 19 below.

Initial Exchange Rate³: 0.1736043782

Final Exchange Rate: The rate for the conversion of HKD to SGD as at 5:00pm (Singapore Time) on the Valuation Date as shown on Reuters, provided that if the Reuters service ceases to display such information, as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate at such a time.

Air Bag Mechanism: The “**Air Bag Mechanism**” refers to the mechanism built in the Leverage Strategy and which is designed to reduce the Leverage Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock falls by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents approximately 75% loss after a 5 times leverage), the Air Bag Mechanism is triggered and the Leverage Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.

Trading of Certificates is suspended for at least 30 minutes 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 “Air Bag Mechanism” section on page 19 below and the “Description of Air Bag Mechanism” section on pages 39 to 40 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 (“ SGX-ST ”)
Relevant Stock Exchange for the Underlying Stock:	HKEX
Business Day, Settlement Business Day and Exchange Business Day:	<p>A “Business Day” or a “Settlement Business Day” is a day (excluding Saturdays, Sundays and public holidays) on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.</p> <p>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.</p>
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 the 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 <http://dlc.ubs.com> for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Strategy

Description of the Leverage Strategy

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

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

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

Leverage Strategy Formula

LSL_t means, the Leverage Strategy Level as at the Leverage Reset Time (t), calculated in accordance with the following formulae:

On Leverage Reset Time (1):

$$LSL_1 = 1000$$

On each subsequent Leverage Reset Time (t):

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

Leverage Reset Time (t)	<p>means</p> <p>1) the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date; and</p> <p>2) end of any Intraday Restrike Event Observation Period.</p> <p>Leverage Reset Time (1) is the scheduled close for the Relevant Stock Exchange for the Underlying Stock on Issue Date.</p>
Leverage Reset Time r(t)	<p>means the Leverage Reset Time immediately preceding the Leverage Reset Time (t).</p>
LR_{r(t),t}	<p>means the Leveraged Return of the Underlying Stock between Leverage Reset Time r(t) and Leverage Reset Time (t), calculated as follows:</p> $LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right)$
FC_{r(t),t}	<p>means, the Funding Cost between the Leverage Reset Time r(t) (included) and the Leverage Reset Time (t) (excluded) calculated as follows:</p> <p>If the Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,</p> $FC_{r(t),t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{r(t)} \times \text{ACT}(r(t), t)}{\text{DayCountBasisRate}}$ <p>Otherwise, $FC_{r(t),t} = 0$</p>
RC_{r(t),t}	<p>means the Rebalancing Cost of the Leverage Strategy as at Leverage Reset Time (t), calculated as follows:</p> $RC_{r(t),t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left \frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right \right) \times \text{TC}$
TC	<p>means the Transaction Costs applicable as determined by the Calculation Agent (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to :</p> <p>0.13%</p> <p>“Stamp Duty” refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.</p>
Leverage	5

S_t means the Underlying Stock Price as of Leverage Reset Time (t) computed as follows, subject to the adjustments and provisions of the Conditions:

If the Leverage Reset Time (t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

S_t is the Closing Price of the Underlying Stock as of such Observation Date.

Otherwise,

S_t is the lowest price of the Underlying Stock during the respective Intraday Restrike Observation Period.

Rfactor_t means an amount determined by the Calculation Agent, according to the following formula, subject to the adjustments and provisions of the Conditions:

If in respect of the Leverage Reset Time (t), the immediately preceding Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

$$\text{Rfactor}_t = 1 - \frac{\text{Div}_t}{S_{r(t)}}$$

Otherwise,

$$\text{Rfactor}_t = 1$$

Where

Div_t is the dividend to be paid out in respect of the Underlying Stock on the Observation Date of the Leverage Reset Time (t) if such Observation Date is an ex-dividend date, otherwise is zero. The dividend shall be considered net of any applicable withholding taxes.

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

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

CashRate_t means, in respect of the Observation Date of the Leverage Reset Time (t), the Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKDOND= or any successor page, being the rate as of day (t), provided that if any of such rate is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Benchmark 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.

%SpreadLevel_t means, in respect of the Observation Date of the Leverage Reset Time (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 HHHKD1YD= and (2) Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HHHKDOND=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 a Benchmark 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.

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

Benchmark Event means:

- (a) the relevant reference rate has ceased to be published on the relevant screen page as a result of such benchmark ceasing to be calculated or administered; or
- (b) a public statement by the administrator of the relevant reference rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such reference rate) it has ceased publishing such reference rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or
- (c) a public statement by the supervisor of the administrator of the relevant reference rate that such reference rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the relevant reference rate as a consequence of which Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used, or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Certificates; or
- (e) a public statement by the supervisor of the administrator of the relevant reference rate that, in the view of such supervisor, such reference rate is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market or the methodology to calculate such reference rate has materially changed; or
- (f) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any holder of the Certificates

using the relevant reference rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the subparagraphs above, where the relevant Benchmark Event is a public statement within subparagraphs (b), (c), (d) or (e) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

ACT(r(t),t) ACT(r(t),t) means the number of calendar days between the Observation Date of the Leverage Reset Time r(t) (included) and the Observation Date of the Leverage Reset Time (t) (excluded).

DayCountBasisRate 365

Air Bag Mechanism

Intraday Restrike Event means in respect of an Observation Date, the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the amount of $S_{r(t)} \times Rfactor_t$ where r(t) means the immediately preceding Leverage Reset Time prior to 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, 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 28 June 2023, made by UBS AG (the "**Issuer**") acting through its London Branch; and
 - (ii) a warrant agent agreement (the "**Master Warrant Agent Agreement**" or "**Warrant Agent Agreement**") dated any time on or before 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 Certificate Holders (as defined below) 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.* The Certificates constitute direct, general and unsecured contractual 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 and, in particular, the Certificates will not be secured by any underlying assets. 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.
- (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 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.

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 (if positive) 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 provided that the Issuer, if applicable, may, but shall not be obliged to, determine such Final Reference Level or the relevant closing level by having regard to the manner in which futures contracts relating to the Underlying Stock are calculated.

"**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 5:00 p.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 5:00 p.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 5:00 p.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 Warrant Agent who will then 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 dispatched by the Warrant Agent as soon as practicable and no later than five Settlement Business Days (as defined in the relevant Supplemental Listing Document) following the Expiry Date (subject to extension upon the occurrence of a Market Disruption Event (as defined above) 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.

The Issuer's obligations to pay the Cash Settlement Amount shall be discharged by payment to the Warrant Agent in accordance with the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (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 (excluding Saturdays, Sundays and public holidays) 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).
- (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 and unfettered discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events (including the events as contemplated in Conditions 6(a) to 6(e)) occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) and irrespective of, in substitution for, or in addition to the provisions contemplated in Conditions 6(a) to 6(e) 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 in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer or its related corporations 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 website 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 website 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.

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 etc.* The Issuer shall have the right to terminate the Certificates if it shall have determined in its absolute discretion that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control its performance thereunder shall have become unlawful in whole or in part under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power ("**Applicable Law**").

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 any of its affiliates involved in the issue of the Certificates (hereafter the "**Relevant Affiliates**" and each of the Issuer 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, judgment, 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 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 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(c) 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 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).
- (c) *Termination.* If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by the Applicable Law, pay to each Certificate Holder in respect of each Certificate held by such Certificate Holder an amount calculated by it as the fair market value of the Certificate immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Certificate Holder in such manner as shall be notified to the Certificate Holder in accordance with Condition 9.

14. 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 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.

15. 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.

16. Contracts (Rights of Third Parties) Act 2001 of Singapore

Unless otherwise expressly 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:	UBS AG acting through its London Branch
Company:	Geely Automobile Holdings Limited
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	4,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 28 June 2023 (the “ Master Instrument ”) and executed by the Issuer and a master warrant agent agreement dated 27 February 2008 (the “ Master Warrant Agent Agreement ”) and made between the Issuer and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 5:00 p.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 5:00 p.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 6 September 2023.
- Governing Law: The laws of Singapore
- Warrant Agent: The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589
- Further Issues: Further issues which will form a single series with the Certificates will be permitted.

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 the Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
--------------------	---	---------------------------

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

Illustration of the Calculation of Cash Settlement Amount

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

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

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

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

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

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

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

⁷ "t" 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 Level on Business Day (t) divided by the Leverage Strategy Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

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

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

Underlying Stock:	Ordinary shares of Geely Automobile Holdings Limited traded in HKD
Expected Listing Date:	01/02/2021
Expiry Date:	16/02/2021
Initial Reference Level:	1,000
Initial Exchange Rate:	1
Final Reference Level:	1,200
Final Exchange Rate:	1
Issue Price:	0.50 SGD
Notional Amount per Certificate:	0.50 SGD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	7.50%
Strike Level:	Zero

Hedging Fee Factor

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

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

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

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

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

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

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

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

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

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

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

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

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.6713% as illustrated below:

Date	HFF
2/1/2021	100.0000%
2/2/2021	99.9781%
2/3/2021	99.9561%
2/4/2021	99.9342%
2/5/2021	99.9123%
2/8/2021	99.8465%
2/9/2021	99.8246%
2/10/2021	99.8027%
2/11/2021	99.7808%
2/12/2021	99.7589%
2/15/2021	99.6932%
2/16/2021	99.6713%

Cash Settlement Amount

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

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

$$= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.6713\%$$

$$= 119.61\%$$

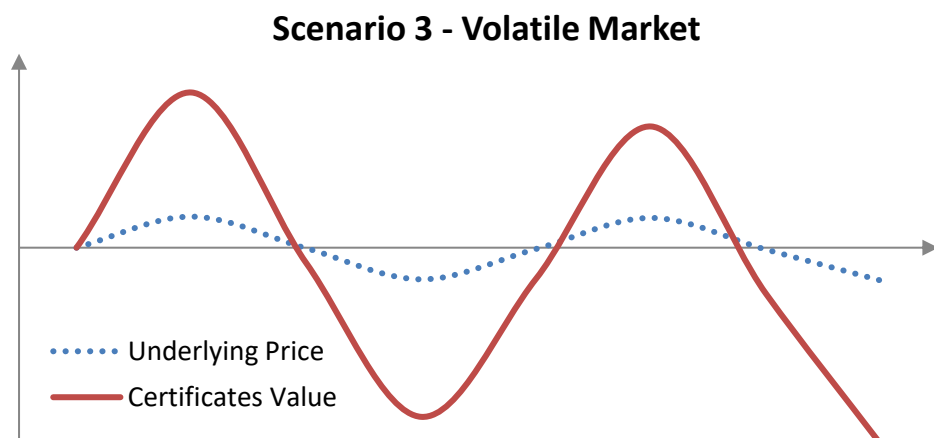
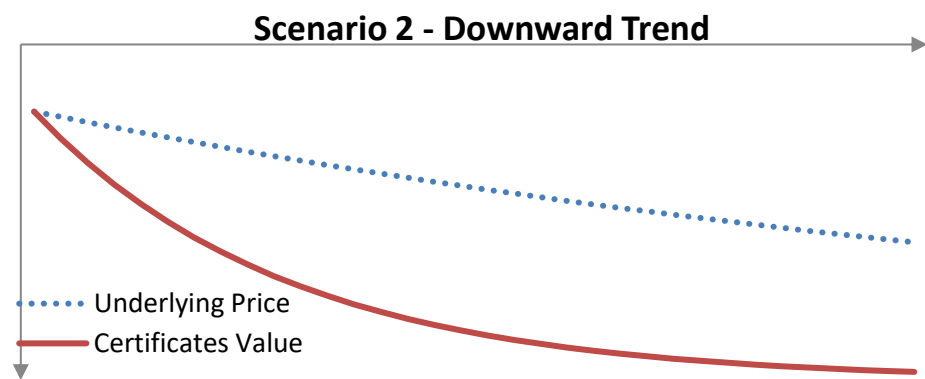
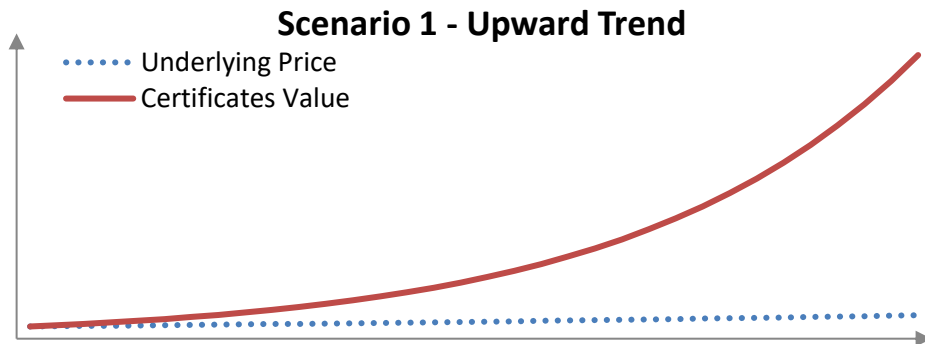
Cash Settlement Amount = Closing Level x Notional Amount per Certificate

$$= 119.61\% \times 0.50 \text{ SGD}$$

$$= 0.598 \text{ SGD}$$

Illustration on how returns and losses can occur under different scenarios

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

1. Illustrative examples

2. Numerical Examples

Scenario 1 – Upward Trend

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	2.00%	2.00%	2.00%	2.00%
Value at end of day	10,000.00	10,200.00	10,404.00	10,612.08	10,824.32	11,040.81
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		10.00%	10.00%	10.00%	10.00%	10.00%
Price at end of day	0.50	0.55	0.61	0.67	0.73	0.81
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 2 – Downward Trend

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-2.00%	-2.00%	-2.00%	-2.00%	-2.00%
Value at end of day	10,000.00	9,800.00	9,604.00	9,411.92	9,223.68	9,039.21
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Price at end of day	0.50	0.45	0.41	0.36	0.33	0.30
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 3 – Volatile Market

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	-2.00%	-2.00%	2.00%	2.00%
Value at end of day	10,000.00	10,200.00	9,996.00	9,796.08	9,992.00	10,191.84
Accumulated Return		2.00%	-0.04%	-2.04%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		10.00%	-10.00%	-10.00%	10.00%	10.00%
Price at end of day	0.50	0.55	0.50	0.45	0.49	0.54
Accumulated Return		10.00%	-1.00%	-10.90%	-1.99%	7.81%

Description of Air Bag Mechanism

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

In accordance with the Air Bag Mechanism timeline below, when the Air Bag triggers, the following typically occurs:

- 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 15 minutes (or less) of continuous trading until Market Close when the Air Bag is triggered; and
- Reset Period: thereafter, the Leverage Strategy is reset using the minimum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Strategy.

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.

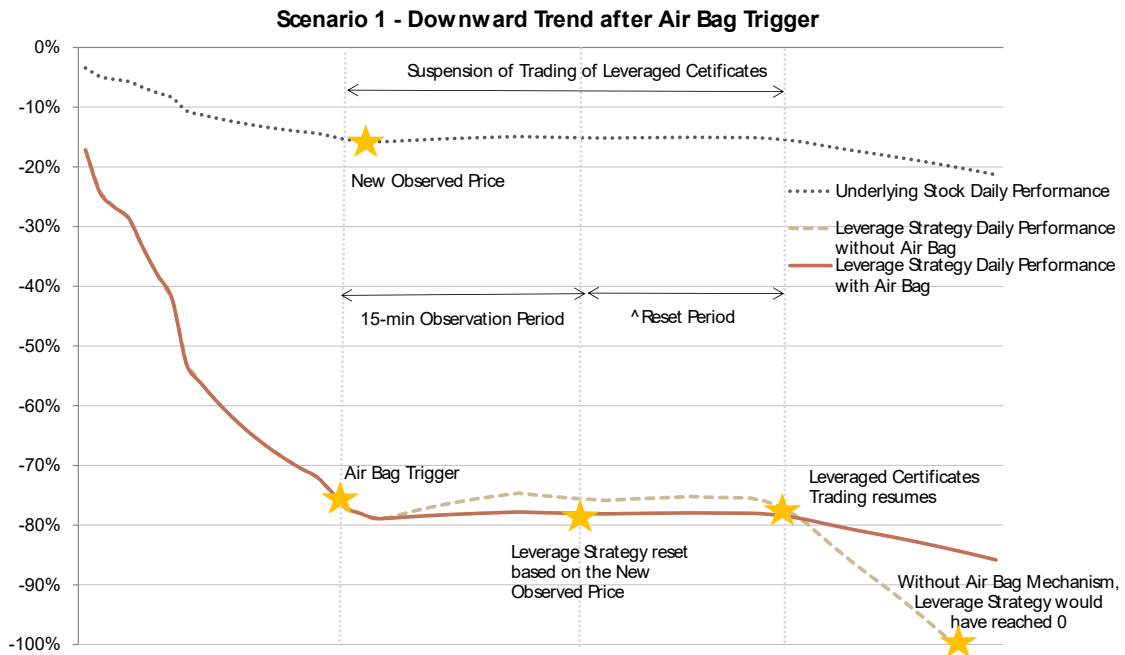
For the avoidance of doubt, if the Air Bag Mechanism was triggered with more than 60 minutes of continuous trading before Market Close, trading of Certificates will resume the same trading day after the Reset Period has elapsed, subject to the SGX-ST’s approval to resume trading. If the Air Bag Mechanism 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.

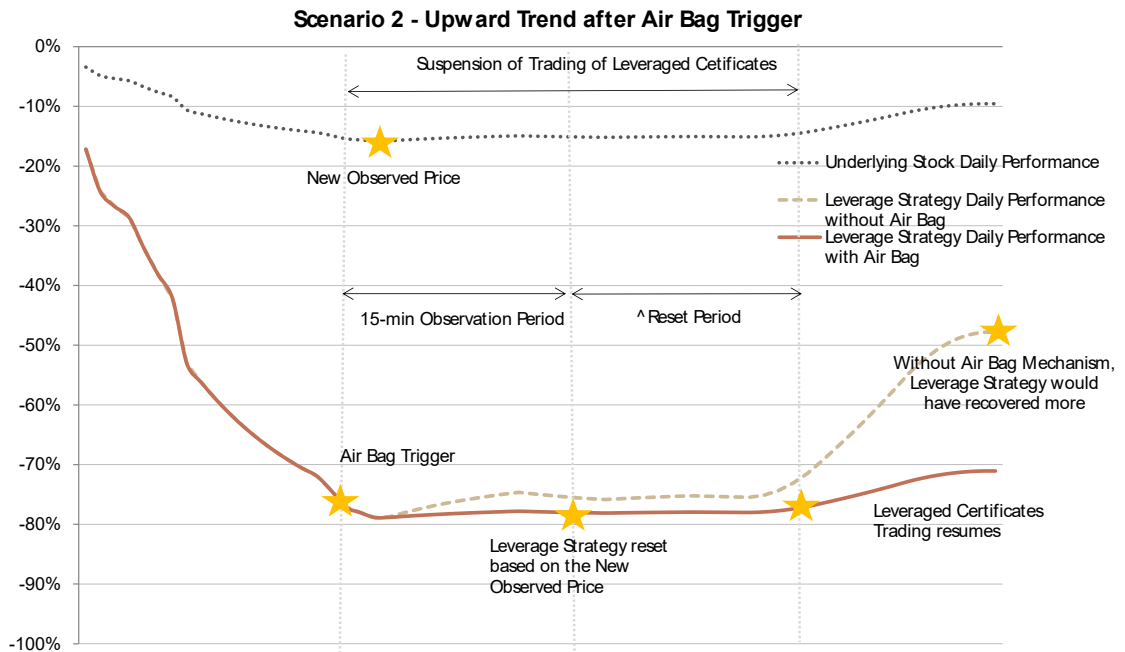
With **Market Close** defined as:

- 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



^ 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 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.

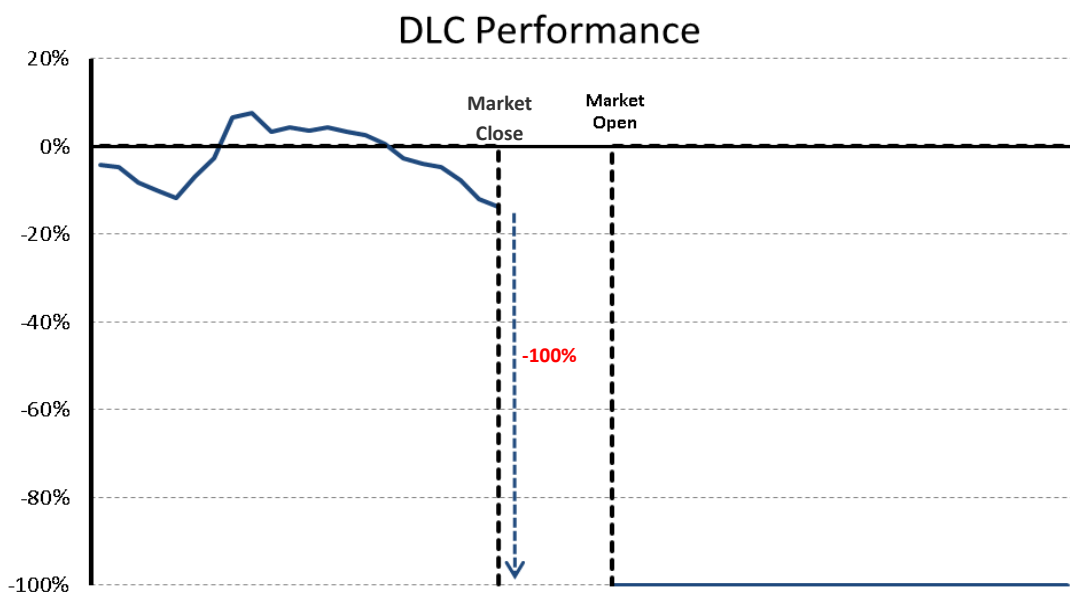
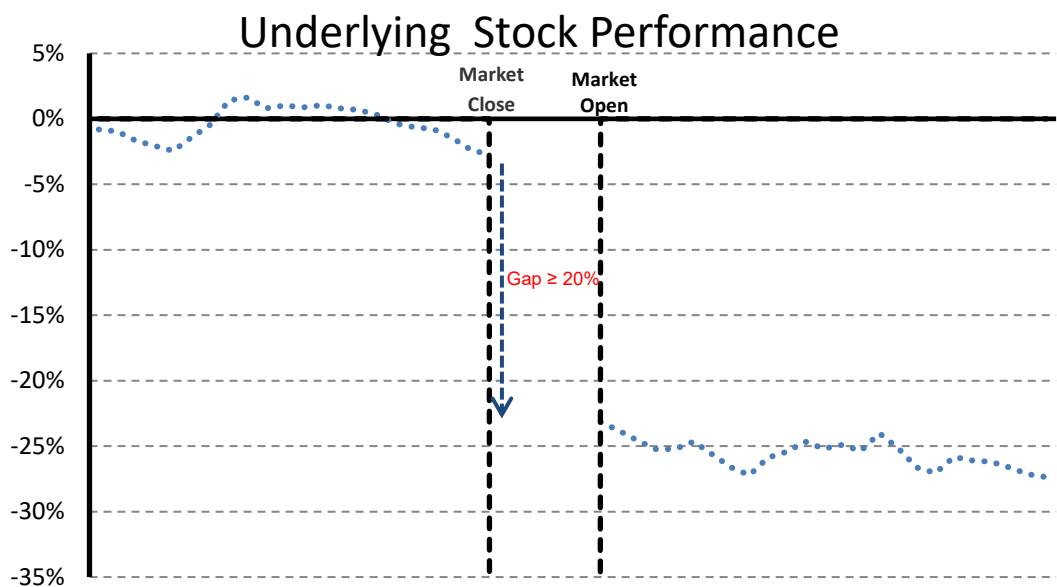
⁹ The illustrative examples are not exhaustive.

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.

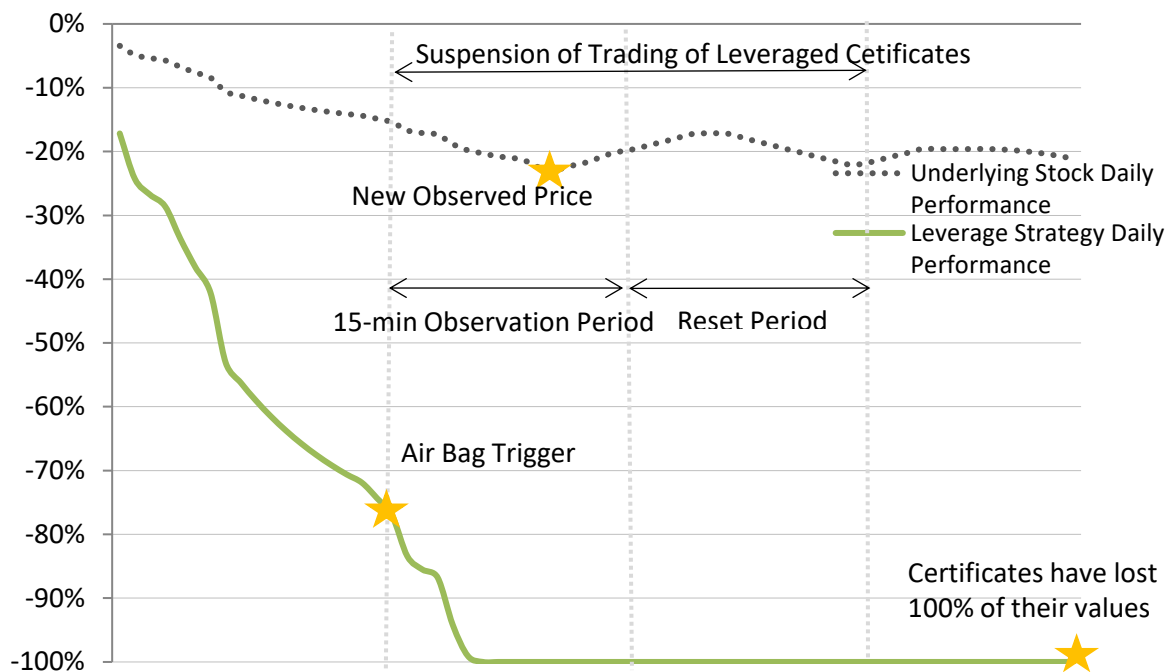
Scenario 1 – Overnight fall of the Underlying Stock

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



Scenario 2 – Sharp intraday fall of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock falls by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag event 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 events 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 the Observation Date of the Leverage Reset Time (t) is an ex-date with respect to a corporate action related to the Underlying Stock, and the immediately preceding Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto), the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Leverage Reset Time (t) by an amount computed according to the following generic formula :

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

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

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

Where:

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

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

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

1. Stock split

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

$$S_{r(t)} = \$100$$

$$S_t = \$51$$

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

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

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

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

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

As a consequence:

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

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	50	51	2%

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

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

2. Share Consolidation

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

$$S_{r(t)} = \$100$$

$$S_t = \$202$$

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

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

$M = -0.5$ (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:

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

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

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.525	5%

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

3. Rights Issues

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

$$S_{r(t)} = \$100$$

$$S_t = \$84$$

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

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

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

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

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

As a consequence:

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

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

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

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

4. Bonus Issues

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

$$S_{r(t)} = \$100$$

$$S_t = \$85$$

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

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

$$R = \$0$$

M = 0.2 (i.e. 1 new share for 5 existing shares)

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

As a consequence:

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

$S_{r(t)}$	$S_{t(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

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

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

5. Extraordinary Dividend

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

$$S_{r(t)} = \$100$$

$$S_t = \$84$$

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

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

$$R = \$0$$

$$M = 0$$

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

As a consequence:

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

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

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

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

INFORMATION RELATING TO THE COMPANY

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

Geely Automobile Holdings Limited (the “**Company**”) is an investment holding company principally engaged in the production and sales of automobiles. The Company mainly develops, manufactures and sells automobiles, including cars, sport utility vehicles (SUVs), new energy and electrified vehicles. The Company's car types include home, travel and sports. The Company's new energy and electrified vehicles include electric vehicles, battery electric vehicles, hybrid electric vehicles, mild hybrid electric vehicles and plug-in hybrid electric vehicles. In addition, the Company produces and sells automobile parts and related automobile components. The Company also sells licenses for its intellectual property.

The information set out in Appendix I of this document relates to the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2023 and has been extracted and reproduced from an announcement by the Company released on 31 August 2023 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

UBS AG, acting through its London Branch, has been appointed the designated market maker (“DMM”) for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

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

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

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

- (x) if the stock market experiences exceptional price movement and volatility;
- (xi) when it is a public holiday in Singapore and/or Hong Kong and/or the SGX-ST and/or the HKEX is 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.

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.

United Kingdom

In relation to each tranche of Certificates, the Issuer has represented, warranted and agreed that:

(a) No deposit-taking: in relation to any 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:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) 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 Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;

(b) Financial Promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 or would not, if the Issuer was not an authorised person, apply to the Issuer; and

(c) General Compliance: 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.

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not offered, sold or otherwise made available such Certificates to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to the public in the United Kingdom except that it may make an offer of such Certificates to the public in the United Kingdom:

- a) if the Supplemental Listing Document in relation to the Certificates specifies an offer of those Certificates may be made other than pursuant to Article 1(4) of the UK Prospectus Regulation in the United Kingdom (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Certificates which either (i) has been approved by the UK Financial Conduct Authority ("**FCA**"), or (ii) is to be treated as if it had been approved by the FCA in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation); or
- d) at any time in any other circumstances falling within section 86 of the FSMA, provided that no such offer of Certificates to the public referred to in (a) to (c) above shall require the publication of a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation,

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "an offer of Certificates to the public" in relation to any products in the United Kingdom means 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 the Certificates, and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

United States of America

The Certificates have not been, and will not be, registered under the Securities Act. Subject to certain exceptions, Certificates, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Certificates, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. The Certificates will not be offered, sold or delivered within the United States or to U.S. persons. As used herein, “**United States**” means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and “**U.S. person**” means (i) any citizen or resident of the United States, including any corporation, partnership or other entity created or organised in or under the laws of the United States or of any political subdivision thereof, (ii) any estate or trust the income of which is subject to United States income taxation regardless of its source, (iii) “U.S. person” as such term is defined in (a) Regulation S under the Securities Act or (b) the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the U.S. Commodity Futures Trading Commission (“**CFTC**”) pursuant to the U.S. Commodity Exchange Act of 1936, as amended, or (iv) a person other than a “Non-United States Person” as defined in CFTC Rule 4.7, in each case, as such definition is amended, modified or supplemented from time to time.

Prohibition of Sales to European Economic Area

If the applicable Supplemental Listing Document in respect of any Certificates specifies the “Prohibition of Sales to European Economic Area Retail Investors” as “Not Applicable”, the Issuer has represented and agreed 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 contemplated by the Base Listing Document as completed by this Supplemental Listing 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**”);
 - (ii) a customer within the meaning of Directive 2016/97 (as amended), 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, the “**Prospectus Regulation**”); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates.

PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS REGULATION

If the Supplemental Listing Document specifies “Prohibition of Sales to European Economic Area Retail Investors” as “Not Applicable”, in relation to each member state of the European

Economic Area (each, a "**Relevant State**"), the Issuer has represented, warranted and agreed that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to the public in that Relevant State except that it may make an offer of such Certificates to the public in that Relevant State:

(a) Approved listing document: if the Supplemental Listing Document in relation to the Certificates specifies that an offer of those Certificates may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a listing document in relation to such Certificates which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such listing document has subsequently been completed by the Supplemental Listing Document contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such listing document or Supplemental Listing Document, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) Fewer than 150 offered: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Issuer for any such offer; or

(d) Other exempt offers: at any time in any other circumstances falling within Article 3(2) of the Prospectus Regulation,

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer to publish a listing document pursuant to Article 3 of the Prospectus Regulation or supplement a listing document pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Certificates to the public**" in relation to any Certificates in any Relevant State means 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, as the same may be varied in that Relevant State by any measure implementing the Prospectus Regulation in that Relevant State.

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

No person, other than a person permitted to do so under the securities laws of Hong Kong, has issued, or had in its possession for the purposes of issue, or will issue, or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Certificates, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in 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” within the meaning of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong and any rules made thereunder.

SUPPLEMENTAL INFORMATION RELATING TO THE ISSUER

The information set out in Appendix II of this document is an extract of the unaudited consolidated financial statements of UBS AG and its subsidiaries for the second quarter ended 30 June 2023.

For more information on the Issuer, please see <http://www.ubs.com/>.

Queries regarding the Certificates may be directed to +852 2971 6668 or OL-HKWarrants@ubs.com.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 267 of the Base Listing Document.

1. Save as disclosed in the Base Listing Document and herein, there is no litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Certificates to which the Issuer is a party nor, to the best of its knowledge and belief, is there any threatened litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Certificates which would in either case jeopardise its ability to discharge its obligations in respect of the Certificates.
 2. UBS AG, Singapore Branch at 9 Penang Road, Singapore 238459, has been authorised to accept, on behalf of the Issuer, service of process and any other notices required to be served on the Issuer. Any notices required to be served on the Issuer should be sent to UBS AG, Singapore Branch at the above address for the attention of Han-Kiat Tan, Legal & Compliance.
 3. 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 of 100 Certificates 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.
 4. 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.
 5. There has been no adverse change, material in the context of the issue of the Certificates, in the financial position of the Issuer since 30 June 2023.
 6. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and may be material to the issue of the Certificates:
 - (a) the Master Instrument; and
 - (b) the Master Warrant Agent Agreement.
- None of the directors of the Issuer has any direct or indirect interest in any of the above contracts.
7. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.
 8. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the office of Allen & Gledhill LLP at One Marina Boulevard #28-00, Singapore 018989, during the period of 14 days from the date of this document:

- (a) the articles of association of the Issuer;
- (b) the latest financial reports (including the notes thereto) of the Issuer;
- (c) the Base Listing Document; and
- (d) this document.

APPENDIX I

**REPRODUCTION OF THE UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023 OF
GEELY AUTOMOBILE HOLDINGS LIMITED AND ITS SUBSIDIARIES**

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2023

	Note	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue	3	73,181,745	58,183,773
Cost of sales		(62,641,253)	(49,707,971)
Gross profit		10,540,492	8,475,802
Other gains/(losses), net	4	640,229	896,133
Distribution and selling expenses		(4,767,790)	(3,303,773)
Administrative expenses		(4,867,108)	(4,660,511)
Reversal of impairment loss/(Impairment loss) on trade and other receivables		59,265	(24,089)
Share-based payments	25	(436,429)	(852,818)
Finance income, net	5(a)	160,749	214,872
Share of results of associates		132,676	(56,785)
Share of results of joint ventures		12,016	627,682
Profit before taxation	5	1,474,100	1,316,513
Taxation	6	(200,592)	(38,665)
Profit for the period		1,273,508	1,277,848
Attributable to:			
Equity holders of the Company		1,570,728	1,552,238
Non-controlling interests		(297,220)	(274,390)
Profit for the period		1,273,508	1,277,848
Earnings per share			
Basic	8	RMB14.91 cents	RMB14.83 cents
Diluted	8	RMB14.75 cents	RMB14.71 cents

The notes on pages 11 to 60 are an integral part of this interim financial report. Details of dividends payable to equity holders of the Company are set out in note 7.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	1,273,508	1,277,848
Other comprehensive (expense)/income:		
Items that may be reclassified subsequently to profit or loss:		
– Notes receivable at fair value through other comprehensive income (“FVOCI”)		
Change in fair value	3,410	151,860
Income tax effect	(783)	(32,358)
– Share of other comprehensive income of associates and joint venture, net of related income tax	18,815	9,343
– Exchange differences on translation of financial statements of foreign operations	(80,228)	319,559
Item that will not be reclassified subsequently to profit or loss:		
– Equity investments at FVOCI		
Change in fair value	(29,024)	–
Other comprehensive (expense)/income for the period, net of tax	(87,810)	448,404
Total comprehensive income for the period	1,185,698	1,726,252
Attributable to:		
Equity holders of the Company	1,506,117	1,986,262
Non-controlling interests	(320,419)	(260,010)
Total comprehensive income for the period	1,185,698	1,726,252

The notes on pages 11 to 60 are an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	9	35,142,763	32,201,419
Intangible assets	10	25,473,260	22,547,705
Land lease prepayments		4,073,271	3,401,795
Goodwill		64,309	61,418
Interests in associates	11	5,502,731	3,967,117
Interests in joint ventures	12	10,125,367	10,268,201
Trade and other receivables	14	1,634,599	1,457,600
Financial assets at FVOCI	27	254,988	284,012
Deferred tax assets		5,407,340	4,573,149
		87,678,628	78,762,416
Current assets			
Inventories	13	11,737,592	10,822,330
Trade and other receivables	14	31,010,539	34,392,326
Income tax recoverable		209,661	121,020
Restricted and pledged bank deposits		794,336	386,898
Bank balances and cash		32,847,813	33,341,339
		76,599,941	79,063,913
Current liabilities			
Trade and other payables	15	73,101,570	65,480,717
Derivative financial instruments	27	61,908	80,509
Lease liabilities	16	697,713	556,579
Bonds payable	19	–	2,062,396
Income tax payable		397,229	773,013
		74,258,420	68,953,214
Net current assets		2,341,521	10,110,699
Total assets less current liabilities		90,020,149	88,873,115

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2023

	Note	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
CAPITAL AND RESERVES			
Share capital	20	183,686	183,686
Perpetual capital securities	21	3,413,102	3,413,102
Reserves		72,972,301	71,533,667
Equity attributable to equity holders of the Company		76,569,089	75,130,455
Non-controlling interests		4,634,482	1,065,360
Total equity		81,203,571	76,195,815
Non-current liabilities			
Trade and other payables	15	2,584,637	1,602,020
Lease liabilities	16	1,587,256	1,779,429
Bank borrowings	17	2,903,920	2,757,960
Loan from a related company	18	1,200,000	6,000,000
Deferred tax liabilities		540,765	537,891
		8,816,578	12,677,300
		90,020,149	88,873,115

The notes on pages 11 to 60 are an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Attributable to equity holders of the Company											
	Share capital	Perpetual capital securities	Share premium	Capital reserve	Statutory reserve	Fair value reserve (recycling)	Translation reserve	Share-based compensation reserve	Retained profits	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Balance at 1 January 2022	183,015	3,413,102	17,205,492	(2,871,342)	708,079	(175,286)	(91,022)	1,562,619	48,671,489	68,606,146	1,614,826	70,220,972
Profit for the period	-	66,660	-	-	-	-	-	-	1,485,578	1,552,238	(274,390)	1,277,848
Other comprehensive income:												
Change in fair value of notes receivable at FVOCI	-	-	-	-	-	118,287	-	-	-	118,287	1,215	119,502
Share of other comprehensive income of associate and joint venture	-	-	-	-	-	-	9,343	-	-	9,343	-	9,343
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	306,394	-	-	306,394	13,165	319,559
Total comprehensive income for the period	-	66,660	-	-	-	118,287	315,737	-	1,485,578	1,986,262	(260,010)	1,726,252
Transactions with owners:												
Capital contribution from non-controlling interests (note 28)	-	-	-	1,155,816	-	-	-	-	-	1,155,816	112,544	1,268,360
Shares issued under share option scheme (note 20)	39	-	11,481	-	-	-	-	(3,543)	-	7,977	-	7,977
Equity settled share-based payments (note 25)	-	-	-	-	-	-	-	1,159,973	-	1,159,973	-	1,159,973
Distribution paid on perpetual capital securities (note 7)	-	(66,660)	-	-	-	-	-	-	-	(66,660)	-	(66,660)
Final dividends declared and approved in respect of the previous year (note 7)	-	-	-	-	-	-	-	-	(1,787,669)	(1,787,669)	-	(1,787,669)
Total transactions with owners	39	(66,660)	11,481	1,155,816	-	-	-	1,156,430	(1,787,669)	469,437	112,544	581,981
Balance at 30 June 2022	183,054	3,413,102	17,216,973	(1,715,526)	708,079	(56,999)	224,715	2,719,049	48,369,398	71,061,845	1,467,360	72,529,205

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2023

	Attributable to equity holders of the Company																									
	Share capital RMB'000 (Unaudited)	Perpetual capital securities RMB'000 (Unaudited)	Share premium RMB'000 (Unaudited)	Capital reserve RMB'000 (Unaudited)	Statutory reserve RMB'000 (Unaudited)	Fair value reserve (recycling) RMB'000 (Unaudited)	Fair value reserve (non-recycling) RMB'000 (Unaudited)	Translation reserve RMB'000 (Unaudited)	Share-based compensation reserve RMB'000 (Unaudited)	Retained profits RMB'000 (Unaudited)	Sub-total RMB'000 (Unaudited)	Non-controlling interests RMB'000 (Unaudited)	Total RMB'000 (Unaudited)													
														Attributable to equity holders of the Company												
														Attributable to equity holders of the Company												
Attributable to equity holders of the Company																										
Balance at 1 January 2023	183,686	3,413,102	18,020,191	(1,712,482)	1,084,593	(111,530)	(95,958)	(22,088)	2,740,758	51,630,183	75,130,455	1,065,360	76,195,815													
Profit for the period	-	71,064	-	-	-	-	-	-	-	1,499,664	1,570,728	(297,220)	1,273,508													
Other comprehensive expense:																										
Change in fair value of notes receivable at FVOCI	-	-	-	-	-	5,952	-	-	-	-	5,952	(3,325)	2,627													
Share of other comprehensive income of associates and joint venture	-	-	-	-	-	-	-	18,815	-	-	18,815	-	18,815													
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(60,354)	-	-	(60,354)	(19,874)	(80,228)													
Change in fair value of equity investments at FVOCI	-	-	-	-	-	-	(29,024)	-	-	-	(29,024)	-	(29,024)													
Total comprehensive income for the period	-	71,064	-	-	-	5,952	(29,024)	(41,539)	-	1,499,664	1,506,117	(320,419)	1,185,698													
Transactions with owners:																										
Share of capital reserve of a joint venture (note 12)	-	-	-	2,627	-	-	-	-	-	-	2,627	-	2,627													
Capital contribution from non-controlling interests (note 28)	-	-	-	1,307,105	-	-	-	-	-	-	1,307,105	3,897,355	5,204,460													
Equity settled share-based payments (note 25)	-	-	-	-	-	-	-	-	609,612	-	609,612	-	609,612													
Distribution paid on perpetual capital securities (note 7)	-	(71,064)	-	-	-	-	-	-	-	-	(71,064)	-	(71,064)													
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(7,814)	(7,814)													
Final dividends declared and approved in respect of the previous year (note 7)	-	-	-	-	-	-	-	-	-	(1,915,763)	(1,915,763)	-	(1,915,763)													
Total transactions with owners	-	(71,064)	-	1,309,732	-	-	-	-	609,612	(1,915,763)	(67,483)	3,889,541	3,822,058													
Balance at 30 June 2023	183,686	3,413,102	18,020,191	(402,750)	1,084,593	(105,578)	(124,982)	(63,627)	3,350,370	51,214,084	76,569,089	4,634,482	81,203,571													

The notes on pages 11 to 60 are an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Note	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Cash flows from operating activities			
Profit before taxation		1,474,100	1,316,513
Adjustments for non-cash items		4,223,921	4,669,073
Operating profit before working capital changes		5,698,021	5,985,586
Net changes in working capital		6,532,670	5,140,640
Cash generated from operations		12,230,691	11,126,226
Income taxes paid		(1,531,719)	(1,318,680)
<i>Net cash generated from operating activities</i>		10,698,972	9,807,546
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,261,472)	(2,525,363)
Additions of intangible assets		(4,843,469)	(1,828,920)
Additions of land lease prepayments		(115,127)	(52,262)
Proceeds from disposal of property, plant and equipment		129,390	42,254
Net cash outflow on acquisition of a subsidiary		(193,198)	(666,205)
Dividend received from associates		220,387	–
Additional/initial capital injection in associates		(1,081,000)	(354,125)
Additional/initial capital injection in joint ventures		(355,825)	(373,200)
Acquisition of a loan to an associate		(387,354)	–
Advance to a joint venture		(100,000)	–
Change in restricted and pledged bank deposits		(407,438)	(269,977)
Interest received		408,792	418,627
<i>Net cash used in investing activities</i>		(8,986,314)	(5,609,171)
Cash flows from financing activities			
Distribution paid on perpetual capital securities	7	(71,064)	(66,660)
Capital contribution from non-controlling interests	28	5,204,460	1,268,360
Proceeds from bank borrowings		–	615,000
Repayment of bank borrowings		–	(332,769)
Repayment of bonds payable	19	(2,068,422)	–
Advance from a related company		1,898,730	6,000,000
Repayment of loan from a related company		(6,698,730)	–
Proceeds from issuance of shares upon exercise of share options	20	–	7,977
Settlement of payables for acquisition of additional interests in a subsidiary in previous year		–	(1,807,384)
Payment of lease liabilities		(296,312)	(301,204)
Interest paid		(174,885)	(105,533)
<i>Net cash (used in)/generated from financing activities</i>		(2,206,223)	5,277,787
Net (decrease)/increase in cash and cash equivalents		(493,565)	9,476,162
Cash and cash equivalents at the beginning of the period		33,341,339	28,013,995
Effect of foreign exchange rate changes		39	72,088
Cash and cash equivalents at the end of the period, represented by bank balances and cash		32,847,813	37,562,245

The notes on pages 11 to 60 are an integral part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2023

1. BASIS OF PREPARATION

The interim financial report (the “Interim Financial Report”) has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “SEHK”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 22 August 2023.

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

The Interim Financial Report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company and its subsidiaries’ (together referred to as the “Group”) annual financial statements for the year ended 31 December 2022.

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

New or amended HKFRSs that are effective for annual periods beginning on 1 January 2023

The accounting policies and methods of computation used in the preparation of the Interim Financial Report are consistent with those used in the annual financial statements for the year ended 31 December 2022, except for the adoption of the following new or amended HKFRSs effective as of 1 January 2023.

HKFRS 17	Insurance Contracts and related amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

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

New or amended HKFRSs that are effective for annual periods beginning on 1 January 2023 (Continued)

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

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

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

The amendments to HKAS 1 are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. The amendments had no impact on the condensed consolidated interim financial statements of the Group.

Amendments to HKAS 8 “Definition of Accounting Estimates”

The amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates by introducing a definition for accounting estimates, which is now defined as “monetary amounts in the financial statements that are subject to measurement uncertainty”.

Besides, the amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates typically involve the use of judgements or assumptions based on latest available reliable information. A change in accounting estimate that results from new information or new development is not correction of an error. Therefore, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. In addition, two illustrative examples are added to illustrate how to apply the new definition of accounting estimates.

The amendments are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. The amendments had no impact on the condensed consolidated interim financial statements of the Group.

Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments clarify that the initial recognition exemption of deferred tax in HKAS 12 “Income Taxes” does not apply to transactions that give rise to equal taxable and deductible temporary differences, such as lease contracts that give rise to the recognition of a lease liability and the corresponding right-of-use assets and contracts that give rise to the recognition of decommissioning obligations and corresponding amounts recognised as assets. Instead, entities are required to recognise the related deferred tax asset and liability on initial recognition, with the recognition of any deferred tax asset being subject to the recoverability criteria in HKAS 12 “Income Taxes”.

The Group adopted the amendments from 1 January 2023 and are required to recognise the associated deferred tax assets and liabilities from leases that occurred on or after 1 January 2022 from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained profits at that date.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

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

New or amended HKFRSs that are effective for annual periods beginning on 1 January 2023 (Continued)

Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” (Continued)

Prior to the application of the amendments, the Group had recognised the deferred tax assets and liabilities arising from leases on a net basis. Following the requirements of the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets as at 1 January 2022. As the balances are qualified for offset under paragraph 74 of HKAS 12, there is no material impact on the opening retained profits as at 1 January 2022 as a result of the amendments. However, the amendments require additional disclosure of deferred tax assets and liabilities which may have impact on the annual consolidated financial statements.

Accounting policy newly applied by the Group

In addition, the Group has applied the following accounting policy which became relevant to the Group in the current interim period.

Revenue recognition

Subcontracting income

Revenue is generally recognised at a point in time when the customers gain possession and control of the contracted services. A receivable is recognised upon the provision of services, as it signifies the point at which the consideration becomes unconditional due to the passage of time before payment is due. Revenue excludes value-added tax (“VAT”) or related sales taxes and is presented net of discounts.

Subcontracting income is recognised upon the successful delivery of subcontracted services and the customers’ acceptance and attainment of control over the rendered services.

Issued but not yet effective HKFRSs

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

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 ¹
Amendments to HKAS 31	Non-current Liabilities with Covenants ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²

¹ Effective for annual periods beginning on or after 1 January 2024

² Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group’s accounting policies for the first period beginning on or after the effective date of the pronouncement. The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group’s condensed consolidated financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

3. REVENUE AND SEGMENT INFORMATION

Revenue

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15")		
Disaggregated by major products/services		
– Sales of automobiles and related services	60,284,330	49,202,613
– Sales of automobile parts and components	4,100,887	4,727,305
– Sales of battery packs and related parts	5,954,587	1,686,566
– Research and development and related technological support service	1,883,870	1,838,922
– Licensing of intellectual properties	823,385	728,367
– Subcontracting income	134,686	–
	73,181,745	58,183,773
Disaggregated by timing of revenue recognition		
– At a point in time	71,206,671	56,214,324
– Over time	1,975,074	1,969,449
	73,181,745	58,183,773

Segment information

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Information about a major customer

Revenue from a customer which individually contributed over 10% of the Group's revenue is as follows:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Customer A [#]	11,904,647	9,696,925

[#] It includes a group of entities which are under common control by Mr. Li Shu Fu and his associates.

4. OTHER GAINS/(LOSSES), NET

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Government grants and subsidies (note)	313,835	235,282
Net foreign exchange (loss)/gain	(114,584)	38,132
Net realised and unrealised (loss)/gain on derivative financial instruments	(44,081)	406,591
Net loss on disposal/written off of property, plant and equipment and land lease prepayments	(55,235)	–
Fair value changes on financial assets at fair value through profit or loss (“FVTPL”)	–	26,906
Logistics service income	127,790	32,499
Quality management and information technology service income	54,034	10,694
Gain on disposal of scrap materials	27,441	14,282
Net gain on written off of long outstanding payable	45,153	–
Replacement service income	10,405	575
Gain on deemed disposal of investment accounted for using the equity method (note 11)	10,208	–
Export service income	8,497	1,203
Rental income	2,168	1,585
Sundry income	254,598	128,384
	640,229	896,133

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

5. PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(a) Finance income and costs		
Finance costs		
Effective interest expense on bonds payable	298	1,722
Coupon expense on bonds payable	5,408	35,606
Interest on discounted notes receivable	4,065	52,309
Interest on lease liabilities	31,745	30,716
Interest on loans from related companies	156,178	49,916
Interest on bank borrowings wholly repayable within five years	69,890	38,320
	267,584	208,589
Finance income		
Bank and other interest income	(428,333)	(423,461)
Net finance income	(160,749)	(214,872)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

5. PROFIT BEFORE TAXATION (Continued)

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(b) Staff costs (including directors' emoluments) (note (a))		
Salaries, wages and other benefits	3,557,247	2,788,778
Retirement benefit scheme contributions (note 24) (note (b))	266,367	195,669
Equity settled share-based payments (note 25)	436,429	852,818
	4,260,043	3,837,265
(c) Other items		
Depreciation (note (a)):		
– Owned assets	1,530,960	1,369,278
– Right-of-use assets (including land lease prepayments)	380,028	317,921
Total depreciation	1,910,988	1,687,199
Amortisation of intangible assets (related to capitalised product development costs)	2,146,394	2,339,000
Research and development costs	843,808	926,194
Cost of inventories recognised as an expense (note (a)), including:	60,681,865	48,044,111
– Reversal of write-down of inventories to net realisable value	(1,225)	(3,676)
Lease charges on short term leases	77,232	57,787
Net loss on disposal/written off of property, plant and equipment and land lease prepayments	55,235	35,462
Net foreign exchange loss/(gain)	114,584	(38,132)

Notes:

- (a) Cost of inventories included RMB3,003,670,000 (six months ended 30 June 2022: RMB2,958,903,000) relating to staff costs and depreciation, which amounts were also included in the respective total amounts disclosed separately for each of these types of expenses.
- (b) As at 30 June 2023, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future periods/years (as at 31 December 2022: RMBNil).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

6. TAXATION

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Current tax:		
– PRC enterprise income tax	1,087,911	673,440
– Over-provision in prior years	(20,617)	(38,495)
	1,067,294	634,945
Deferred tax	(866,702)	(596,280)
	200,592	38,665

Hong Kong profits tax has not been provided as the Hong Kong incorporated companies within the Group had no estimated assessable profits in Hong Kong for the six months ended 30 June 2023 and 2022.

The income tax provision of the Group in respect of its operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the period based on the existing legislation, interpretations and practises in respect thereof. The PRC enterprise income tax rate is 25% (six months ended 30 June 2022: 25%).

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries of the Group obtained the High and New Technology Enterprises qualification. Also, certain PRC subsidiaries of the Group located in the western region of the PRC are engaged in the encouraged businesses. Accordingly, they enjoyed a preferential income tax rate of 15% for the six months ended 30 June 2023 and 2022.

According to relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that was effective from 2018, enterprises engaging in research and development activities are entitled to claim 200% of their eligible research and development costs so incurred as tax deductible expenses when determining their assessable profits for that period (“Super Deduction”). The Group made its best estimate for the Super Deduction to be claimed for the Group’s PRC subsidiaries in ascertaining their assessable profits for the six months ended 30 June 2023 and 2022.

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

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

7. DIVIDENDS

During the current period, a final dividend for the year ended 31 December 2022 of Hong Kong dollars (“HK\$”) 0.21 (six months ended 30 June 2022: HK\$0.21) per ordinary share, amounting to approximately RMB1,915,763,000 (six months ended 30 June 2022: RMB1,787,669,000), has been declared and approved by the shareholders at the annual general meeting of the Company. The 2022 final dividend was paid in July 2023 and reflected as dividends payable in this Interim Financial Report.

In addition, the Company made a distribution on perpetual capital securities of RMB71,064,000 (six months ended 30 June 2022: RMB66,660,000) to the securities holders during the six months ended 30 June 2023.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on profit for the period attributable to ordinary equity holders of the Company of RMB1,499,664,000 (six months ended 30 June 2022: RMB1,485,578,000) and weighted average number of ordinary shares of 10,056,973,786 shares (six months ended 30 June 2022: 10,019,544,970 shares), calculated as follows:

Profit attributable to ordinary equity holders of the Company

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Profit for the period attributable to equity holders of the Company	1,570,728	1,552,238
Distribution paid on perpetual capital securities (note 7)	(71,064)	(66,660)
Profit for the period attributable to ordinary equity holders of the Company	1,499,664	1,485,578

Weighted average number of ordinary shares (basic)

	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Issued ordinary shares at 1 January (note 20)	10,056,973,786	10,018,441,540
Effect of share options exercised	–	1,103,430
Weighted average number of ordinary shares (basic) at 30 June	10,056,973,786	10,019,544,970

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

8. EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on profit for the period attributable to ordinary equity holders of the Company of RMB1,499,664,000 (six months ended 30 June 2022: RMB1,485,578,000) and the weighted average number of ordinary shares of 10,167,585,286 shares (six months ended 30 June 2022: 10,096,115,647 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Weighted average number of ordinary shares (basic) at 30 June	10,056,973,786	10,019,544,970
Effect of deemed issue of shares under the Company's share option scheme	–	59,528
Effect of dilutive potential ordinary shares arising from award shares issued under the Company's share award scheme	110,611,500	76,511,149
	<hr/>	<hr/>
Weighted average number of ordinary shares (diluted) at 30 June	10,167,585,286	10,096,115,647

9. PROPERTY, PLANT AND EQUIPMENT

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Net carrying amount		
At the beginning of the period/year	32,201,419	30,858,504
Additions	2,839,834	4,958,077
Acquisition through business combination	2,240,675	346,947
Disposals/written off	(242,092)	(186,683)
Early termination of leases	(40,728)	(138,707)
Depreciation	(1,865,042)	(3,432,870)
Impairment losses	–	(199,026)
Exchange realignment	8,697	(4,823)
	<hr/>	<hr/>
At the end of the period/year	35,142,763	32,201,419

The Group has obtained the right to use office and factory premises, retail and service centres and motor vehicles through the tenancy agreements. The remaining lease term is one to eighteen years (as at 31 December 2022: one to nineteen years). The Group generally makes fixed payments during the contract period. During the six months ended 30 June 2023, the total additions to right-of-use assets were RMB286,001,000 (six months ended 30 June 2022: RMB1,085,235,000).

As at 30 June 2023, the aggregate carrying amount of the Group's right-of-use assets in relation to the buildings, plant and machinery and motor vehicles are RMB2,258,226,000 (as at 31 December 2022: RMB2,333,944,000).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

10. INTANGIBLE ASSETS

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

	As at 30 June 2023	As at 31 December 2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Net carrying amount		
At the beginning of the period/year	22,547,705	20,901,178
Additions	5,069,984	6,424,582
Acquisition through business combination	1,965	20,511
Amortisation	(2,146,394)	(4,799,250)
Exchange realignment	-	684
	25,473,260	22,547,705

11. INTERESTS IN ASSOCIATES

	As at 30 June 2023	As at 31 December 2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cost of unlisted investments	3,944,375	2,332,668
Share of post-acquisition results and other comprehensive income	(140,746)	(64,653)
Gain on bargain purchase upon subscription for an associate	1,749,734	1,749,734
Impairment loss recognised	(3,349)	(3,349)
Exchange realignment	(47,283)	(47,283)
	5,502,731	3,967,117

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

11. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's interests in associates as at 30 June 2023 and 31 December 2022 are as follows:

Name of associates	Place of establishments and operations	Form of business structure	Particulars of issued and paid up/registered capital	Attributable equity interest held by the Group		Principal activities
				As at 30 June 2023	As at 31 December 2022	
Hanna Mando (Ningbo) Automobile Chassis System Technology Co., Limited* ("Hanna Mando (Ningbo)") 漢拿萬都(寧波)汽車底盤系統科技有限公司	The PRC	Incorporated	United States dollars ("US\$") 85,000,000	35%	35%	Manufacturing of key components and electronic devices of automobile chassis
Closed Joint Stock Company BELGEE ("BELGEE")	Republic of Belarus	Incorporated	Belarusian Ruble 234,535,000	36.7%	36.7%	Production, marketing and sales of vehicles
PT Geely Mobil Indonesia	Republic of Indonesia	Incorporated	US\$3,260,200	30%	30%	Production, marketing and sales of vehicles
Times Geely Power Battery Company Limited* ("Times Geely") 時代吉利動力電池有限公司	The PRC	Incorporated	RMB501,000,000	49%	49%	Research and development, manufacturing and sales of battery cells, battery modules and battery packs
Zhejiang Haohan Energy Technology Company Limited* ("Haohan Energy") 浙江浩瀚能源科技有限公司	The PRC	Incorporated	RMB500,000,000	30%	30%	Research and development of automobile charging systems and technologies, provision of automobile charging services and operation of automobile charging points and network
Wuxi Xingqu Technology Company Limited* 無錫星驅科技有限公司	The PRC	Incorporated	RMB61,250,000	27.6%	27.6%	Research and development of automobile parts and components
Zhejiang Shuangli Automobile Intelligent Technology Company Limited* 浙江雙利汽車智能科技有限公司	The PRC	Incorporated	RMB90,000,000	35%	35%	Not yet commenced the business
Renault Korea Motors Co., Ltd. ("Renault Korea")	Republic of Korea	Incorporated	South Korean Won 666,875,000,000	34.02%	34.02%	Design, development, manufacturing, production, assembly, sales, distribution, import, export and marketing of automobiles, related parts and accessories

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

11. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's interests in associates as at 30 June 2023 and 31 December 2022 are as follows (Continued):

Name of associates	Place of establishments and operations	Form of business structure	Particulars of issued and paid up/registered capital	Attributable equity interest held by the Group		Principal activities
				As at	As at	
				30 June 2023	31 December 2022	
Chongqing Livan Automotive Technology Company Limited [#] ("Chongqing Livan") 重慶睿藍汽車科技有限公司	The PRC	Incorporated	RMB1,450,000,000 (as at 31 December 2022: RMB600,000,000)	45%	–	Research and development, sales and operations of vehicles (including but not limited to battery swapping vehicles)
Zhejiang Xingchuang Automobile Software Technology Co., Ltd. [#] ("Xingchuang") 浙江星創汽車軟件科技有限公司	The PRC	Incorporated	RMB40,000,000	45%	–	Not yet commenced the business
PROTON Holdings Berhad ("PROTON")	Malaysia	Incorporated	Malaysian Ringgit ("RM") 1,009,513,000	49.9%	–	Manufacturing and sales of vehicles under the "PROTON" brand in Southeast Asia
DRB-HICOM Geely Sdn. Bhd. ("DHG")	Malaysia	Incorporated	RM1,000	49.9%	–	Investment holding

PROTON and DHG

On 20 January 2023, the Group had entered into acquisition agreements with a fellow subsidiary owned by the Company's ultimate holding company pursuant to which the Group conditionally agreed to acquire 49.9% of the issued and paid-up ordinary share capital of PROTON and DHG for a cash consideration of approximately RMB1,450.4 million (of which US\$56,390,000 (equivalent to approximately RMB387.4 million) was related to the loan receivable to be sold to the Group) and a nominal consideration of US\$1 (equivalent to approximately RMB7), respectively. PROTON is principally engaged in manufacturing and sale of motor vehicles of its own brand in Southeast Asia. DHG is principally engaged in investment holding.

The acquisition of PROTON provides a valuable opportunity for the Group to enter the passenger vehicle market of right-hand drive models in Southeast Asia. By leveraging the resources and experiences of PROTON, the Group will be able to further strengthen its business development in Southeast Asia after completion of the acquisition. The Group will continue to collaborate with PROTON in the development of electric vehicle models under PROTON brand in the future.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

11. INTERESTS IN ASSOCIATES *(Continued)*

PROTON and DHG *(Continued)*

DHG was incorporated by DRB-HICOM Berhad and Geely International (Hong Kong) Limited to restructure the intercompany debt in the amount of approximately RM1,616.4 million (equivalent to approximately RMB2,551.3 million) (the “Debt”) between PROTON (as borrower) and Perusahaan Otomobil Nasional Sdn. Bhd. (“PONSB”) (a wholly-owned subsidiary of PROTON, as lender). In order to set off against the Debt, PROTON issued non-convertible redeemable preference shares to DHG and DHG issued the same number of non-convertible redeemable preference shares to PONS B at the same consideration equivalent to the Debt amount. No voting right is attached to the aforesaid non-convertible redeemable preference shares, which can only be redeemed at the discretion of the issuer when it has sufficient funds. The acquisition of DHG is intertwined with the acquisition of PROTON because the incorporation of DHG is solely for the purpose of PROTON’s internal debt restructuring.

Chongqing Livan

On 13 December 2021, the Group entered into the investment cooperation agreement with Lifan Technology (Group) Company Limited# 力帆科技(集團)股份有限公司 (“Lifan Technology”), pursuant to which the Company and Lifan Technology agreed to form Chongqing Livan, to engage in the research and development, sales and operations of vehicles (including but not limited to battery swapping vehicles). Pursuant to the terms of the investment cooperation agreement, the registered capital of Chongqing Livan will be RMB600 million, and will be contributed as to 50% (equivalent to RMB300 million) by the Group and as to 50% (equivalent to RMB300 million) by Lifan Technology, respectively. Shareholder’s meeting is the highest authority, and the voting rights in the meeting are in proportion to respective subscribed ratio.

Therefore, the Group’s investment in Chongqing Livan as at 31 December 2022 was classified as a joint venture and accounted for using the equity method.

During the six months ended 30 June 2022, the Group and Lifan Technology contributed RMB300,000,000 and RMB300,000,000, respectively, to Chongqing Livan.

On 20 June 2023, the Group, Lifan Technology and Chongqing Livan entered into a capital injection agreement, pursuant to which the Group agreed to inject approximately RMB355,825,000 into Chongqing Livan, while Lifan Technology agreed to inject approximately RMB494,175,000 into the same entity. As a result of the capital injection, the Group’s equity interests in Chongqing Livan were diluted from 50% to 45% and the Group can only exert significant influence over the financial and operating activities of Chongqing Livan.

Therefore, the Group’s investment in Chongqing Livan was reclassified from the joint venture to the associate. Besides, the gain on deemed disposal of investment in Chongqing Livan of RMB10,208,000 was recognised in “Other gains/(losses), net” in the condensed consolidated income statement during the six months ended 30 June 2023.

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

11. INTERESTS IN ASSOCIATES (Continued)

Xingchuang

During the six months ended 30 June 2023, the Group and an independent third party established an associate company, Xingchuang. Pursuant to the articles of association of Xingchuang, the registered capital of Xingchuang will be RMB40,000,000, and is contributed as to 45% (equivalent to RMB18,000,000) by the Group and as to 55% (equivalent to RMB22,000,000) by the independent third party, respectively. The Group completed the capital contribution in March 2023.

Summarised financial information of PROTON and its subsidiaries (“PROTON Group”), Renault Korea and Chongqing Livan and its subsidiaries (“Chongqing Livan Group”), the Group’s material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amount in the condensed consolidated financial statements, are disclosed below:

	PROTON Group As at 30 June 2023 RMB'000 (Unaudited)	Renault Korea As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)	Chongqing Livan Group As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Non-current assets	10,014,757	4,969,880	5,188,477	1,146,737	389,842
Current assets	5,234,609	7,244,782	8,858,630	4,595,952	3,369,318
Current liabilities	(5,338,221)	(2,737,320)	(4,033,161)	(4,547,000)	(3,126,272)
Non-current liabilities	(2,742,235)	(417,721)	(646,950)	(16,341)	(11,212)
Net assets	7,168,910	9,059,621	9,366,996	1,179,348	621,676

	PROTON Group For the period from 28 April 2023 (date of acquisition) to 30 June 2023 RMB'000 (Unaudited)	Renault Korea Six months ended 30 June 2023 RMB'000 (Unaudited)	Chongqing Livan Group For the period from 24 January 2022 (date of incorporation) to 30 June 2022 RMB'000 (Unaudited)
Revenue	2,699,271	10,512,043	1,159,363
Profit/(Loss) for the period	56,348	221,708	(297,582)
Other comprehensive income for the period	–	1,120	–
Total comprehensive income/ (expenses) for the period	56,348	222,828	(297,582)
Movement of capital reserve	–	–	5,254
Dividend received from an associate	–	180,375	–

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

11. INTERESTS IN ASSOCIATES (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the Group's interests in PROTON Group, Renault Korea and Chongqing Livan Group recognised in the condensed consolidated financial statements:

	PROTON Group As at 30 June 2023 RMB'000 (Unaudited)	Renault Korea As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)	Chongqing Livan Group As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Net assets of the associates	7,168,910	9,059,621	9,366,996	1,179,348	621,676
Adjustment (note)	(5,808,547)	-	-	-	-
	1,360,363	9,059,621	9,366,996	1,179,348	621,676
The Group's effective interests in the associates	49.9%	34.02%	34.02%	45%	50%
	678,821	3,082,083	3,186,652	530,707	310,838
Goodwill	403,701	-	-	-	-
Carrying amount of the Group's interests in associates	1,082,522	3,082,083	3,186,652	530,707	310,838

Note: The amounts represented the non-controlling interests in the subsidiary of PROTON and cumulative preference shares that are held by parties other than the Group in PROTON and the related undeclared dividend.

Aggregate financial information of associates that are not individually material:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Aggregate amounts of the Group's share of profit/(loss) for the period/year	37,729	(189,593)
Aggregate amounts of the Group's share of other comprehensive income/(expense) for the period/year	11,237	(25,154)
Aggregate carrying amount of the Group's interests in these associates	807,419	780,465

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

12. INTERESTS IN JOINT VENTURES

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Cost of unlisted investments	7,505,706	7,805,706
Unrealised gain on disposal of a subsidiary to a joint venture	(14,943)	(14,943)
Share of post-acquisition results and other comprehensive income (including reserves)	2,773,236	2,616,070
Impairment loss recognised	(138,632)	(138,632)
	10,125,367	10,268,201

Details of the Group's joint ventures which are unlisted corporate entities whose quoted market prices are not available and accounted for using the equity method in the condensed consolidated financial statements as at 30 June 2023 and 31 December 2022 were as follows:

Name of joint ventures	Place of establishments and operations	Form of business structure	Particulars of registered capital	Proportion of ownership interest held by the Group		Principal activities
				As at 30 June 2023	As at 31 December 2022	
Genius Auto Finance Company Limited [#] ("Genius AFC") 吉致汽車金融有限公司	The PRC	Incorporated	RMB4,000,000,000	80%	80%	Vehicles financing business
LYNK & CO Investment Co., Ltd. [#] ("LYNK & CO Investment") 領克投資有限公司	The PRC	Incorporated	RMB7,500,000,000	50%	50%	Manufacturing and sales of vehicles under the "Lynk&Co" brand
Zhejiang Geely AISIN Automatic Transmission Company Limited [#] 浙江吉利愛信自動變速器有限公司	The PRC	Incorporated	US\$117,000,000	40%	40%	Manufacturing and sales of front-wheel drive 8-speed automatic transmissions and related parts and components
Shandong Geely Sunwoda Power Battery Company Limited [#] 山東吉利欣旺達動力電池有限公司	The PRC	Incorporated	RMB100,000,000	41.5%	41.5%	Development, production, sales and after-sales service of hybrid battery cells, battery modules and battery packs
Guangdong Xinyueng Semiconductor Company Limited [#] 廣東芯粵能半導體有限公司	The PRC	Incorporated	RMB400,000,000	40%	40%	Provision of integrated circuit design, manufacturing, sales and the manufacturing of semiconductors
Chongqing Livan	The PRC	Incorporated	RMB1,450,000,000 (As at 31 December 2022: RMB600,000,000)	-	50%	Research and development, sales and operations of vehicles (including but not limited to battery swapping vehicles)

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

12. INTERESTS IN JOINT VENTURES (Continued)

Genius AFC

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

On 11 July 2022, the Company entered into the equity transfer agreement (the “Equity Transfer Agreement”) with BNPP PF and its wholly-owned subsidiary as purchaser in relation to the exercise of the Call Option by BNPP PF, pursuant to which the wholly-owned subsidiary of BNPP PF has conditionally agreed to purchase from the Company and the Company has conditionally agreed to sell to the wholly-owned subsidiary of BNPP PF an interest of 5% in the registered capital of Genius AFC at an initial cash consideration of approximately RMB420,706,000, which will be subsequently adjusted for any change in the book value of Genius AFC between 31 July 2020 and the completion date which will be determined and confirmed in the audited financial statements of Genius AFC as of the completion date (the “Disposal”). The Disposal was completed in August 2023. Please refer to the Company’s announcement dated 11 July 2022 for further details.

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

	LYNK & CO Group		Genius AFC	
	As at 30 June 2023 RMB’000 (Unaudited)	As at 31 December 2022 RMB’000 (Audited)	As at 30 June 2023 RMB’000 (Unaudited)	As at 31 December 2022 RMB’000 (Audited)
Non-current assets	16,489,367	16,879,085	1,896,294	1,900,081
Current assets	21,377,335	16,801,102	57,708,684	56,651,975
Current liabilities	(25,871,637)	(22,449,072)	(31,035,472)	(30,564,197)
Non-current liabilities	(4,639,597)	(3,229,351)	(20,662,673)	(20,728,964)
Net assets	7,355,468	8,001,764	7,906,833	7,258,895

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	2,481,209	2,894,042	6,859,731	5,557,605
Current financial liabilities (excluding trade and other payables and provisions)	(3,512,502)	(2,014,539)	(27,947,938)	(27,069,302)
Non-current financial liabilities (excluding trade and other payables and provisions)	(3,388,788)	(1,988,666)	(20,662,673)	(20,728,964)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

12. INTERESTS IN JOINT VENTURES (Continued)

	LYNK & CO Group		Genius AFC	
	Six months ended 30 June			
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	12,462,437	12,457,018	2,228,668	2,217,306
(Loss)/Profit for the period	(660,691)	200,205	647,938	741,353
Other comprehensive income/(expense) for the period	14,395	(6,868)	–	–
Total comprehensive (expense)/income for the period	(646,296)	193,337	647,938	741,353
Dividend from a joint venture	–	–	–	400,000

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

Depreciation and amortisation	(1,743,459)	(1,434,927)	(24,695)	(19,512)
Interest income	37,480	26,018	2,139,418	2,167,619
Interest expenses	(116,420)	(37,866)	(820,120)	(889,969)
Income tax credit/(expense)	134,532	(71,010)	(215,979)	(247,118)

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

	LYNK & CO Group		Genius AFC	
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net assets of the joint ventures	7,355,468	8,001,764	7,906,833	7,258,895
The Group's effective interests in the joint ventures	50%	50%	80%	80%
The Group's share of the net assets of the joint ventures	3,677,734	4,000,882	6,325,466	5,807,116
Unrealised gain on disposal of a subsidiary to a joint venture	(14,943)	(14,943)	–	–
Carrying amount of the Group's interests in joint ventures	3,662,791	3,985,939	6,325,466	5,807,116

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

12. INTERESTS IN JOINT VENTURES *(Continued)*

Aggregate financial information of joint ventures that are not individually material:

	As at 30 June 2023	As at 31 December 2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Aggregate amounts of the Group's share of loss for the period/year	(175,988)	(157,858)
Aggregate amounts of the Group's share of other comprehensive expense and reserve for the period/year	2,627	–
Aggregate carrying amount of the Group's interests in these joint ventures	137,110	164,308

13. INVENTORIES

	As at 30 June 2023	As at 31 December 2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Raw materials	3,941,694	3,737,758
Work in progress	544,302	405,513
Finished goods	7,253,113	6,681,801
	11,739,109	10,825,072
Less: provision for inventories	(1,517)	(2,742)
	11,737,592	10,822,330

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

14. TRADE AND OTHER RECEIVABLES

	Note	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Trade and notes receivables			
Trade receivables, net of loss allowance			
– Third parties		1,268,425	914,002
– Joint ventures		1,027,520	1,491,801
– Associates		2,887,580	1,083,478
– Related companies controlled by the substantial shareholder of the Company		7,146,376	8,176,897
	(a)	12,329,901	11,666,178
Notes receivable	(b)	11,658,159	17,047,131
		23,988,060	28,713,309
Deposits, prepayments and other receivables			
Prepayments to suppliers			
– Third parties		799,176	1,323,349
– Associates		41,618	85,635
– Related companies controlled by the substantial shareholder of the Company		593,752	158,635
		1,434,546	1,567,619
Deposits paid for acquisition of property, plant and equipment		439,991	382,489
Other contract costs	(c)	590,579	547,731
Utility deposits and other receivables		1,941,207	1,921,466
Loan to an associate	(d)	391,511	–
Loan to a joint venture	(e)	100,000	–
VAT and other taxes receivables		3,336,944	2,334,275
		8,234,778	6,753,580
Amounts due from related companies controlled by the substantial shareholder of the Company	(f)	422,300	383,037
		8,657,078	7,136,617
		32,645,138	35,849,926
<i>Representing:</i>			
– Current		31,010,539	34,392,326
– Non-current		1,634,599	1,457,600
		32,645,138	35,849,926

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

14. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables

The Group allows average credit periods ranged from 30 days to 90 days (as at 31 December 2022: 30 days to 90 days) to its PRC customers from sales of automobiles, automobile parts and components and battery packs and related parts, provision of subcontracting services, research and development and related technological support services. In respect of the trade receivable from related companies arising from the licensing of intellectual properties, it will be settled within five years in accordance with the contract terms. Ageing analysis of the trade receivables of the PRC customers, based on invoice date and net of loss allowance, at the end of the reporting period was as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
0 – 60 days	5,573,621	7,240,582
61 – 90 days	73,523	285,072
91 – 365 days	1,377,237	390,635
Over 365 days	92,542	298,372
	7,116,923	8,214,661

For overseas customers, the Group allows credit periods ranged from 30 days to 210 days (as at 31 December 2022: 30 days to 210 days). Ageing analysis of the trade receivables of the overseas customers, based on invoice date and net of loss allowance, at the end of the reporting period was as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
0 – 60 days	4,121,206	2,585,390
61 – 90 days	796,852	607,106
91 – 365 days	294,920	259,021
	5,212,978	3,451,517

As at 30 June 2023, the Group has adopted average expected loss rate of 0.3% to 3.6% (as at 31 December 2022: 0.3% to 3.5%) on the gross carrying amount of trade receivables amounted to RMB12,496,082,000 (as at 31 December 2022: RMB11,891,624,000). The loss allowance as at 30 June 2023 was RMB166,181,000 (as at 31 December 2022: RMB225,446,000).

(b) Notes receivable

All notes receivable are denominated in RMB. As at 30 June 2023 and 31 December 2022, all notes receivable were guaranteed by established banks in the PRC and had maturities of less than one year from the end of the reporting period.

The Group manages its notes receivable using the business model whose objective is achieved by both collecting contractual cash flows and selling of these assets. Accordingly, notes receivable are classified as financial assets at FVOCI (recycling) in accordance with HKFRS 9 “Financial Instruments” and are stated at fair value. The fair value is based on the net present value as at 30 June 2023 and 31 December 2022 from expected timing of endorsements and discounting at the interest rates for the respective notes receivable. The fair value is within Level 2 of the fair value hierarchy.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

14. TRADE AND OTHER RECEIVABLES *(Continued)*

(b) Notes receivable *(Continued)*

As at 30 June 2023, the Group endorsed certain notes receivable accepted by banks in the PRC (the “Endorsed Notes”) with a carrying amount of RMB167,568,000 (as at 31 December 2022: RMB686,835,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the “Endorsement”). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Notes, including the sale, transfer or pledge of the Endorsed Notes to any other third parties. As at 30 June 2023, the aggregate carrying amount of the trade payables settled by the Endorsed Notes during the period to which the suppliers have recourse was RMB167,568,000 (as at 31 December 2022: RMB686,835,000).

As at 30 June 2023, the Group discounted and endorsed certain notes receivable accepted by banks in the PRC (the “Derecognised Notes”) to certain banks in order to obtain additional financing or to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amount in aggregate of RMB60,682,723,000 (as at 31 December 2022: RMB62,809,820,000). The Derecognised Notes had a maturity of less than one year (as at 31 December 2022: less than one year) at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Notes have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated liabilities. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts.

(c) Other contract costs

Other contract costs capitalised as at 30 June 2023 and 31 December 2022 related to the costs incurred in providing internet connectivity services that are used to satisfy the performance obligations for providing such services to customers in the respective sales of automobile contracts at the end of the reporting period. Contract costs are amortised in line with the recognition of the respective revenue in accordance with the terms of the contracts. There was no impairment in relation to the contract costs capitalised during the six months ended 30 June 2023 (six months ended 30 June 2022: RMBNil).

(d) Loan to an associate

As at 30 June 2023, the loan to an associate was unsecured, repayable in 2024 and carried interest rate at 6.0% per annum.

(e) Loan to a joint venture

As at 30 June 2023, the loan to a joint venture was unsecured, repayable in 2024 and carried interest rate at 3.65% per annum. The Group has the right to convert any unpaid loan amount into equity of the joint venture at any time after the loan matures, based on the latest round of financing valuation of the joint venture.

(f) Amounts due from related companies

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

15. TRADE AND OTHER PAYABLES

	Note	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Trade and notes payables			
Trade payables			
– Third parties		32,499,889	34,052,204
– Associates		334,237	319,766
– Joint ventures		188,031	69,403
– Related companies controlled by the substantial shareholder of the Company		12,565,388	7,749,791
	(a)	45,587,545	42,191,164
Notes payable	(b)	4,749,245	3,365,739
		50,336,790	45,556,903
Other payables			
Receipts in advance from customers			
– Third parties		8,900,543	6,241,266
– Associates		227,808	444,649
– Joint ventures		104,958	47,536
– Related companies controlled by the substantial shareholder of the Company		187,458	540,736
	(c)	9,420,767	7,274,187
Deferred government grants which conditions have not been satisfied		891,135	887,754
Payables for acquisition of property, plant and equipment		2,102,731	1,881,966
Payables for capitalised product development costs from related companies	(d)	1,173,253	1,091,552
Accrued staff salaries and benefits		1,737,167	2,192,518
VAT and other taxes payables		1,814,092	1,834,242
Consideration payable for acquisition of a subsidiary (note 22)		152,980	–
Dividends payable		1,915,763	–
Other accrued charges and payables	(e)	5,661,113	5,475,817
		24,869,001	20,638,036
Amounts due to related companies controlled by the substantial shareholder of the Company	(f)	480,416	887,798
		25,349,417	21,525,834
		75,686,207	67,082,737
<i>Representing:</i>			
– Current		73,101,570	65,480,717
– Non-current		2,584,637	1,602,020
		75,686,207	67,082,737

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

15. TRADE AND OTHER PAYABLES (Continued)

(a) Trade payables

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
0 – 60 days	39,189,142	37,969,510
61 – 90 days	5,570,898	3,428,072
91 – 365 days	708,495	690,776
Over 365 days	119,010	102,806
	45,587,545	42,191,164

Trade payables are non-interest bearing. The average credit periods on the settlement of purchase invoice ranged from 60 days to 90 days (as at 31 December 2022: 60 days).

(b) Notes payable

All notes payable are denominated in RMB and are notes paid and/or payable to third parties for the settlement of trade payables. As at 30 June 2023 and 31 December 2022, all notes payable had maturities of less than six months from the end of the reporting period.

(c) Receipts in advance from customers

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Relating to the sales of automobiles, automobile parts and components and battery packs and related parts	6,910,549	5,476,109
Relating to the obligation for service agreed to be part of the sales of automobiles	2,510,218	1,798,078
	9,420,767	7,274,187

The increase (six months ended 30 June 2022: decrease) in receipts in advance from customers was mainly due to the increase (six months ended 30 June 2022: decrease) in advances received from customers in relation to sales of automobiles, automobile parts and components and battery packs and related parts for the six months ended 30 June 2023.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

15. TRADE AND OTHER PAYABLES (Continued)

(c) Receipts in advance from customers (Continued)

Receipts in advance from customers outstanding at the beginning of the period amounting to RMB5,574,138,000 (six months ended 30 June 2022: RMB6,995,671,000) have been recognised as revenue during the period.

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within one year	475,586	196,058
More than one year	2,034,632	1,602,020
	2,510,218	1,798,078

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

(d) Payables for capitalised product development costs from related companies

The credit terms for payables for capitalised product development costs from related companies generally ranged from 60 days to 90 days (as at 31 December 2022: 60 days to 90 days).

(e) Other accrued charges and payables

The amounts mainly comprised (1) deposits provided by automobile dealers and other third parties which amounted to RMB1,420,138,000 (as at 31 December 2022: RMB1,307,122,000) and (2) payables for warranty, advertising and promotion, transportation and general operations which amounted to RMB2,094,496,000 (as at 31 December 2022: RMB2,171,991,000).

(f) Amounts due to related companies

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

16. LEASE LIABILITIES

The carrying amount of lease liabilities and movement during the period/year are as follows:

	As at 30 June 2023	As at 31 December 2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
At the beginning of the period/year	2,336,008	700,776
Additions arising from new leases	286,001	2,214,735
Accretion of interest recognised during the period/year	31,745	64,589
Acquisition through business combination	–	170,269
Early termination of leases	(40,728)	(138,707)
Payments	(328,057)	(675,654)
	2,284,969	2,336,008
<i>Representing:</i>		
– Current	697,713	556,579
– Non-current	1,587,256	1,779,429
	2,284,969	2,336,008

17. BANK BORROWINGS

As at 30 June 2023 and 31 December 2022, the Group's bank loans were repayable as follows:

	As at 30 June 2023	As at 31 December 2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Carrying amount repayable (note (i))		
In the third to fifth year	2,903,920	2,757,960

Notes:

- (i) The amounts are based on the scheduled repayment dates set out in the loan agreements.
- (ii) As at 30 June 2023 and 31 December 2022, the bank loans were unsecured, carried at amortised cost, repayable in August 2025 and interest-bearing at Secured Overnight Financing Rate plus 0.7% per annum.
- (iii) Pursuant to the facility agreements, it will be an event of default if Mr. Li Shu Fu is (i) no longer the single largest beneficial shareholder of the Company, or (ii) no longer beneficially owns at least 25% of the issued share capital of the Company. In case of an event of default, the bank may by notice to the Company (a) cancel the loan facility, (b) declare that all or part of the loans, together with accrued interest, be immediately due and payable, and/or (c) declare that all or part of the loans be payable on demand.
- (iv) During the six months ended 30 June 2023 and 2022, none of the covenants relating to drawn down facilities had been breached.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

18. LOAN FROM A RELATED COMPANY

As at 30 June 2023 and 31 December 2022, the loan from a fellow subsidiary was granted to the Group's subsidiary in the PRC and was unsecured, repayable within ten years and carried interest rate at 4.5% per annum.

19. BONDS PAYABLE

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

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

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

On the Maturity Date, the Company redeemed the Bonds in full at the outstanding principal amount of US\$300,000,000 (equivalent to approximately RMB2,068,422,000) together with interest in an amount equal to US\$5,439,000 (equivalent to approximately RMB37,501,000) accrued to (but not including) the Maturity Date.

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Carrying amount		
At the beginning of the period/year	2,062,396	1,901,137
Exchange differences	5,728	157,727
Interest expenses	298	3,532
Redeemed during the period/year	(2,068,422)	–
	<hr/>	<hr/>
At the end of the period/year	–	2,062,396
	<hr/>	<hr/>
<i>Representing:</i>		
– Current	–	2,062,396
	<hr/>	<hr/>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

20. SHARE CAPITAL

	Number of shares	Nominal value RMB'000
Authorised:		
Ordinary shares of HK\$0.02 each		
At 31 December 2022 (audited) and 30 June 2023 (unaudited)	12,000,000,000	246,720
Issued and fully paid:		
Ordinary shares of HK\$0.02 each		
At 1 January 2022	10,018,441,540	183,015
Shares issued under share option scheme	2,405,000	39
Shares issued under share award scheme	36,127,246	632
At 31 December 2022, 1 January 2023 and 30 June 2023 (unaudited)	10,056,973,786	183,686

Note:

During the six months ended 30 June 2023, no share option was exercised to subscribe for ordinary share of the Company.

During the six months ended 30 June 2022, share options were exercised to subscribe for 2,405,000 ordinary shares of the Company at a consideration of approximately RMB7,977,000 of which approximately RMB39,000 was credited to share capital and approximately RMB7,938,000 was credited to the share premium account. As a result of the exercise of share options, share-based compensation reserve of RMB3,543,000 was transferred to the share premium account.

21. PERPETUAL CAPITAL SECURITIES

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

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

22. BUSINESS COMBINATION

Acquisition of Xi'an Geely Automobile Company Limited# ("Xi'an Geely") 西安吉利汽車有限公司

On 12 December 2022, Zhejiang Jirun Automobile Company Limited# ("Jirun Automobile") 浙江吉潤汽車有限公司, an indirect non wholly-owned subsidiary of the Company, entered into an acquisition agreement with a fellow subsidiary owned by the Company's ultimate holding company, pursuant to which Jirun Automobile has conditionally agreed to acquire, and the fellow subsidiary has conditionally agreed to sell the 100% equity interests of Xi'an Geely for a cash consideration of RMB382,450,000. Xi'an Geely is engaged in the manufacture and sale of complete knock down kits, automobile parts and components in the PRC. The acquisition of Xi'an Geely was completed in April 2023. Please refer to the Company's announcements dated 12 December 2022 and 10 March 2023 for further details.

The assets acquired and liabilities recognised at the acquisition date are as follows:

	Pre-acquisition carrying amounts	Fair value adjustments	Recognised fair values on acquisition
	RMB'000	RMB'000	RMB'000
The net assets acquired:			
Property, plant and equipment (note 9)	2,243,007	(2,332)	2,240,675
Intangible assets (note 10)	1,907	58	1,965
Land lease prepayments	385,529	232,331	617,860
Trade and other receivables	6,524,674	-	6,524,674
Inventories	936,928	851	937,779
Deferred tax assets	34	-	34
Bank balances and cash	36,272	-	36,272
Trade and other payables	(9,945,064)	-	(9,945,064)
Deferred tax liabilities	-	(34,636)	(34,636)
	<hr/> 183,287	<hr/> 196,272	<hr/> 379,559
Goodwill arising on acquisition:			
Cash consideration transferred			229,470
Consideration payable (note 15)			152,980
Fair value of identifiable net assets acquired			<hr/> (379,559)
			<hr/> 2,891
Net cash outflow arising on acquisition of a subsidiary:			
Cash consideration paid			(229,470)
Bank balances and cash acquired			<hr/> 36,272
			<hr/> (193,198)

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

23. COMMITMENTS

Capital commitments

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Contracted but not provided for, net of deposits/investments paid		
– purchase of property, plant and equipment	3,127,496	2,207,798
– acquisition of a subsidiary	–	382,450
– investment in an associate	244,510	244,510
– investment in a joint venture	682,421	648,121
	4,054,427	3,482,879

Notes:

- (a) On 20 December 2018, Jirun Automobile entered into an investment agreement (the “Investment Agreement 1”) with Contemporary Amperex Technology Company Limited# 寧德時代新能源科技股份有限公司 (“CATL Battery”), an independent third party, pursuant to which the parties agreed to establish an associate company, Times Geely. Pursuant to the terms of the Investment Agreement 1, Times Geely will be owned as to 49% by Jirun Automobile and as to 51% by CATL Battery, respectively. The registered capital of Times Geely will be RMB1,000,000,000, and will be contributed as to 49% (equivalent to RMB490,000,000) in cash by Jirun Automobile and as to 51% (equivalent to RMB510,000,000) in cash by CATL Battery, respectively. As at 30 June 2023, the Group and CATL Battery contributed RMB245,490,000 (as at 31 December 2022: RMB245,490,000) and RMB255,510,000 (as at 31 December 2022: RMB255,510,000), respectively, to Times Geely.
- (b) On 12 June 2019, ZEEKR Automobile (Shanghai) Company Limited# 極氪汽車(上海)有限公司 (“ZEEKR Automobile (Shanghai)”), an indirect not wholly-owned subsidiary of the Company, entered into an investment agreement (the “Investment Agreement 2”) with LG Chem Ltd. (“LG Chem”), an independent third party, pursuant to which the parties agreed to establish a joint venture (the “JV 1”) to principally engage in the production and sales of batteries for electric vehicles. Pursuant to the terms of the Investment Agreement 2, the registered capital of the JV 1 will be US\$188,000,000 (equivalent to approximately RMB1,364,842,000), and will be contributed as to 50% (US\$94,000,000 or equivalent to approximately RMB682,421,000) and 50% (US\$94,000,000 or equivalent to approximately RMB682,421,000) by ZEEKR Automobile (Shanghai) and LG Chem, respectively. As at 30 June 2023, the formation of the JV 1 had not yet been completed. Please refer to the Company’s announcement dated 12 June 2019 for further details.
- # The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

23. COMMITMENTS (Continued)

As lessee

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Office and factory premises		
– Within one year	143,385	49,769

As at 30 June 2023 and 31 December 2022, the Group leases a number of office and factory premises which are qualified to be accounted for under short-term lease exemption under HKFRS 16 “Leases”.

As lessor

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Buildings		
– Within one year	11,261	2,655
– After one year but within two years	3,000	751
– After two years but within three years	2,809	–
– After three years but within four years	2,809	–
– After four years but within five years	1,639	–
	21,518	3,406

Leases are negotiated and rental are fixed for an initial period of two to five years (as at 31 December 2022: two to three years).

24. RETIREMENT BENEFITS SCHEME

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

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

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

24. RETIREMENT BENEFITS SCHEME *(Continued)*

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

During the six months ended 30 June 2023, the aggregate employer's contributions made by the Group amounted to RMB266,367,000 (six months ended 30 June 2022: RMB195,669,000).

Besides, the Group had no forfeited contributions under its retirement benefit schemes which may be used to reduce the existing level of contributions during the six months ended 30 June 2023 and 2022.

25. EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS

Share option scheme of the Company

The Company operates a share option scheme for eligible participants of the Group. Details of the terms of the scheme were set out in the Group's annual financial statements for the year ended 31 December 2022.

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

The following table discloses details of the Company's share options under the scheme held by directors and eligible employees:

2023 (Unaudited)

	Exercisable period	Exercise price per share HK\$	Outstanding at 1 January	Exercised during the period	Lapsed during the period	Outstanding at 30 June
Directors	15 January 2023 to 14 January 2028	32.70	67,500,000	-	-	67,500,000
Employees	7 September 2019 to 6 September 2023	15.96	600,000	-	-	600,000
	14 January 2021 to 13 January 2025	16.04	790,000	-	-	790,000
	15 January 2023 to 14 January 2028	32.70	476,100,000	-	(12,450,000)	463,650,000
			477,490,000	-	(12,450,000)	465,040,000
			544,990,000	-	(12,450,000)	532,540,000

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

25. EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The following table discloses details of the Company's share options under the scheme held by directors and eligible employees (Continued):

2022 (Unaudited)

	Exercisable period	Exercise price per share HK\$	Outstanding at 1 January	Exercised during the period	Lapsed during the period	Reallocated upon appointment or retirement during the period	Outstanding at 30 June
Directors	23 March 2012 to 22 March 2022	4.07	105,000	(105,000)	-	-	-
	15 January 2023 to 14 January 2028	32.70	62,500,000	-	-	(3,000,000)	59,500,000
			62,605,000	(105,000)	-	(3,000,000)	59,500,000
Employees	23 March 2012 to 22 March 2022	4.07	2,300,000	(2,300,000)	-	-	-
	31 March 2018 to 30 March 2022	12.22	1,300,000	-	(1,300,000)	-	-
	7 September 2019 to 6 September 2023	15.96	600,000	-	-	-	600,000
	14 January 2021 to 13 January 2025	16.04	790,000	-	-	-	790,000
	15 January 2023 to 14 January 2028	32.70	511,600,000	-	(14,850,000)	3,000,000	499,750,000
			516,590,000	(2,300,000)	(16,150,000)	3,000,000	501,140,000
			579,195,000	(2,405,000)	(16,150,000)	-	560,640,000

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

25. EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Share award scheme of the Company

The Company has adopted a share award scheme pursuant to resolutions passed at the board meeting of the Company held on 30 August 2021 for the purposes of attracting and retaining the high calibre employees whose contributions will be beneficial to the growth and development of the Group (the "Share Award Scheme"). The Share Award Scheme has a term of 10 years from 30 August 2021.

The shares being granted with respect to a selected participant will vest in 4 tranches of 25% each year from 30 August 2022 to 29 August 2025, on the condition that the employees remain in service with performance requirements, including but not limited to meeting the company-level performance target and the selected participant's level performance target. Subject to the satisfaction of the vesting conditions, such new award shares will be transferred to the selected participants at nominal value on the vesting date. The selected participants are required to pay the nominal value for the award shares.

Details of the terms of the Share Award Scheme were set out in the Group's annual financial statements for the year ended 31 December 2022.

Movements in the number of award shares outstanding during the periods are as follows:

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
Balance at 1 January	113,391,000	159,499,299
Lapsed	(2,779,500)	(1,527,299)
	<hr/>	<hr/>
Balance at 30 June	110,611,500	157,972,000

Share award scheme of ZEEKR Intelligent Technology Holding Limited ("ZEEKR Holding")

ZEEKR Holding also operates a share award scheme (the "ZEEKR Share Award Scheme"). The purposes of the ZEEKR Share Award Scheme are to encourage the selected participants to continuously make greater contributions to the long-term growth of the ZEEKR Holding and its subsidiaries ("ZEEKR Group") and thereby enhancing the value of the Company for the benefit of the shareholders, and to attract and retain high calibre employees whose contributions will be beneficial to the growth and development of the ZEEKR Group.

The vesting schedule of the award shares under the ZEEKR Share Award Scheme (the "ZEEKR Award Shares") granted would be subject to both the initial public offering condition and service-and-performance-based condition. Subject to the satisfaction of the conditions for vesting as provided under the ZEEKR Share Award Scheme, the ZEEKR Award Shares granted shall vest in four batches as follows: (i) the first batch (up to 25% of the ZEEKR Award Shares granted) will vest on the following 15 April after the grant date; (ii) the second batch (up to 25% of the ZEEKR Award Shares granted) will vest on the second 15 April after the grant date; (iii) the third batch (up to 25% of the ZEEKR Award Shares granted) will vest on the third 15 April after the grant date; and (iv) the fourth batch (up to 25% of the ZEEKR Award Shares granted) will vest on the fourth 15 April after the grant date. Selected participants are required to pay the nominal value for the ZEEKR Award Shares.

During the six months ended 30 June 2023, ZEEKR Holding resolved to grant 17,955,300 ZEEKR Award Shares to 4,427 selected participants under the ZEEKR Share Award Scheme by way of reservation and future issuance of new ordinary shares.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

25. EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Share award scheme of ZEEKR Intelligent Technology Holding Limited (“ZEEKR Holding”) (Continued)

Details of the terms of the ZEEKR Share Award Scheme were set out in the Group’s annual financial statements for the year ended 31 December 2022.

Back-solve method was used to determine the underlying equity fair value of the ZEEKR Holding and the option-pricing method was used to determine the fair value of the underlying shares. The fair value of ZEEKR Award Shares granted at grant date was US\$80,103,000 (equivalent to approximately RMB581,532,000). Key assumptions adopted in determining the fair value are as follows:

Grant date	30 June 2023
Expected volatility	51.70% to 57.66%
Risk-free interest rate	4.37% to 5.47%
Expected dividend yield	0.00%

Expected volatility was determined by using average historical volatilities of comparable companies in the same industry. Expected dividend yield is based on the management’s estimate at valuation date.

Movements in the number of ZEEKR Award Shares outstanding during the periods are as follows:

	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Balance at 1 January	86,027,076	52,964,800
Granted	17,955,300	–
Lapsed	(7,300,013)	(431,756)
Balance at 30 June	96,682,363	52,533,044

Equity settled share-based payments have been recorded in the condensed consolidated financial statements as follows:

	2023 (Unaudited)			Six months ended 30 June			2022 (Unaudited)		
	Expensed RMB'000	Capitalised as product development cost of intangible assets RMB'000	Total RMB'000	Expensed RMB'000	Capitalised as product development cost of intangible assets RMB'000	Total RMB'000	Expensed RMB'000	Capitalised as product development cost of intangible assets RMB'000	Total RMB'000
Share option scheme of the Company	307,869	101,035	408,904	445,233	128,518	573,751			
Share award scheme of the Company	128,560	72,148	200,708	407,585	178,637	586,222			
Share award scheme of ZEEKR Holding (note)	–	–	–	–	–	–			
	436,429	173,183	609,612	852,818	307,155	1,159,973			

Note: The Group had not recognised any equity settled share-based payments for share award scheme of ZEEKR Holding as the management considers that it is not probable that the condition related to the initial public offering of ZEEKR Holding will be satisfied until the event occurs.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

26. MATERIAL RELATED PARTY TRANSACTIONS

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

Name of related parties	Nature of transactions	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Related companies (notes (a) and (b))			
Zhejiang Geely Automobile Company Limited [#] 浙江吉利汽車有限公司	Sales of complete knock down kits	13,827,372	19,018,962
	Sales of complete buildup units, complete knock down kits and related after-sales parts	262,386	556,744
	Claims income on defective materials purchased	77,876	113,896
	Purchase of complete buildup units	13,913,907	18,413,262
	Purchase of complete knocks down kits and automobile components	12,075,755	-
	Claims paid on defective materials sold	52,897	113,778
	Sales of automobile parts and components	141,012	101,257
	Research, development and technology licensing service income	16,086	-
Zhejiang Geely Business Services Company Limited [#] 浙江吉利商務服務有限公司	Operational services fee	101,535	59,223
Zhejiang Haoqing Automobile Manufacturing Company Limited [#] 浙江豪情汽車製造有限公司	Sales of complete knock down kits	20,356,892	24,382,882
	Sales of complete buildup units, complete knock down kits and related after-sales parts	605,301	854,091
	Claims income on defective materials purchased	84,305	110,274
	Purchase of complete buildup units	22,744,625	24,882,058
	Purchase of complete knocks down kits and automobile components	4,620,539	-
	Claims paid on defective materials sold	72,112	128,835
	Disposal of property, plant and equipment (note (d))	49,350	-
Sales of complete knocks down kits and automobile components	2,286,725	-	
Zhejiang Geely Automobile Parts and Components Company Limited [#] 浙江吉利汽車零部件採購有限公司	Purchase of automobile parts and components	1,280,396	140,711
	Operational services fee	11,533	-
Linyi Lingji Chunhua Automobile Sales Service Company Ltd. [#] 臨沂領吉春華汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	81,489	96,829

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

26. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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

Name of related parties	Nature of transactions	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Related companies (notes (a) and (b)) (continued)			
Feixian Lingji Chunhua Automobile Sales Service Company Ltd. [#] 費縣領吉春華汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	22,462	19,272
Yishui Lingji Yuanotong Automobile Sales Service Company Ltd. [#] 沂水領吉遠通汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	16,118	18,454
Dongying Lingji Kaihua Automobile Sales Service Company Ltd. [#] 東營領吉凱華汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	15,747	20,128
Linyi Lingji Maohua Automobile Sales Service Company Ltd. [#] 臨沂領吉茂華汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	86,860	91,702
Ningbo Geely Automobile R&D Company Limited [#] 寧波吉利汽車研究開發有限公司	Research, development and technology licensing service income	1,671,688	947,256
	Research, development and technology licensing service fee	1,389,752	1,656,951
	Purchase of automobile parts and components	-	27,585
	Sales of automobile components (Automobile Components Sales Agreement)	23,695	58,855
	Acquisition of property, plant and equipment (note (c))	27,814	-
	Operational services income	32,205	-
Shanxi New Energy Automobile Industrial Company Limited [#] 山西新能源汽車工業有限公司	Sales of complete knock down kits	128,790	21,221
	Purchase of complete buildup units	172,500	20,480
Volvo Personvagnar AB	Sales of powertrain and related components	150,257	158,970
Shanghai Meihuan Trade Company Limited [#] 上海美寰貿易有限公司	Sales of complete buildup units, complete knock down kits and related after-sales parts	202,063	462,886
	Operational services income	-	146,644
	Sales of powertrain and related components	56,315	24,584
	Sales of automobile components (Automobile Components Sales Agreement)	23,547	40,706
Geely Automobile Group Company Limited [#] 吉利汽車集團有限公司	Operational services income	97,713	50,324
	Operational services fee	138,081	-
	Acquisition of property, plant and equipment (note (c))	23,136	-
	Research, development and technology licensing service fee	91,865	-

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

26. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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

Name of related parties	Nature of transactions	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Related companies (notes (a) and (b)) (continued)			
Zhejiang Jichuang Industrial Development Co., Limited [#] 浙江吉創產業發展有限公司	Purchase of automobile parts and components	-	667,791
Hangzhou Xuanyu Human Resources Company Limited [#] 杭州軒宇人力資源有限公司	Operational services fee	88,630	-
Chengdu Gaoyuan Automobile Industries Company Limited [#] 成都高原汽車工業有限公司	Sales of complete knock down kits	587,035	-
	Purchase of complete buildup units	609,412	-
Ningbo Hangzhou Bay Geely Automobile Components Company Limited [#] 寧波杭州灣吉利汽車部件有限公司	Purchase of complete buildup units	-	19,754
	Purchase of automobile parts and components	131,648	14,992
	Operational services income	-	28,602
	Purchase of complete knocks down kits and automobile components	94,523	4,837,451
	Sales of automobile components (Automobile Components Sales Agreement)	1,136,728	-
Xi'an Geely (note (e))	Sales of powertrain and related components	340,289	763,628
	Purchase of complete buildup units	-	30,693
	Purchase of complete knocks down kits and automobile components	-	6,256,880
	Purchase of automobile parts and components	20,823	-
	Sales of automobile components (Automobile Components Sales Agreement)	2,597,171	139,016
	Operational services income	-	33,039
Zhejiang Jirun Meishan Automobile Parts Company Limited [#] 浙江吉潤梅山汽車部件有限公司	Purchase of automobile parts and components	17,014	17,665
	Sales of powertrain and related components	84,213	123,349
	Sales of automobile components (Automobile Components Sales Agreement)	11,446	205,061

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

26. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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

Name of related parties	Nature of transactions	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Related companies (notes (a) and (b)) (continued)			
Lingji Automobile Trading Company Limited# 領吉汽車商貿有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	822,380	17,274
Beijing Lingjisheng Automobile Sales Service Co., Ltd.# 北京領吉盛汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	-	37,769
Jizhi (Hangzhou) Cultural Creativity Co., Ltd.# 吉智(杭州)文化創意有限公司	Operational services fee	66,441	78,220
Binzhou Lingjixin Automobile Sales Service Co., Ltd.# 濱州領吉欣汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	22,527	-
Shanghai Jijin Mechanical and Electrical Equipment Company Limited# 上海吉津機電設備有限公司	Acquisition of property, plant and equipment (notes (c) and (d))	19,237	20,196
Guangzhou Lingjixing Automobile Sales Service Company Limited# 廣州領吉行汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	-	28,331
Geely Changxing Automatic Transmission Company Limited# 吉利長興自動變速器有限公司	Purchase of automobile parts and components	1,267,035	218,701
	Research, development and technology licensing services income	16,858	180,993
	Operational services income	-	12,464
	Acquisition of property, plant and equipment (note (d))	-	12,504
London EV Company Limited	Sales of powertrain and related components	13,100	-
		13,620	11,513
Daqing Volvo Car Manufacturing Co., Limited# 大慶沃爾沃汽車製造有限公司	Sales of automobile components (Automobile Components Sales Agreement)	102,088	62,973
Zhongjia Automobile Manufacturing (Chengdu) Company Limited# 中嘉汽車製造(成都)有限公司	Sales of automobile components (Automobile Components Sales Agreement)	381,819	188,220
Wuhan Lingjixing Automobile Sales Service Company Limited# 武漢領吉行汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	-	25,565

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

26. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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

Name of related parties	Nature of transactions	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Related companies (notes (a) and (b)) (continued)			
Suzhou Lingjixin Automobile Sales Service Company Limited [#] 蘇州領吉鑫汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	-	22,873
Zhangjiakou Jiguangwan Engine Manufacturing Company Limited [#] 張家口極光灣發動機製造有限公司	Purchase of automobile parts and components Sales of powertrain and related components	- 27,386	10,687 18,847
Fengsheng Automobile (Jiangsu) Company Limited [#] 楓盛汽車(江蘇)有限公司	Sales of automobile components (Automobile Components Sales Agreement) Purchase of automobile parts and components	- -	17,683 35,729
Volvo Automobile Sales (Shanghai) Company Limited [#] 沃爾沃汽車銷售(上海)有限公司	Sales of powertrain and related components	16,676	-
Zhejiang Joint Control Technology Company Limited [#] 浙江聯控技術有限公司	Research, development and technology licensing services income Research, development and technology licensing services fee	179,423 563,386	708,581 87,825
Volvo Car Corporation	Sales of automobile components (Automobile Components Sales Agreement) Research, development and technology licensing services income	108,367 114,000	32,930 35,086
Zhejiang Geely Automobile Manufacturing Co., Ltd. [#] 浙江吉利汽車製造有限公司	Interest expense	156,178	42,598
Nanjing Lingjixing Automobile Sales Company Limited [#] 南京領吉行汽車銷售有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	-	16,246
Valmet Automotive EV Power Ltd.	Sales of automobile components (Automobile Components Sales Agreement)	2,019,225	692,152
Polestar Performance AB	Research, development and technology licensing services income	-	25,862
Xian Liancheng Intelligent Technology Company Limited [#] 西安聯乘智能科技有限公司	Purchase of complete knocks down kits and automobile components	-	11,935
Hangzhoc Geely Yiyun Technology Company Limited [#] 杭州吉利易雲科技有限公司	Operational services fee	23,034	22,881
Guangyi Mingdao Digital Technology Company Limited [#] 廣域銘島數字科技有限公司	Operational services fee	46,261	-

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

26. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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

Name of related parties	Nature of transactions	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Related companies (notes (a) and (b)) (continued)			
Quzhou Jidian E-Mobility Technology Company Limited [#] 衢州極電電動汽車技術有限公司	Purchase of automobile part and components Sales of automobile components (Automobile Components Sales Agreement)	266,157 23,293	– –
Hangzhou Jidian Electric Technology Company Limited [#] 杭州極電電子科技有限公司	Sales of automobile components (Automobile Components Sales Agreement)	224,593	–
Jiling Automobile Sales (Nanning) Company Limited [#] 精靈汽車銷售(南寧)有限公司	Operational services income	14,312	–
Leida New Energy Automobile (Zhejiang) Company Limited [#] 雷達新能源汽車(浙江)有限公司	Sales of automobile components (Automobile Components Sales Agreement)	19,160	–
Qingdao Lingjixing Automobile Sales and Services Company Limited [#] 青島領吉星汽車銷售服務有限公司	Sales of complete buildup units and related after-sales parts, components and accessories	37,481	–
Zhejiang Jisu Supply Chain Management Company Limited [#] 浙江吉速供應鏈管理有限公司	Operational services fee	24,744	–
Zhejiang Geely Yibao Automobile Services Company Limited [#] 浙江吉利易保汽車服務有限公司	Claims income on defective materials purchased	13,750	–
Associates			
Hanna Mando (Ningbo)	Purchase of automobile parts and components	–	252,022
BELGEE	Sales of complete buildup units Sales of automobile parts and components	601,781 13,000	– 208,078
Ningbo Haoneng Hanyuan Energy Technology Co., Ltd. ^{#*} 寧波市浩能瀚源能源科技有限公司	Sales of automobile components (Automobile Components Sales Agreement)	–	12,359
Haohan Energy	Purchase of automobile parts and components	20,443	–
Chongqing Livan Automobile Sales Company Limited ^{#@} 重慶睿藍汽車銷售有限公司	Operational service income Sales of automobile parts and components	13,374 14,573	– –
PROTON	Interest income	4,167	–

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

26. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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

Name of related parties	Nature of transactions	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Joint ventures			
LYNK & CO Investment	Research, development and technology licensing service income	430,261	–
	Operational service income	101,546	–
	Sales of powertrain and related components	11,597	–
Kaiyue Auto Parts Manufacture (Zhangjiakou) Co., Ltd. ^{#A} 凱悅汽車大部件製造(張家口)有限公司	Sales of powertrain and related components	221,727	479,365
	Purchase of automobile parts and components	65,937	–
	Operational service income	–	41,169
	Research, development and technology licensing service income	22,832	150,274
LYNK & CO Automobile Sales Company Limited ^{#A} 領克汽車銷售有限公司	Operational service income	–	69,344
	Purchase of complete buildup units	–	34,619
	Purchase of automobile parts and components	31,792	–
	Sales of complete buildup units and related after-sales parts, components and accessories	76,970	41,470
	Sales of automobile components (Automobile Components Sales Agreement)	107,959	23,743
Yuyao LYNK & CO Auto Parts Company Limited ^{#A} 余姚領克汽車部件有限公司	Sales of powertrain and related components	415,262	514,944
	Operational service income	13,670	38,228
	Purchase of complete buildup units	–	39,231
	Purchase of automobile parts and components	19,529	–
	Research, development and technology licensing service income	84,539	361,233
	Sales of automobile components (Automobile Components Sales Agreement)	681,355	491,683
LYNK & CO (Zhangjiakou) Co., Ltd. ^{#A} 領克汽車(張家口)有限公司	Operational service income	–	36,158
LYNK & CO International Sales (Yuyao) Co., Ltd. ^{#A} 領克汽車國際銷售(余姚)有限公司	Operational service income	–	122,493
Chengdu LYNK & CO Automobile Company Limited ^{#A} 成都領克汽車有限公司	Research, development and technology licensing service income	41,007	61,126

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

26. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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

Name of related parties	Nature of transactions	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Joint ventures (continued)			
Geely Yaou (Ningbo Meishan Bonded Port Area) Technology Co., Ltd.# 吉利亞歐(寧波梅山保稅港區)科技有限公司	Research, development and technology licensing service income	17,682	282,473
LYNK & CO International AB [^]	Research, development and technology licensing service income	-	66,886
Sichuan LYNK & CO Automobile Manufacturing Company Limited (formerly known as Sichuan Lingji Automobile Manufacturing Company Limited)# 四川領克汽車製造有限公司 (前稱四川領吉汽車製造有限公司)	Sales of powertrain and related components	327,355	581,137
	Purchase of complete knocks down kits and automobile components	644,851	1,666,899
	Sales of complete knock down kits	-	21,424
	Operational service income	-	37,335
	Purchase of automobile parts and components	15,090	12,175
	Sales of automobile components (Automobile Components Sales Agreement)	90,388	154,144
	Operational service fee	23,457	-
Genius AFC	Interest income	148,276	157,250
Ultimate holding company			
Zhejiang Geely Holding Group Company Limited# ("Geely Holding") 浙江吉利控股集團有限公司	Interest expense	-	7,318
	Operational service fee	10,592	-
	Acquisition of property, plant and equipment (note (d))	26,011	-

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

26. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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

Notes:

- (a) The Group and the related companies are under the common control of the substantial shareholder of the Company's ultimate holding company.
 - (b) The Group does not have the automobile catalogue issued by the National Development and Reform Commission in the PRC which is required to facilitate payment of the PRC consumption tax. The related parties referred to above have the relevant automobile catalogue and therefore the sales of complete knock down kits to and purchase of complete buildup units from related parties as set out above have been presented on a net basis in the condensed consolidated income statement (to the extent that they are back-to-back transactions) since the said related parties in effect only act as a channel to facilitate the payment of the PRC consumption tax. For the same reason, the related claims income from and claims expenses paid to these related parties have also been presented on a net basis as long as they are back-to-back transactions.
 - (c) Pursuant to the acquisition agreement dated 4 November 2020, the Company entered into a transaction with Geely Holding, pursuant to which the Group agreed to acquire and the Geely Holding, together with its subsidiaries ("Geely Holding Group") agreed to sell the assets comprising predominantly imported equipment for use in the Group's production and research and development, as well as a small amount of office equipment and software system for a maximum consideration of approximately RMB743,918,000.
 - (d) Pursuant to the assets transfer agreement dated 15 October 2021, the Company entered into a transaction with Geely Holding, pursuant to which the Group agreed to purchase and the Geely Holding Group agreed to sell the assets (which comprise predominantly equipment for use in the Group's research and development for the Lynk&Co-branded, ZEEKR-branded and Geely-branded vehicles related products such as vehicles engines and transmissions, as well as a small amount of office equipment and software system) for a maximum cash consideration of approximately RMB632,800,000; and the Group agreed to sell and the Geely Holding Group agreed to purchase the assets (which comprise vehicle testing related machinery and equipment which are idle for use) for a maximum cash consideration of approximately RMB357,900,000.
 - (e) Xi'an Geely had been acquired by the Group in April 2023. The amount disclosed represented the transactions entered into before the acquisition.
- # The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.
- ^ The companies are the wholly-owned subsidiaries of LYNK & CO Investment.
- * The company is the wholly-owned subsidiary of Haohan Energy.
- @ The company is the wholly-owned subsidiary of Chongqing Livan.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

27. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.
- Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets/liabilities measured at fair value in the condensed consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

	Fair value as at		
	30 June	31 December	Fair value
	2023	2022	hierarchy
	RMB'000	RMB'000	
	(Unaudited)	(Audited)	
Financial assets at FVOCI (recycling)			
Notes receivable measured at FVOCI (recycling)	11,658,159	17,047,131	Level 2
Financial assets at FVOCI (non-recycling)			
Listed equity investments	254,988	284,012	Level 1
Financial liabilities at FVTPL			
Foreign exchange forward contracts not designated as hedging instruments	61,908	80,509	Level 2

There were no transfer between the different levels of the fair value hierarchy during the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

The methods and valuation techniques used for the purpose of measuring fair values categorised in Level 1, Level 2 and Level 3 are unchanged compared to the previous reporting periods and are described below.

Listed equity investments

The fair value of listed equity investments in Level 1 is determined by reference to published price quotations in an active market.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

27. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

Notes receivable measured at FVOCI (recycling)

The fair value of notes receivable in Level 2 is determined by discounting its future cash flows. The discount rates used are reference to rates currently available for instruments issued by commercial banks/government with similar terms, credit risk and remaining maturities.

Foreign exchange forward contracts not designated as hedging instruments

Where derivatives are traded either on exchanges or liquid over-the-counter markets, the Group uses the closing price at the end of the reporting period. Normally, the derivatives entered into by the Group are not traded on active markets. The fair values of such contracts are estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the current contract using a risk-free interest rate. The effects of non-observable inputs are not significant for the derivative financial instruments.

28. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Non-controlling interests arising on change in ownership interests in a subsidiary upon issuance of new shares

2022 *(Unaudited)*

On 27 August 2021, ZEEKR Holding entered into a share purchase agreement with five investors, pursuant to which such investors agreed to subscribe for 126,470,585 series pre-A preferred shares ("Series Pre-A Preferred Shares") at a total consideration of US\$500,000,000. Three of the investors completed the subscription for 75,882,351 Series Pre-A Preferred Shares at a total consideration of US\$300,000,000 (equivalent to approximately RMB1,938,150,000) in September 2021. The remaining two investors completed the subscription for 50,588,234 Series Pre-A Preferred Shares at a total consideration of US\$200,000,000 (equivalent to approximately RMB1,268,360,000) in January 2022.

The major terms of the Series Pre-A Preferred Shares are set out below:

- (i) The Series Pre-A Preferred Shares carry voting rights and can vote together with ordinary shares as a single class on a fully diluted, as converted and as exercised basis.
- (ii) The holders of Series Pre-A Preferred Shares are entitled to dividend on each share held on a *pari passu* basis with the ordinary shares and the dividend declared or paid is non-cumulative.
- (iii) The Series Pre-A Preferred Shares are non-redeemable.
- (iv) The Series Pre-A Preferred Shares are convertible into ordinary shares of ZEEKR Holding on a one-to-one basis at the options of the holder.

In January 2022, immediately after the issuance of 50,588,234 Series Pre-A Preferred Shares, the carrying amount of ZEEKR Holding was RMB4,730,775,000 and subsequent to the issuance of Series Pre-A Preferred Shares, the equity interests of the Group and other investors in ZEEKR Holding was reduced from approximately 59.73% to 58.31% and from approximately 40.27% to 39.31%, respectively, and the corresponding carrying amount of approximately 2.38% non-controlling interests in ZEEKR Holding was RMB112,544,000. The Group recognised an increase in non-controlling interests of RMB112,544,000 and an increase in equity attributable to equity holders of the Company of RMB1,155,816,000.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

28. TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Continued)

Non-controlling interests arising on change in ownership interests in subsidiaries upon issuance of new shares (Continued)

2023 (Unaudited)

On 12 February 2023, ZEEKR Holding entered into a new share purchase agreement with five investors, pursuant to which such investors agreed to subscribe for 139,375,669 Series A preferred shares ("Series A Preferred Shares") at a total consideration of US\$750,000,000.

During the six months ended 30 June 2023, the subscription for 134,992,983 Series A Preferred Shares was completed at a total consideration of US\$726,416,153 (equivalent to approximately RMB5,204,460,000). The subscription of remaining 4,382,686 Series A Preferred Shares has not yet completed as at 30 June 2023.

The major terms of the Series A Preferred Shares are set out below:

- (i) The Series A Preferred Shares carry voting rights and can vote together with ordinary shares as a single class on a fully diluted, as converted and as exercised basis.
- (ii) The holders of Series A Preferred Shares are entitled to dividend on each share held on a *pari passu* basis with the ordinary shares and the dividend declared or paid is non-cumulative.
- (iii) The Series A Preferred Shares are non-redeemable.
- (iv) The Series A Preferred Shares are convertible into ordinary shares of ZEEKR Holding on a one-to-one basis at the options of the holder.

Immediately after the issuance of 134,992,983 Series A Preferred Shares, the carrying amount of ZEEKR Holding was RMB7,739,989,000 and subsequent to the issuance of Series A Preferred Shares, the equity interests of the Group in ZEEKR Holding was reduced from approximately 58.31% to 54.83%. The Group recognised an increase in non-controlling interests of RMB3,897,355,000 and an increase in equity attributable to equity holders of the Company of RMB1,307,105,000. The effect of changes in ownership interest of ZEEKR Holding on the equity attributable to equity holders of the Company during the periods is summarised as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Consideration received from non-controlling interests	5,204,460	1,268,360
Carrying amount of non-controlling interests deemed to be disposed of	(3,897,355)	(112,544)
	1,307,105	1,155,816

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

29. FINANCIAL INFORMATION OF ZEEKR HOLDING AND ITS SUBSIDIARIES

The following table lists out the financial information related to subgroup of ZEEKR Holding, the subsidiary of the Group. The summarised financial information presented below represents the amounts before any inter-company elimination.

	ZEEKR Holding	
	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Non-controlling interests percentage	45.17%	41.69%
Non-current assets	16,917,877	13,729,613
Current assets	16,290,792	15,717,521
Current liabilities	(22,279,560)	(18,432,832)
Non-current liabilities	(3,189,120)	(7,772,477)
Net assets	7,739,989	3,241,825
Carrying amount of non-controlling interests	4,067,997	486,140

	ZEEKR Holding	
	Six months ended 30 June 2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue	21,282,799	8,828,040
Loss for the period	(808,627)	(759,129)
Other comprehensive income/(expense) for the period	44,937	(20,438)
Total comprehensive expense for the period	(763,690)	(779,567)
Loss allocated to non-controlling interests	(317,544)	(286,414)
Other comprehensive income/(expense) allocated to non-controlling interests	18,732	(8,519)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 30 June 2023

30. EVENTS AFTER THE REPORTING DATE

Formation of a joint venture company

On 8 November 2022, the Company, its ultimate holding company and Renault s.a.s. (collectively, the Parties) entered into a framework agreement pursuant to which the Parties proposed to set up a joint venture company (the “Proposed JV”) for the purpose of integrating each Party’s respective expertise and strengths in relation to internal combustion engine, hybrids and plug-in hybrid powertrains and transmissions activities and related technologies. Pursuant to the framework agreement, the Company and its ultimate holding company on the one hand and Renault s.a.s. on the other hand, will each tentatively be interest in 50%, in the Proposed JV.

On 2 March 2023, the Parties and Saudi Arabian Oil Company (“Saudi Aramco”) entered into a letter of intent pursuant to which Saudi Aramco intended to invest for a minority stake in the Proposed JV in cash. It is expected that the respective shareholding of the Company and its ultimate holding company on the one hand and Renault s.a.s. on the other hand, will be identical in the remaining stake of the Proposed JV.

On 11 July 2023, the Parties entered into the contribution agreement and the joint venture agreement, pursuant to which the Parties conditionally agreed to establish the joint venture company (the “JV”) to engage in the powertrain business and to contribute all of their respective shares in respective owned subsidiary to the JV in exchange for the share capital of the JV (the “Contribution”). After the completion of the Contribution, the JV will be owned as to 33% by the Company, 17% by its ultimate holding company and 50% by Renault s.a.s..

As at the date of authorisation of this Interim Financial Report, the Contribution and formation of the JV have not yet been completed. Please refer to the Company’s announcements dated 8 November 2022, 2 March 2023 and 11 July 2023 for further details.

Issuance of RMB1,500,000,000 medium-term notes due 2026

On 17 August 2023, the Company issued medium-term notes (the “MTNs”) on the China Interbank Bond Market in the PRC, with an aggregate principal amount of RMB1,500,000,000. These notes are set to mature on 17 August 2026, unless terminated earlier according to their terms. The proceeds from the MTNs’ issuance will be entirely invested domestically in China, aiming to supplement the working capital of the Company’s subsidiary, Jirun Automobile.

APPENDIX II

**EXTRACT OF
THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
UBS AG AND ITS SUBSIDIARIES
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

UBS AG interim consolidated financial statements (unaudited)

Income statement

USD m	Note	For the quarter ended			Year-to-date	
		30.6.23	31.3.23	30.6.22	30.6.23	30.6.22
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	3	5,483	4,815	2,381	10,298	4,526
Interest expense from financial instruments measured at amortized cost	3	(4,607)	(3,853)	(1,103)	(8,461)	(1,912)
Net interest income from financial instruments measured at fair value through profit or loss and other	3	430	426	356	856	766
Net interest income	3	1,305	1,388	1,634	2,694	3,380
Other net income from financial instruments measured at fair value through profit or loss		2,337	2,673	1,620	5,009	3,845
Fee and commission income	4	5,008	5,076	5,235	10,083	11,103
Fee and commission expense	4	(419)	(447)	(450)	(866)	(934)
Net fee and commission income	4	4,589	4,628	4,785	9,217	10,169
Other income		237	155	996	392	1,135
Total revenues		8,468	8,844	9,036	17,313	18,529
Credit loss expense / (release)	7	16	38	7	54	25
Personnel expenses	5	3,847	3,898	3,762	7,745	7,996
General and administrative expenses	6	2,443	2,983	2,364	5,425	4,597
Depreciation, amortization and impairment of non-financial assets		707	469	451	1,176	900
Operating expenses		6,997	7,350	6,577	14,346	13,492
Operating profit / (loss) before tax		1,456	1,456	2,452	2,912	5,012
Tax expense / (benefit)		332	445	478	776	1,026
Net profit / (loss)		1,124	1,012	1,974	2,136	3,986
Net profit / (loss) attributable to non-controlling interests		4	8	10	12	18
Net profit / (loss) attributable to shareholders		1,120	1,004	1,964	2,124	3,968

Statement of comprehensive income

USD m	For the quarter ended			Year-to-date	
	30.6.23	31.3.23	30.6.22	30.6.23	30.6.22
Comprehensive income attributable to shareholders¹					
Net profit / (loss)	1,120	1,004	1,964	2,124	3,968
Other comprehensive income that may be reclassified to the income statement					
Foreign currency translation					
Foreign currency translation movements related to net assets of foreign operations, before tax	307	224	(994)	532	(1,459)
Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax	(149)	(126)	434	(275)	646
Foreign currency translation differences on foreign operations reclassified to the income statement	(3)	(1)	8	(3)	8
Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement	(1)	(1)	(4)	(2)	(4)
Income tax relating to foreign currency translations, including the effect of net investment hedges	(3)	(2)	5	(5)	8
Subtotal foreign currency translation, net of tax	151	95	(551)	246	(801)
Financial assets measured at fair value through other comprehensive income					
Net unrealized gains / (losses), before tax	(1)	2	(3)	1	(442)
Net realized (gains) / losses reclassified to the income statement from equity	0	0	0	0	0
Reclassification of financial assets to Other financial assets measured at amortized cost ²			449		449
Income tax relating to net unrealized gains / (losses)	0	0	(116)	0	(3)
Subtotal financial assets measured at fair value through other comprehensive income, net of tax	(1)	2	330	1	3
Cash flow hedges of interest rate risk					
Effective portion of changes in fair value of derivative instruments designated as cash flow hedges, before tax	(1,082)	387	(1,298)	(695)	(3,763)
Net (gains) / losses reclassified to the income statement from equity	413	349	(149)	762	(386)
Income tax relating to cash flow hedges	127	(130)	276	(2)	794
Subtotal cash flow hedges, net of tax	(542)	606	(1,171)	64	(3,355)
Cost of hedging					
Cost of hedging, before tax	11	(5)	21	6	98
Income tax relating to cost of hedging	0	0	0	0	0
Subtotal cost of hedging, net of tax	11	(5)	21	6	98
Total other comprehensive income that may be reclassified to the income statement, net of tax	(381)	698	(1,370)	317	(4,055)
Other comprehensive income that will not be reclassified to the income statement					
Defined benefit plans					
Gains / (losses) on defined benefit plans, before tax	(13)	33	127	20	255
Income tax relating to defined benefit plans	(37)	4	(8)	(32)	(26)
Subtotal defined benefit plans, net of tax	(50)	38	119	(12)	229
Own credit on financial liabilities designated at fair value					
Gains / (losses) from own credit on financial liabilities designated at fair value, before tax	(212)	69	296	(143)	719
Income tax relating to own credit on financial liabilities designated at fair value	61	(17)	(26)	44	(26)
Subtotal own credit on financial liabilities designated at fair value, net of tax	(151)	51	271	(100)	693
Total other comprehensive income that will not be reclassified to the income statement, net of tax	(201)	89	389	(112)	922
Total other comprehensive income	(582)	787	(981)	206	(3,133)
Total comprehensive income attributable to shareholders	538	1,791	982	2,329	835
Comprehensive income attributable to non-controlling interests					
Net profit / (loss)	4	8	10	12	18
Total other comprehensive income that will not be reclassified to the income statement, net of tax	(3)	5	(28)	2	(10)
Total comprehensive income attributable to non-controlling interests	1	13	(17)	14	9
Total comprehensive income					
Net profit / (loss)	1,124	1,012	1,974	2,136	3,986
Other comprehensive income	(585)	792	(1,009)	207	(3,142)
<i>of which: other comprehensive income that may be reclassified to the income statement</i>	<i>(381)</i>	<i>698</i>	<i>(1,370)</i>	<i>317</i>	<i>(4,055)</i>
<i>of which: other comprehensive income that will not be reclassified to the income statement</i>	<i>(204)</i>	<i>94</i>	<i>361</i>	<i>(110)</i>	<i>913</i>
Total comprehensive income	539	1,804	965	2,343	844

¹ Refer to the "UBS AG consolidated performance" section of this report for more information. ² Effective 1 April 2022, a portfolio of assets previously classified as Financial assets measured at fair value through other comprehensive income was reclassified to Other financial assets measured at amortized cost. As a result, the related cumulative fair value losses of USD 449m pre-tax and USD 333m post-tax, previously recognized in Other comprehensive income, have been removed from equity and adjusted against the value of the assets at the reclassification date.

Balance sheet

USD m	Note	30.6.23	31.3.23	31.12.22
Assets				
Cash and balances at central banks		159,425	144,183	169,445
Amounts due from banks		21,395	14,773	14,671
Receivables from securities financing transactions measured at amortized cost		61,977	60,010	67,814
Cash collateral receivables on derivative instruments	9	35,068	32,726	35,033
Loans and advances to customers	7	397,596	395,429	390,027
Other financial assets measured at amortized cost	10	52,180	49,289	53,389
Total financial assets measured at amortized cost		727,642	696,411	730,379
Financial assets at fair value held for trading	8	120,232	118,009	108,034
<i>of which: assets pledged as collateral that may be sold or repledged by counterparties</i>		<i>39,568</i>	<i>37,569</i>	<i>36,742</i>
Derivative financial instruments	8, 9	124,046	114,253	150,109
Brokerage receivables	8	21,218	21,025	17,576
Financial assets at fair value not held for trading	8	63,714	66,511	59,408
Total financial assets measured at fair value through profit or loss		329,210	319,799	335,127
Financial assets measured at fair value through other comprehensive income	8	2,217	2,241	2,239
Investments in associates		1,109	1,114	1,101
Property, equipment and software		11,193	11,274	11,316
Goodwill and intangible assets		6,281	6,272	6,267
Deferred tax assets		9,411	9,281	9,354
Other non-financial assets	10	9,254	10,367	9,652
Total assets		1,096,318	1,056,758	1,105,436
Liabilities				
Amounts due to banks		16,290	13,595	11,596
Payables from securities financing transactions measured at amortized cost		12,320	9,870	4,202
Cash collateral payables on derivative instruments	9	31,445	32,240	36,436
Customer deposits		521,657	507,844	527,171
Funding from UBS Group AG measured at amortized cost	11	61,445	63,093	56,147
Debt issued measured at amortized cost	13	62,561	54,733	59,499
Other financial liabilities measured at amortized cost	10	11,673	10,695	10,391
Total financial liabilities measured at amortized cost		717,392	692,071	705,442
Financial liabilities at fair value held for trading	8	35,616	34,374	29,515
Derivative financial instruments	8, 9	127,367	116,113	154,906
Brokerage payables designated at fair value	8	43,357	43,911	45,085
Debt issued designated at fair value	8, 12	78,741	74,974	71,842
Other financial liabilities designated at fair value	8, 10	31,425	28,018	32,033
Total financial liabilities measured at fair value through profit or loss		316,506	297,391	333,382
Provisions	15	3,817	3,886	3,183
Other non-financial liabilities	10	5,330	4,673	6,489
Total liabilities		1,043,044	998,021	1,048,496
Equity				
Share capital		386	338	338
Share premium		24,594	24,644	24,648
Retained earnings		27,806	32,863	31,746
Other comprehensive income recognized directly in equity, net of tax		136	541	(133)
Equity attributable to shareholders		52,922	58,386	56,598
Equity attributable to non-controlling interests		352	352	342
Total equity		53,274	58,738	56,940
Total liabilities and equity		1,096,318	1,056,758	1,105,436

Statement of changes in equity

<i>USD m</i>	Share capital and share premium	Retained earnings	OCI recognized directly in equity, net of tax ¹	<i>of which: foreign currency translation</i>	<i>of which: cash flow hedges</i>	Total equity attributable to shareholders
Balance as of 1 January 2023²	24,985	31,746	(133)	4,098	(4,234)	56,598
Premium on shares issued and warrants exercised	(5) ³					(5)
Tax (expense) / benefit	(1)					(1)
Dividends		(6,000)				(6,000)
Translation effects recognized directly in retained earnings		48	(48)		(48)	0
Share of changes in retained earnings of associates and joint ventures		0				0
New consolidations / (deconsolidations) and other increases / (decreases)	0					0
Total comprehensive income for the period		2,012	317	246	64	2,329
<i>of which: net profit / (loss)</i>		2,124				2,124
<i>of which: OCI, net of tax</i>		(112)	317	246	64	206
Balance as of 30 June 2023²	24,979	27,806	136	4,344	(4,218)	52,922
Non-controlling interests as of 30 June 2023						352
Total equity as of 30 June 2023						53,274
Balance as of 1 January 2022²	24,991	27,912	5,200	4,617	628	58,102
Tax (expense) / benefit	4					4
Dividends		(4,200)				(4,200)
Translation effects recognized directly in retained earnings		(13)	13		13	0
Share of changes in retained earnings of associates and joint ventures		0				0
New consolidations / (deconsolidations) and other increases / (decreases)	4	3	(3)			4
Total comprehensive income for the period		4,890	(4,055)	(801)	(3,355)	835
<i>of which: net profit / (loss)</i>		3,968				3,968
<i>of which: OCI, net of tax</i>		922	(4,055)	(801)	(3,355)	(3,133)
Balance as of 30 June 2022²	24,999	28,592	1,154	3,815	(2,713)	54,746
Non-controlling interests as of 30 June 2022						339
Total equity as of 30 June 2022						55,085

¹ Excludes other comprehensive income related to defined benefit plans and own credit that is recorded directly in Retained earnings. ² Excludes non-controlling interests. ³ Includes decreases related to recharges by UBS Group AG for share-based compensation awards granted to employees of UBS AG or its subsidiaries.

Statement of cash flows

	Year-to-date	
<i>USD m</i>	30.6.23	30.6.22
Cash flow from / (used in) operating activities		
Net profit / (loss)	2,136	3,986
Non-cash items included in net profit and other adjustments:		
Depreciation, amortization and impairment of non-financial assets	1,176	900
Credit loss expense / (release)	54	25
Share of net (profit) / loss of associates and joint ventures and impairment related to associates	(25)	(12)
Deferred tax expense / (benefit)	(63)	348
Net loss / (gain) from investing activities	(116)	(778)
Net loss / (gain) from financing activities	3,085	(14,371)
Other net adjustments	(1,198)	9,346
Net change in operating assets and liabilities:¹		
Amounts due from banks and amounts due to banks	(3,313)	3,000
Securities financing transactions measured at amortized cost	13,672	10,833
Cash collateral on derivative instruments	(5,104)	(4,704)
Loans and advances to customers and customer deposits	(14,863)	(13,959)
Financial assets and liabilities at fair value held for trading and derivative financial instruments	(7,726)	13,149
Brokerage receivables and payables	(5,366)	8,239
Financial assets at fair value not held for trading and other financial assets and liabilities	(1,306)	1,480
Provisions and other non-financial assets and liabilities	658	3
Income taxes paid, net of refunds	(810)	(847)
Net cash flow from / (used in) operating activities	(19,110)	16,639
Cash flow from / (used in) investing activities		
Disposal of subsidiaries, associates and intangible assets	35	911
Purchase of property, equipment and software	(669)	(695)
Disposal of property, equipment and software	0	3
Purchase of financial assets measured at fair value through other comprehensive income	(2,444)	(2,821)
Disposal and redemption of financial assets measured at fair value through other comprehensive income	2,468	2,291
Purchase of debt securities measured at amortized cost	(7,541)	(8,167)
Disposal and redemption of debt securities measured at amortized cost	4,659	3,914
Net cash flow from / (used in) investing activities	(3,492)	(4,565)
Cash flow from / (used in) financing activities		
Net issuance (repayment) of short-term debt measured at amortized cost	5,555	(10,440)
Distributions paid on UBS AG shares	(6,000)	(4,200)
Issuance of debt designated at fair value and long-term debt measured at amortized cost ²	51,141	48,856
Repayment of debt designated at fair value and long-term debt measured at amortized cost ²	(44,091)	(36,309)
Net cash flows from other financing activities	(242)	(341)
Net cash flow from / (used in) financing activities	6,362	(2,433)
Total cash flow		
Cash and cash equivalents at the beginning of the period	195,200	207,755
Net cash flow from / (used in) operating, investing and financing activities	(16,239)	9,642
Effects of exchange rate differences on cash and cash equivalents	1,999	(9,648)
Cash and cash equivalents at the end of the period³	180,959	207,748
<i>of which: cash and balances at central banks⁴</i>	<i>159,343</i>	<i>190,244</i>
<i>of which: amounts due from banks</i>	<i>12,189</i>	<i>15,625</i>
<i>of which: money market paper⁵</i>	<i>9,428</i>	<i>1,880</i>

Additional information

Net cash flow from / (used in) operating activities includes:

Interest received in cash	15,024	6,094
Interest paid in cash	11,429	2,732
Dividends on equity investments, investment funds and associates received in cash ⁶	1,259	1,059

¹ Movements in this section exclude foreign currency translation and foreign exchange effects, which are presented within the Other net adjustments line. ² Includes funding from UBS Group AG measured at amortized cost (recognized in Funding from UBS Group AG on the balance sheet) and measured at fair value (recognized in Other financial liabilities designated at fair value on the balance sheet). ³ USD 3,073m and USD 4,434m of cash and cash equivalents (mainly reflected in Amounts due from banks) were restricted as of 30 June 2023 and 30 June 2022, respectively. Refer to "Note 22 Restricted and transferred financial assets" in the "Consolidated financial statements" section of the Annual Report 2022 for more information. ⁴ Includes only balances with an original maturity of three months or less. ⁵ Money market paper is included on the balance sheet under Financial assets at fair value not held for trading (30 June 2023: USD 9,270m; 30 June 2022: USD 1,516m), Other financial assets measured at amortized cost (30 June 2023: USD 149m; 30 June 2022: USD 127m), Financial assets at fair value held for trading (30 June 2023: USD 9m; 30 June 2022: USD 58m) and Financial assets measured at fair value through other comprehensive income (30 June 2023: USD 0m; 30 June 2022: USD 180m). ⁶ Includes dividends received from associates reported within Net cash flow from / (used in) investing activities.

Notes to the UBS AG interim consolidated financial statements (unaudited)

Note 1 Basis of accounting

Basis of preparation

The consolidated financial statements (the financial statements) of UBS AG and its subsidiaries (together, UBS AG) are prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (the IASB), and are presented in US dollars. These interim financial statements are prepared in accordance with IAS 34, *Interim Financial Reporting*.

In preparing these interim financial statements, the same accounting policies and methods of computation have been applied as in the UBS AG consolidated annual financial statements for the period ended 31 December 2022, except for the changes described in this Note. These interim financial statements are unaudited and should be read in conjunction with UBS AG's audited consolidated financial statements in the Annual Report 2022 and the "Management report" sections of this report. In the opinion of management, all necessary adjustments have been made for a fair presentation of UBS AG's financial position, results of operations and cash flows.

Preparation of these interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities. These estimates and assumptions are based on the best available information. Actual results in the future could differ from such estimates and differences may be material to the financial statements. Revisions to estimates, based on regular reviews, are recognized in the period in which they occur. For more information about areas of estimation uncertainty that are considered to require critical judgment, refer to "Note 1a Material accounting policies" in the "Consolidated financial statements" section of the Annual Report 2022.

IFRS 17, *Insurance Contracts*

Effective from 1 January 2023, UBS AG has adopted IFRS 17, *Insurance Contracts*, which sets out the accounting requirements for contractual rights and obligations that arise from insurance contracts issued and reinsurance contracts held. The adoption has had no effect on UBS AG's financial statements. UBS AG does not provide insurance services in any market.

Other amendments to IFRS

Effective from 1 January 2023, UBS AG has adopted a number of minor amendments to IFRS, which have had no significant effect on UBS AG.

Amendments to IAS 12, *Income Taxes*

In May 2023, the IASB issued amendments to IAS 12, *Income Taxes*, whereby, under an exception, deferred tax assets (DTAs) and deferred tax liabilities (DTLs) will not be recognized in respect of top-up tax on income under the Global Anti-Base Erosion Rules that is imposed under tax law that is enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. This exception applies immediately upon the issuance of the amendments and it is, therefore, potentially relevant to these financial statements and subsequent financial statements. Although countries are starting to implement the rules, UBS AG did not have any DTAs or DTLs on 30 June 2023 that had not been recognized as a result of the application of this exception. The exception is expected to be removed by the IASB in due course, although the timing of that has not been specified. The amendments also introduced new disclosure requirements in relation to top-up tax, which will first apply to UBS AG's financial statements for the year ended 31 December 2023.

Note 1 Basis of accounting (continued)

Currency translation rates

The following table shows the rates of the main currencies used to translate the financial information of UBS AG's operations with a functional currency other than the US dollar into US dollars.

	Closing exchange rate				Average rate ¹				
	As of				For the quarter ended			Year-to-date	
	30.6.23	31.3.23	31.12.22	30.6.22	30.6.23	31.3.23	30.6.22	30.6.23	30.6.22
1 CHF	1.12	1.09	1.08	1.05	1.11	1.08	1.04	1.10	1.06
1 EUR	1.09	1.08	1.07	1.05	1.09	1.08	1.06	1.08	1.09
1 GBP	1.27	1.23	1.21	1.22	1.24	1.22	1.25	1.24	1.29
100 JPY	0.69	0.75	0.76	0.74	0.71	0.75	0.76	0.73	0.80

¹ Monthly income statement items of operations with a functional currency other than the US dollar are translated into US dollars using month-end rates. Disclosed average rates for a quarter represent an average of three month-end rates, weighted according to the income and expense volumes of all operations of UBS AG with the same functional currency for each month. Weighted average rates for individual business divisions may deviate from the weighted average rates for UBS AG.

Note 2 Segment reporting

<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Group Functions	UBS AG
For the six months ended 30 June 2023¹						
Net interest income	2,934	1,529	(14)	(1,093)	(663)	2,694
Non-interest income	6,594	1,163	1,015	5,329	518	14,619
Total revenues	9,528	2,692	1,001	4,236	(145)	17,313
Credit loss expense / (release)	20	26	0	8	0	54
Operating expenses	7,204	1,379	818	3,639	1,305	14,346
Operating profit / (loss) before tax	2,303	1,287	184	588	(1,450)	2,912
Tax expense / (benefit)						776
Net profit / (loss)						2,136
As of 30 June 2023¹						
Total assets	375,119	241,726	18,767	363,348	97,357	1,096,318
For the six months ended 30 June 2022¹						
Net interest income	2,409	1,057	(7)	104	(182)	3,380
Non-interest income	7,168	1,089	1,958	4,897	37	15,149
Total revenues	9,577	2,146	1,950	5,000	(144)	18,529
Credit loss expense / (release)	(10)	57	0	(24)	2	25
Operating expenses	7,174	1,260	815	3,729	514	13,492
Operating profit / (loss) before tax	2,413	829	1,135	1,295	(660)	5,012
Tax expense / (benefit)						1,026
Net profit / (loss)						3,986
As of 31 December 2022¹						
Total assets	388,624	235,330	16,971	391,495	73,016	1,105,436

¹ Refer to "Note 2 Segment reporting" in the "Consolidated financial statements" section of the Annual Report 2022 for more information about UBS AG's reporting segments.

Note 3 Net interest income

USD m	For the quarter ended			Year-to-date	
	30.6.23	31.3.23	30.6.22	30.6.23	30.6.22
Interest income from loans and deposits ¹	4,804	4,145	1,887	8,949	3,548
Interest income from securities financing transactions measured at amortized cost ²	833	766	209	1,599	327
Interest income from other financial instruments measured at amortized cost	276	259	118	535	191
Interest income from debt instruments measured at fair value through other comprehensive income	26	23	6	48	47
Interest income from derivative instruments designated as cash flow hedges	(457)	(376)	160	(833)	413
Total interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	5,483	4,815	2,381	10,298	4,526
Interest expense on loans and deposits ³	3,452	2,909	618	6,361	1,046
Interest expense on securities financing transactions measured at amortized cost ⁴	474	365	288	839	512
Interest expense on debt issued	656	555	176	1,211	311
Interest expense on lease liabilities	25	25	21	50	43
Total interest expense from financial instruments measured at amortized cost	4,607	3,853	1,103	8,461	1,912
Total net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	876	962	1,278	1,837	2,614
Net interest income from financial instruments measured at fair value through profit or loss and other	430	426	356	856	766
Total net interest income	1,305	1,388	1,634	2,694	3,380

¹ Consists of interest income from cash and balances at central banks, loans and advances to banks and customers, and cash collateral receivables on derivative instruments, as well as negative interest on amounts due to banks, customer deposits, and cash collateral payables on derivative instruments. ² Includes interest income on receivables from securities financing transactions and negative interest, including fees, on payables from securities financing transactions. ³ Consists of interest expense on amounts due to banks, cash collateral payables on derivative instruments, customer deposits, and funding from UBS Group AG, as well as negative interest on cash and balances at central banks, loans and advances to banks, and cash collateral receivables on derivative instruments. ⁴ Includes interest expense on payables from securities financing transactions and negative interest, including fees, on receivables from securities financing transactions.

Note 4 Net fee and commission income

USD m	For the quarter ended			Year-to-date	
	30.6.23	31.3.23	30.6.22	30.6.23	30.6.22
Underwriting fees	131	149	122	280	324
M&A and corporate finance fees	156	178	220	335	456
Brokerage fees	800	880	870	1,681	1,948
Investment fund fees	1,179	1,178	1,233	2,357	2,621
Portfolio management and related services	2,254	2,210	2,298	4,464	4,761
Other	487	480	492	967	993
Total fee and commission income¹	5,008	5,076	5,235	10,083	11,103
<i>of which: recurring</i>	<i>3,496</i>	<i>3,413</i>	<i>3,593</i>	<i>6,909</i>	<i>7,452</i>
<i>of which: transaction-based</i>	<i>1,504</i>	<i>1,639</i>	<i>1,632</i>	<i>3,143</i>	<i>3,621</i>
<i>of which: performance-based</i>	<i>7</i>	<i>24</i>	<i>10</i>	<i>31</i>	<i>29</i>
Fee and commission expense	419	447	450	866	934
Net fee and commission income	4,589	4,628	4,785	9,217	10,169

¹ Reflects third-party fee and commission income for the second quarter of 2023 of USD 3,134m for Global Wealth Management (first quarter of 2023: USD 3,145m; second quarter of 2022: USD 3,281m), USD 465m for Personal & Corporate Banking (first quarter of 2023: USD 449m; second quarter of 2022: USD 422m), USD 673m for Asset Management (first quarter of 2023: USD 687m; second quarter of 2022: USD 720m), USD 731m for the Investment Bank (first quarter of 2023: USD 791m; second quarter of 2022: USD 811m) and USD 4m for Group Functions (first quarter of 2023: USD 3m; second quarter of 2022: USD 1m).

Note 5 Personnel expenses

USD m	For the quarter ended			Year-to-date	
	30.6.23	31.3.23	30.6.22	30.6.23	30.6.22
Salaries and variable compensation ¹	3,364	3,356	3,316	6,720	7,001
<i>of which: variable compensation – financial advisors²</i>	<i>1,110</i>	<i>1,111</i>	<i>1,122</i>	<i>2,222</i>	<i>2,342</i>
Contractors	24	27	30	50	58
Social security	176	220	164	396	392
Post-employment benefit plans	139	174	137	313	320
Other personnel expenses	144	122	116	266	225
Total personnel expenses	3,847	3,898	3,762	7,745	7,996

¹ Includes role-based allowances. ² Consists of cash and deferred compensation awards and is based on compensable revenues and firm tenure using a formulaic approach. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements.

Note 6 General and administrative expenses

USD m	For the quarter ended			Year-to-date	
	30.6.23	31.3.23	30.6.22	30.6.23	30.6.22
Outsourcing costs	121	124	115	245	221
Technology costs	128	132	126	260	248
Consulting, legal and audit fees	160	108	123	268	227
Real estate and logistics costs	134	119	129	252	253
Market data services	101	99	89	200	182
Marketing and communication	44	34	43	78	74
Travel and entertainment	51	49	43	101	62
Litigation, regulatory and similar matters ¹	55	721	220	776	277
Other	1,649	1,596	1,475	3,245	3,052
<i>of which: shared services costs charged by UBS Group AG or its subsidiaries</i>	<i>1,460</i>	<i>1,385</i>	<i>1,348</i>	<i>2,845</i>	<i>2,738</i>
Total general and administrative expenses	2,443	2,983	2,364	5,425	4,597

¹ Reflects the net increase in provisions for litigation, regulatory and similar matters recognized in the income statement. Refer to Note 15b for more information.

Note 7 Expected credit loss measurement

a) Credit loss expense / release

Total net credit loss expenses in the second quarter of 2023 were USD 16m, reflecting USD 10m net credit loss releases related to stage 1 and 2 positions and USD 26m net credit loss expenses related to stage 3 positions.

Stage 1 and 2 net releases included: scenario-related net releases of USD 42m; net expenses of USD 27m from model changes, mainly in Personal & Corporate Banking and the Investment Bank; and additional net expenses of USD 5m from book quality and size changes, mainly across the corporate and real estate lending portfolios of Personal & Corporate Banking and Global Wealth Management.

Stage 3 net credit loss expenses were USD 26m, driven by net expenses of USD 21m in Personal & Corporate Banking, which were primarily due to a single commodity trade finance client (USD 11m), as well as ECL on various corporate lending positions.

b) Changes to ECL models, scenarios, scenario weights and post-model adjustments

Scenarios and weights

The expected credit loss (ECL) scenarios, along with their related macroeconomic factors and market data, were reviewed in light of the economic and political conditions prevailing in the second quarter of 2023 through a series of governance meetings, with input and feedback from UBS AG Risk and Finance experts across the business divisions and regions.

The baseline scenario was updated with the latest macroeconomic forecasts as of 30 June 2023. The assumptions on a calendar-year basis are included in the table below and imply a broadly unchanged economic outlook for 2023, the Eurozone and Switzerland, and more optimistic projections for the US. Compared with the baseline used in the first quarter of 2023, the house price forecast for the US and the Eurozone in 2023 is less pessimistic, although it is slightly more pessimistic for Switzerland.

At the beginning of the second quarter of 2023, UBS AG replaced the global crisis scenario applied at year-end 2022 and at the end of the first quarter of 2023 with the mild debt crisis scenario. Recent economic, market and political developments suggest that the scenario suite should be rebalanced by reintroducing a mild downside scenario. The mild debt crisis scenario covers similar risks, but the assumptions are milder than the global crisis scenario. Therefore, the scenario is less severe. It assumes that political, solvency and liquidity concerns cause a sell-off of sovereign debt in emerging markets and the peripheral Eurozone. The global economy and financial markets are negatively affected, and central banks are assumed to ease their monetary policy.

The stagflationary geopolitical crisis scenario and the asset price inflation scenario were updated based on the latest market data, but the assumptions remain broadly unchanged. Refer to the table below for the scenarios and weights applied.

UBS AG kept scenario weights in line with those applied in the first quarter of 2023, with a 15% weight assigned to the mild debt crisis scenario instead of the global crisis scenario, which it replaced.

Note 7 Expected credit loss measurement (continued)

Post-model adjustments

Total stage 1 and 2 allowances and provisions amounted to USD 551m as of 30 June 2023 and included post-model adjustments (PMA) of USD 131m (31 March 2023: USD 128m), as uncertainty levels remain high, including the geopolitical situation.

Comparison of shock factors

Key parameters	Baseline		
	2022	2023	2024
Real GDP growth (annual percentage change)			
US	2.1	1.4	0.1
Eurozone	3.5	0.8	1.0
Switzerland	2.1	0.9	1.3
Unemployment rate (% , annual average)			
US	3.6	3.7	5.1
Eurozone	6.7	6.7	6.9
Switzerland	2.2	2.2	2.5
Fixed income: 10-year government bonds (% , Q4)			
USD	3.9	3.7	3.6
EUR	2.6	2.3	2.2
CHF	1.6	1.0	0.9
Real estate (annual percentage change, Q4)			
US	7.4	(1.9)	2.1
Eurozone	2.8	(1.2)	1.8
Switzerland	3.9	(0.5)	(1.0)

Economic scenarios and weights applied

ECL scenario	Assigned weights in %		
	30.6.23	31.3.23	30.6.22
Asset price inflation	0.0	0.0	0.0
Baseline	60.0	60.0	55.0
Severe Russia–Ukraine conflict scenario	–	–	25.0
Mild debt crisis	15.0	–	–
Stagflationary geopolitical crisis	25.0	25.0	–
Global crisis	–	15.0	20.0

Note 7 Expected credit loss measurement (continued)

c) ECL-relevant balance sheet and off-balance sheet positions including ECL allowances and provisions

The following tables provide information about financial instruments and certain non-financial instruments that are subject to ECL requirements. For amortized-cost instruments, the carrying amount represents the maximum exposure to credit risk, taking into account the allowance for credit losses. Financial assets measured at fair value through other comprehensive income (FVOCI) are also subject to ECL; however, unlike amortized-cost instruments, the allowance for credit losses for FVOCI instruments does not reduce the carrying amount of these financial assets. Instead, the carrying amount of financial assets measured at FVOCI represents the maximum exposure to credit risk.

In addition to recognized financial assets, certain off-balance sheet financial instruments and other credit lines are also subject to ECL. The maximum exposure to credit risk for off-balance sheet financial instruments is calculated based on the maximum contractual amounts.

USD m	30.6.23							
	Carrying amount ¹				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	159,425	159,393	32	0	(10)	0	(10)	0
Loans and advances to banks ²	21,395	21,239	157	0	(6)	(5)	(1)	0
Receivables from securities financing transactions	61,977	61,977	0	0	(1)	(1)	0	0
Cash collateral receivables on derivative instruments	35,068	35,068	0	0	0	0	0	0
Loans and advances to customers	397,596	378,647	17,204	1,746	(859)	(182)	(173)	(504)
<i>of which: Private clients with mortgages</i>	163,560	153,443	9,358	758	(154)	(44)	(87)	(23)
<i>of which: Real estate financing</i>	50,054	45,959	4,088	7	(44)	(21)	(23)	0
<i>of which: Large corporate clients</i>	13,444	11,792	1,292	359	(179)	(37)	(29)	(113)
<i>of which: SME clients</i>	12,482	10,776	1,293	413	(256)	(32)	(21)	(203)
<i>of which: Lombard</i>	124,511	124,469	0	42	(26)	(9)	0	(17)
<i>of which: Credit cards</i>	1,939	1,502	403	34	(39)	(8)	(11)	(21)
<i>of which: Commodity trade finance</i>	2,193	2,179	0	15	(110)	(7)	0	(104)
Other financial assets measured at amortized cost	52,180	51,650	377	153	(84)	(16)	(7)	(62)
<i>of which: Loans to financial advisors</i>	2,588	2,287	174	126	(55)	(6)	(2)	(47)
Total financial assets measured at amortized cost	727,642	707,974	17,770	1,898	(961)	(205)	(190)	(566)
Financial assets measured at fair value through other comprehensive income	2,217	2,217	0	0	0	0	0	0
Total on-balance sheet financial assets in scope of ECL requirements	729,859	710,191	17,770	1,898	(961)	(205)	(190)	(566)
Off-balance sheet (in scope of ECL)	Total exposure				ECL provisions			
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	23,469	22,430	921	118	(37)	(12)	(7)	(17)
<i>of which: Large corporate clients</i>	3,367	2,598	690	79	(5)	(2)	(2)	0
<i>of which: SME clients</i>	1,423	1,218	167	38	(11)	(1)	(1)	(9)
<i>of which: Financial intermediaries and hedge funds</i>	12,874	12,859	15	0	(11)	(8)	(3)	0
<i>of which: Lombard</i>	3,019	3,019	0	1	(1)	0	0	(1)
<i>of which: Commodity trade finance</i>	2,008	2,008	0	0	(1)	(1)	0	0
Irrevocable loan commitments	40,074	37,920	2,076	78	(93)	(54)	(38)	(2)
<i>of which: Large corporate clients</i>	23,220	21,436	1,731	52	(76)	(44)	(31)	(2)
Forward starting reverse repurchase and securities borrowing agreements	4,972	4,972	0	0	0	0	0	0
Unconditionally revocable loan commitments	44,716	42,915	1,739	63	(43)	(34)	(9)	0
<i>of which: Real estate financing</i>	8,929	8,671	258	0	(6)	(6)	0	0
<i>of which: Large corporate clients</i>	4,566	4,401	158	7	(6)	(3)	(3)	0
<i>of which: SME clients</i>	4,963	4,743	179	40	(19)	(16)	(3)	0
<i>of which: Lombard</i>	8,671	8,670	0	1	0	0	0	0
<i>of which: Credit cards</i>	9,762	9,274	484	4	(7)	(6)	(2)	0
<i>of which: Commodity trade finance</i>	534	534	0	0	0	0	0	0
Irrevocable committed prolongation of existing loans	3,811	3,802	7	2	(3)	(2)	0	0
Total off-balance sheet financial instruments and other credit lines	117,043	112,039	4,743	261	(175)	(102)	(54)	(19)
Total allowances and provisions					(1,136)	(307)	(244)	(585)

¹ The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. ² Includes USD 7.8bn against Credit Suisse AG.

Note 7 Expected credit loss measurement (continued)

USD m	31.3.23				ECL allowances			
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Financial instruments measured at amortized cost								
Cash and balances at central banks	144,183	144,144	39	0	(12)	0	(12)	0
Loans and advances to banks	14,773	14,728	45	0	(6)	(5)	0	0
Receivables from securities financing transactions	60,010	60,010	0	0	(2)	(2)	0	0
Cash collateral receivables on derivative instruments	32,726	32,726	0	0	0	0	0	0
Loans and advances to customers	395,429	377,266	16,573	1,591	(804)	(152)	(180)	(472)
<i>of which: Private clients with mortgages</i>	159,409	149,701	8,999	709	(171)	(43)	(103)	(25)
<i>of which: Real estate financing</i>	48,672	45,159	3,504	8	(42)	(18)	(24)	0
<i>of which: Large corporate clients</i>	12,943	11,216	1,408	320	(139)	(20)	(16)	(102)
<i>of which: SME clients</i>	13,610	11,781	1,437	392	(243)	(29)	(25)	(189)
<i>of which: Lombard</i>	128,960	128,903	0	57	(26)	(9)	0	(17)
<i>of which: Credit cards</i>	1,831	1,418	381	32	(37)	(8)	(10)	(20)
<i>of which: Commodity trade finance</i>	3,053	3,022	20	10	(96)	(5)	0	(91)
Other financial assets measured at amortized cost	49,289	48,771	372	146	(84)	(17)	(6)	(61)
<i>of which: Loans to financial advisors</i>	2,571	2,323	121	127	(54)	(6)	(2)	(46)
Total financial assets measured at amortized cost	696,411	677,646	17,028	1,737	(908)	(176)	(198)	(534)
Financial assets measured at fair value through other comprehensive income	2,241	2,241	0	0	0	0	0	0
Total on-balance sheet financial assets in scope of ECL requirements	698,652	679,887	17,028	1,737	(908)	(176)	(198)	(534)
		Total exposure			ECL provisions			
Off-balance sheet (in scope of ECL)								
Guarantees	22,670	21,670	887	113	(54)	(13)	(8)	(33)
<i>of which: Large corporate clients</i>	3,476	2,733	668	75	(19)	(2)	(3)	(14)
<i>of which: SME clients</i>	1,368	1,197	133	38	(11)	(1)	(1)	(9)
<i>of which: Financial intermediaries and hedge funds</i>	13,076	13,037	38	0	(11)	(8)	(4)	0
<i>of which: Lombard</i>	2,171	2,170	0	1	(1)	0	0	(1)
<i>of which: Commodity trade finance</i>	1,815	1,815	0	0	(1)	(1)	0	0
Irrevocable loan commitments	39,775	37,261	2,400	114	(113)	(57)	(56)	0
<i>of which: Large corporate clients</i>	23,294	21,263	1,948	83	(95)	(47)	(49)	0
Forward starting reverse repurchase and securities borrowing agreements	4,748	4,748	0	0	0	0	0	0
Unconditionally revocable loan commitments	41,970	40,206	1,724	40	(44)	(36)	(8)	0
<i>of which: Real estate financing</i>	8,226	8,037	188	0	(6)	(6)	0	0
<i>of which: Large corporate clients</i>	4,496	4,284	205	7	(5)	(3)	(2)	0
<i>of which: SME clients</i>	4,898	4,656	214	28	(21)	(18)	(3)	0
<i>of which: Lombard</i>	8,166	8,165	0	1	0	0	0	0
<i>of which: Credit cards</i>	9,567	9,078	486	3	(7)	(5)	(2)	0
<i>of which: Commodity trade finance</i>	370	370	0	0	0	0	0	0
Irrevocable committed prolongation of existing loans	4,161	4,126	33	2	(3)	(3)	0	0
Total off-balance sheet financial instruments and other credit lines	113,323	108,010	5,044	269	(214)	(108)	(72)	(33)
Total allowances and provisions					(1,121)	(284)	(271)	(567)

¹ The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances.

Note 7 Expected credit loss measurement (continued)

USD m	31.12.22							
	Carrying amount ¹				ECL allowances			
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Financial instruments measured at amortized cost								
Cash and balances at central banks	169,445	169,402	44	0	(12)	0	(12)	0
Loans and advances to banks	14,671	14,670	1	0	(6)	(5)	(1)	0
Receivables from securities financing transactions	67,814	67,814	0	0	(2)	(2)	0	0
Cash collateral receivables on derivative instruments	35,033	35,033	0	0	0	0	0	0
Loans and advances to customers	390,027	372,903	15,587	1,538	(783)	(129)	(180)	(474)
<i>of which: Private clients with mortgages</i>	156,930	147,651	8,579	699	(161)	(27)	(107)	(28)
<i>of which: Real estate financing</i>	46,470	43,112	3,349	9	(41)	(17)	(23)	0
<i>of which: Large corporate clients</i>	12,226	10,733	1,189	303	(130)	(24)	(14)	(92)
<i>of which: SME clients</i>	13,903	12,211	1,342	351	(251)	(26)	(22)	(203)
<i>of which: Lombard</i>	132,287	132,196	0	91	(26)	(9)	0	(17)
<i>of which: Credit cards</i>	1,834	1,420	382	31	(36)	(7)	(10)	(19)
<i>of which: Commodity trade finance</i>	3,272	3,261	0	11	(96)	(6)	0	(90)
Other financial assets measured at amortized cost ²	53,389	52,829	413	147	(86)	(17)	(6)	(63)
<i>of which: Loans to financial advisors</i>	2,611	2,357	128	126	(59)	(7)	(2)	(51)
Total financial assets measured at amortized cost	730,379	712,651	16,044	1,685	(890)	(154)	(199)	(537)
Financial assets measured at fair value through other comprehensive income²	2,239	2,239	0	0	0	0	0	0
Total on-balance sheet financial assets in scope of ECL requirements	732,618	714,889	16,044	1,685	(890)	(154)	(199)	(537)
	Total exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	22,167	19,805	2,254	108	(48)	(13)	(9)	(26)
<i>of which: Large corporate clients</i>	3,663	2,883	721	58	(26)	(2)	(3)	(21)
<i>of which: SME clients</i>	1,337	1,124	164	49	(5)	(1)	(1)	(3)
<i>of which: Financial intermediaries and hedge funds</i>	11,833	10,513	1,320	0	(12)	(8)	(4)	0
<i>of which: Lombard</i>	2,376	2,376	0	1	(1)	0	0	(1)
<i>of which: Commodity trade finance</i>	2,121	2,121	0	0	(1)	(1)	0	0
Irrevocable loan commitments	39,996	37,531	2,341	124	(111)	(59)	(52)	0
<i>of which: Large corporate clients</i>	23,611	21,488	2,024	99	(93)	(49)	(45)	0
Forward starting reverse repurchase and securities borrowing agreements	3,801	3,801	0	0	0	0	0	0
Unconditionally revocable loan commitments	43,677	41,809	1,833	36	(40)	(32)	(8)	0
<i>of which: Real estate financing</i>	8,711	8,528	183	0	(6)	(6)	0	0
<i>of which: Large corporate clients</i>	4,578	4,304	268	5	(4)	(1)	(2)	0
<i>of which: SME clients</i>	4,723	4,442	256	26	(19)	(16)	(3)	0
<i>of which: Lombard</i>	7,855	7,854	0	1	0	0	0	0
<i>of which: Credit cards</i>	9,390	8,900	487	3	(7)	(5)	(2)	0
<i>of which: Commodity trade finance</i>	327	327	0	0	0	0	0	0
Irrevocable committed prolongation of existing loans	4,696	4,600	94	2	(2)	(2)	0	0
Total off-balance sheet financial instruments and other credit lines	114,337	107,545	6,522	270	(201)	(106)	(69)	(26)
Total allowances and provisions					(1,091)	(260)	(267)	(564)

¹ The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. ² Effective 1 April 2022, a portfolio of assets previously classified as Financial assets measured at fair value through other comprehensive income was reclassified to Other financial assets measured at amortized cost. Refer to Note 10a for more information.

Note 7 Expected credit loss measurement (continued)

The table below provides information about the ECL gross exposure and the ECL coverage ratio for UBS AG's core loan portfolios (i.e., *Loans and advances to customers* and *Loans to financial advisors*) and relevant off-balance sheet exposures. *Cash and balances at central banks, Loans and advances to banks, Receivables from securities financing transactions, Cash collateral receivables on derivative instruments* and *Financial assets measured at fair value through other comprehensive income* are not included in the table below, due to their lower sensitivity to ECL.

ECL coverage ratios are calculated by dividing ECL allowances and provisions by the gross carrying amount of the related exposures.

Coverage ratios for core loan portfolio		Gross carrying amount (USD m)				ECL coverage (bps)				
		Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
On-balance sheet										
Private clients with mortgages	163,714	153,488	9,445	781	9	3	92	8	298	
Real estate financing	50,098	45,980	4,111	7	9	5	55	9	26	
Total real estate lending	213,812	199,468	13,556	788	9	3	80	8	296	
Large corporate clients	13,622	11,829	1,320	472	131	31	217	50	2,391	
SME clients	12,737	10,808	1,313	616	201	29	157	43	3,298	
Total corporate lending	26,360	22,637	2,634	1,089	165	30	187	47	2,904	
Lombard	124,537	124,478	0	59	2	1	0	1	2,873	
Credit cards	1,978	1,510	413	55	199	53	255	97	3,821	
Commodity trade finance	2,304	2,185	0	118	479	30	351	30	8,770	
Other loans and advances to customers	29,466	28,550	773	142	17	9	47	10	1,642	
Loans to financial advisors	2,643	2,293	177	173	208	24	140	33	2,707	
Total other lending	160,927	159,017	1,363	547	18	3	122	4	3,872	
Total¹	401,098	381,122	17,553	2,423	23	5	100	9	2,275	
Off-balance sheet										
	Gross exposure (USD m)				ECL coverage (bps)					
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3	
Private clients with mortgages	6,406	6,072	324	11	6	5	22	6	60	
Real estate financing	9,757	9,477	280	0	6	8	0	6	0	
Total real estate lending	16,163	15,549	603	11	6	7	0	6	60	
Large corporate clients	31,238	28,520	2,580	138	28	17	141	28	132	
SME clients	7,309	6,814	400	95	53	28	257	41	994	
Total corporate lending	38,547	35,334	2,980	233	33	19	156	30	482	
Lombard	13,912	13,910	0	1	1	1	0	1	0	
Credit cards	9,762	9,274	484	4	7	6	37	8	0	
Commodity trade finance	2,555	2,555	0	0	2	2	0	2	0	
Financial intermediaries and hedge funds	18,519	18,139	380	0	7	5	90	7	0	
Other off-balance sheet commitments	12,613	12,306	296	11	14	6	95	8	0	
Total other lending	57,361	56,184	1,160	17	7	4	69	5	0	
Total²	112,071	107,067	4,743	261	16	10	114	14	737	
Total on- and off-balance sheet³	513,169	488,189	22,296	2,684	21	6	103	10	2,125	

¹ Includes Loans and advances to customers and Loans to financial advisors which are presented on the balance sheet line Other assets measured at amortized cost. ² Excludes Forward starting reverse repurchase and securities borrowing agreements. ³ Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Note 7 Expected credit loss measurement (continued)

Coverage ratios for core loan portfolio					31.3.23				
On-balance sheet	Gross carrying amount (USD m)				ECL coverage (bps)				
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	159,580	149,744	9,102	734	11	3	113	9	344
Real estate financing	48,714	45,177	3,529	8	9	4	69	9	22
Total real estate lending	208,294	194,921	12,631	742	10	3	101	9	341
Large corporate clients	13,082	11,236	1,424	422	106	18	115	29	2,424
SME clients	13,853	11,811	1,461	581	175	25	168	41	3,253
Total corporate lending	26,936	23,047	2,886	1,003	142	22	142	35	2,904
Lombard	128,985	128,912	0	74	2	1	0	1	2,286
Credit cards	1,868	1,426	391	52	201	56	255	99	3,793
Commodity trade finance	3,149	3,028	20	101	305	18	11	17	9,001
Other loans and advances to customers	27,002	26,085	825	92	18	7	24	8	3,117
Loans to financial advisors	2,626	2,329	123	174	206	26	145	32	2,659
Total other lending	163,630	161,778	1,360	492	16	3	101	4	4,109
Total¹	398,859	379,746	16,876	2,237	22	4	108	9	2,319

Off-balance sheet	Gross exposure (USD m)				ECL coverage (bps)				
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	6,377	6,163	212	3	6	5	28	6	340
Real estate financing	9,298	9,101	197	0	7	8	0	7	0
Total real estate lending	15,675	15,263	409	3	6	7	0	6	340
Large corporate clients	31,375	28,390	2,821	165	38	18	190	34	830
SME clients	7,674	7,124	470	80	55	30	245	44	1,114
Total corporate lending	39,049	35,514	3,290	245	41	21	198	36	923
Lombard	12,456	12,455	0	1	1	1	0	1	0
Credit cards	9,567	9,078	486	3	8	6	36	8	0
Commodity trade finance	2,187	2,187	0	0	4	4	0	4	0
Financial intermediaries and hedge funds	18,159	17,680	479	0	7	5	80	7	0
Other off-balance sheet commitments	11,483	11,086	380	17	18	7	66	9	0
Total other lending	53,852	52,485	1,345	22	8	5	60	6	0
Total²	108,576	103,263	5,044	269	20	10	143	17	1,232
Total on- and off-balance sheet³	507,435	483,009	21,920	2,506	21	6	116	10	2,202

¹ Includes Loans and advances to customers and Loans to financial advisors which are presented on the balance sheet line Other assets measured at amortized cost. ² Excludes Forward starting reverse repurchase and securities borrowing agreements. ³ Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Coverage ratios for core loan portfolio					31.12.22				
On-balance sheet	Gross carrying amount (USD m)				ECL coverage (bps)				
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	157,091	147,678	8,686	727	10	2	123	9	381
Real estate financing	46,511	43,129	3,372	9	9	4	70	9	232
Total real estate lending	203,602	190,807	12,059	736	10	2	108	9	379
Large corporate clients	12,356	10,757	1,204	395	105	22	120	32	2,325
SME clients	14,154	12,237	1,364	553	177	22	161	36	3,664
Total corporate lending	26,510	22,994	2,567	949	144	22	142	34	3,106
Lombard	132,313	132,205	0	108	2	1	0	1	1,580
Credit cards	1,869	1,427	393	50	190	46	256	91	3,779
Commodity trade finance	3,367	3,266	0	101	285	18	0	18	8,901
Other loans and advances to customers	23,149	22,333	748	68	18	6	38	7	3,769
Loans to financial advisors	2,670	2,364	130	176	221	28	124	33	2,870
Total other lending	163,368	161,595	1,270	503	16	3	114	3	4,016
Total¹	393,480	375,396	15,896	2,188	21	4	114	8	2,398

Off-balance sheet	Gross exposure (USD m)				ECL coverage (bps)				
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	6,535	6,296	236	3	5	4	18	4	1,183
Real estate financing	10,054	9,779	275	0	6	7	0	6	0
Total real estate lending	16,589	16,075	511	3	6	6	2	6	1,288
Large corporate clients	32,126	28,950	3,013	163	38	18	165	32	1,263
SME clients	7,122	6,525	499	98	47	30	214	43	304
Total corporate lending	39,247	35,475	3,513	260	40	20	172	34	903
Lombard	12,919	12,918	0	1	2	1	0	1	0
Credit cards	9,390	8,900	487	3	7	5	36	7	0
Commodity trade finance	2,459	2,459	0	0	3	3	0	3	0
Financial intermediaries and hedge funds	18,128	16,464	1,664	0	7	6	25	7	0
Other off-balance sheet commitments	11,803	11,454	346	3	11	8	68	9	0
Total other lending	54,700	52,195	2,498	7	6	5	33	6	0
Total²	110,537	103,745	6,522	270	18	10	106	16	980
Total on- and off-balance sheet³	504,016	479,140	22,418	2,458	21	5	112	10	2,242

¹ Includes Loans and advances to customers and Loans to financial advisors which are presented on the balance sheet line Other assets measured at amortized cost. ² Excludes Forward starting reverse repurchase and securities borrowing agreements. ³ Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Note 8 Fair value measurement

a) Fair value hierarchy

The fair value hierarchy classification of financial and non-financial assets and liabilities measured at fair value is summarized in the table below.

During the first six months of 2023, assets and liabilities that were transferred from Level 2 to Level 1, or from Level 1 to Level 2, and were held for the entire reporting period were not material.

USD m	30.6.23				31.3.23				31.12.22			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Determination of fair values from quoted market prices or valuation techniques¹												
Financial assets measured at fair value on a recurring basis												
Financial assets at fair value held for trading	104,834	13,871	1,527	120,232	104,793	12,118	1,099	118,009	96,263	10,284	1,488	108,034
of which: Equity instruments	90,318	453	130	90,901	87,722	295	177	88,193	83,095	789	126	84,010
of which: Government bills / bonds	7,500	2,119	12	9,631	8,902	1,534	23	10,460	5,496	950	18	6,464
of which: Investment fund units	6,123	726	10	6,859	7,187	536	10	7,733	6,673	596	61	7,330
of which: Corporate and municipal bonds	889	9,531	438	10,859	977	7,702	442	9,121	976	6,509	541	8,026
of which: Loans	0	941	821	1,763	0	1,812	329	2,141	0	1,179	628	1,807
of which: Asset-backed securities	4	101	115	220	4	239	118	360	22	261	114	397
Derivative financial instruments	1,042	121,686	1,318	124,046	879	112,066	1,309	114,253	769	147,876	1,464	150,109
of which: Foreign exchange	551	58,332	5	58,889	515	51,733	3	52,251	575	84,882	2	85,459
of which: Interest rate	0	38,982	492	39,474	0	36,339	398	36,737	0	39,345	460	39,805
of which: Equity / index	0	21,944	433	22,378	1	21,180	578	21,759	1	21,542	653	22,195
of which: Credit	0	1,001	361	1,362	0	944	309	1,253	0	719	318	1,038
of which: Commodities	0	1,371	24	1,394	0	1,780	20	1,800	0	1,334	30	1,365
Brokerage receivables	0	21,218	0	21,218	0	21,025	0	21,025	0	17,576	0	17,576
Financial assets at fair value not held for trading	31,296	28,577	3,841	63,714	32,279	30,398	3,834	66,511	26,572	29,110	3,725	59,408
of which: Financial assets for unit-linked investment contracts	14,740	164	0	14,904	14,004	97	0	14,101	13,071	1	0	13,072
of which: Corporate and municipal bonds	61	11,730	236	12,026	86	13,601	241	13,928	35	14,101	230	14,366
of which: Government bills / bonds	16,144	3,976	0	20,120	17,824	3,140	0	20,965	13,103	3,638	0	16,741
of which: Loans	0	3,766	819	4,585	0	3,706	810	4,516	0	3,602	736	4,337
of which: Securities financing transactions	0	8,751	105	8,856	0	9,670	108	9,779	0	7,590	114	7,704
of which: Auction rate securities	0	0	1,321	1,321	0	0	1,321	1,321	0	0	1,326	1,326
of which: Investment fund units	321	190	210	720	295	183	288	766	307	178	190	675
of which: Equity instruments	29	0	990	1,020	70	0	879	949	57	0	792	849
Financial assets measured at fair value through other comprehensive income on a recurring basis												
Financial assets measured at fair value through other comprehensive income	65	2,152	0	2,217	60	2,181	0	2,241	57	2,182	0	2,239
of which: Commercial paper and certificates of deposit	0	1,926	0	1,926	0	1,921	0	1,921	0	1,878	0	1,878
of which: Corporate and municipal bonds	65	217	0	282	60	233	0	293	57	278	0	335
Non-financial assets measured at fair value on a recurring basis												
Precious metals and other physical commodities	4,426	0	0	4,426	4,506	0	0	4,506	4,471	0	0	4,471
Non-financial assets measured at fair value on a non-recurring basis												
Other non-financial assets ²	0	0	16	16	0	0	18	18	0	0	21	21
Total assets measured at fair value	141,663	187,505	6,701	335,870	142,516	177,787	6,260	326,563	128,132	207,028	6,698	341,858

Note 8 Fair value measurement (continued)

Determination of fair values from quoted market prices or valuation techniques (continued)¹

USD m	30.6.23				31.3.23				31.12.22			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value on a recurring basis												
Financial liabilities at fair value held for trading	29,147	6,330	139	35,616	28,332	5,941	101	34,374	23,578	5,823	114	29,515
of which: Equity instruments	20,572	303	73	20,947	19,411	370	58	19,839	16,521	352	78	16,951
of which: Corporate and municipal bonds	31	5,217	61	5,308	33	4,610	38	4,681	36	4,643	27	4,707
of which: Government bills / bonds	7,487	737	0	8,224	7,919	728	0	8,647	5,880	706	1	6,587
of which: Investment fund units	1,057	45	3	1,106	969	204	3	1,176	1,141	84	3	1,229
Derivative financial instruments	974	124,250	2,144	127,367	967	113,051	2,095	116,113	640	152,582	1,684	154,906
of which: Foreign exchange	565	59,112	40	59,718	529	52,706	33	53,267	587	87,897	24	88,508
of which: Interest rate	0	37,861	133	37,994	0	34,317	360	34,677	0	37,429	116	37,545
of which: Equity / index	0	24,398	1,665	26,064	1	23,207	1,365	24,573	0	24,963	1,184	26,148
of which: Credit	0	1,267	260	1,527	0	1,057	286	1,343	0	920	279	1,199
of which: Commodities	0	1,511	30	1,541	0	1,592	33	1,625	0	1,309	52	1,361
Financial liabilities designated at fair value on a recurring basis												
Brokerage payables designated at fair value	0	43,357	0	43,357	0	43,911	0	43,911	0	45,085	0	45,085
Debt issued designated at fair value	0	68,909	9,832	78,741	0	65,845	9,130	74,974	0	62,603	9,240	71,842
Other financial liabilities designated at fair value	0	29,204	2,221	31,425	0	26,083	1,935	28,018	0	30,055	1,978	32,033
of which: Financial liabilities related to unit-linked investment contracts	0	15,055	0	15,055	0	14,243	0	14,243	0	13,221	0	13,221
of which: Securities financing transactions	0	11,344	0	11,344	0	9,707	0	9,707	0	15,333	0	15,333
of which: Funding from UBS Group AG	0	979	1,320	2,299	0	903	1,356	2,259	0	508	1,287	1,796
of which: Over-the-counter debt instruments and others	0	1,826	901	2,727	0	1,230	579	1,809	0	993	691	1,684
Total liabilities measured at fair value	30,121	272,049	14,336	316,506	29,299	254,831	13,260	297,391	24,219	296,148	13,015	333,382

¹ Bifurcated embedded derivatives are presented on the same balance sheet lines as their host contracts and are not included in this table. The fair value of these derivatives was not material for the periods presented.

² Other non-financial assets primarily consist of properties and other non-current assets held for sale, which are measured at the lower of their net carrying amount or fair value less costs to sell.

b) Valuation adjustments

The table below summarizes the changes in deferred day-1 profit or loss reserves during the relevant period.

Deferred day-1 profit or loss is generally released into *Other net income from financial instruments measured at fair value through profit or loss* when the pricing of equivalent products or the underlying parameters become observable or when the transaction is closed out.

Deferred day-1 profit or loss reserves

USD m	For the quarter ended			Year-to-date	
	30.6.23	31.3.23	30.6.22	30.6.23	30.6.22
Reserve balance at the beginning of the period	399	422	425	422	418
Profit / (loss) deferred on new transactions	71	91	86	162	161
(Profit) / loss recognized in the income statement	(75)	(113)	(58)	(188)	(127)
Foreign currency translation	(1)	0	(1)	(1)	(1)
Reserve balance at the end of the period	396	399	451	396	451

The table below summarizes other valuation adjustment reserves recognized on the balance sheet.

Other valuation adjustment reserves on the balance sheet

USD m	As of		
	30.6.23	31.3.23	31.12.22
Own credit adjustments on financial liabilities designated at fair value	405	624	556
of which: debt issued designated at fair value	115	276	289
of which: other financial liabilities designated at fair value	290	347	266
Credit valuation adjustments ¹	(34)	(33)	(33)
Funding valuation adjustments	(102)	(108)	(50)
Debit valuation adjustments	4	6	4
Other valuation adjustments	(726)	(801)	(839)
of which: liquidity	(275)	(299)	(311)
of which: model uncertainty	(451)	(502)	(529)

¹ Amount does not include reserves against defaulted counterparties.

Note 8 Fair value measurement (continued)

c) Level 3 instruments: valuation techniques and inputs

The table below presents material Level 3 assets and liabilities, together with the valuation techniques used to measure fair value, as well as the inputs used in a given valuation technique that are considered significant as of 30 June 2023 and unobservable, and a range of values for those unobservable inputs.

The range of values represents the highest- and lowest-level inputs used in the valuation techniques. Therefore, the range does not reflect the level of uncertainty regarding a particular input or an assessment of the reasonableness of UBS AG's estimates and assumptions, but rather the different underlying characteristics of the relevant assets and liabilities held by UBS AG.

The significant unobservable inputs disclosed in the table below are consistent with those included in "Note 20 Fair value measurement" in the "Consolidated financial statements" section of the Annual Report 2022.

Valuation techniques and inputs used in the fair value measurement of Level 3 assets and liabilities

USD bn	Fair value				Valuation technique(s)	Significant unobservable input(s) ¹	Range of inputs						unit ¹
	Assets		Liabilities				30.6.23			31.12.22			
	30.6.23	31.12.22	30.6.23	31.12.22			low	high	weighted average ²	low	high	weighted average ²	
Financial assets and liabilities at fair value held for trading and Financial assets at fair value not held for trading													
<i>Corporate and municipal bonds</i>	<i>0.7</i>	<i>0.8</i>	<i>0.1</i>	<i>0.0</i>	Relative value to market comparable	Bond price equivalent	4	99	73	14	112	85	points
					Discounted expected cash flows	Discount margin	391	391		412	412		basis points
<i>Traded loans, loans measured at fair value, loan commitments and guarantees</i>	<i>1.8</i>	<i>1.7</i>	<i>0.0</i>	<i>0.0</i>	Relative value to market comparable	Loan price equivalent	34	100	98	30	100	97	points
					Discounted expected cash flows	Credit spread	200	275	249	200	200	200	basis points
					Market comparable and securitization model	Credit spread	165	1,544	349	145	1,350	322	basis points
<i>Auction rate securities</i>	<i>1.3</i>	<i>1.3</i>			Discounted expected cash flows	Credit spread	115	209	156	115	196	144	basis points
<i>Investment fund units³</i>	<i>0.2</i>	<i>0.3</i>	<i>0.0</i>	<i>0.0</i>	Relative value to market comparable	Net asset value							
<i>Equity instruments³</i>	<i>1.1</i>	<i>0.9</i>	<i>0.1</i>	<i>0.1</i>	Relative value to market comparable	Price							
Debt issued designated at fair value⁴			9.8	9.2									
Other financial liabilities designated at fair value			2.2	2.0	Discounted expected cash flows	Funding spread	25	175		23	175		basis points
Derivative financial instruments													
<i>Interest rate</i>	<i>0.5</i>	<i>0.5</i>	<i>0.1</i>	<i>0.1</i>	Option model	Volatility of interest rates	69	129		75	143		basis points
<i>Credit</i>	<i>0.4</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>	Discounted expected cash flows	Credit spreads	9	538		9	565		basis points
						Bond price equivalent	3	281		3	277		points
<i>Equity / index</i>	<i>0.4</i>	<i>0.7</i>	<i>1.7</i>	<i>1.2</i>	Option model	Equity dividend yields	0	9		0	20		%
						Volatility of equity stocks, equity and other indices	4	138		4	120		%
						Equity-to-FX correlation	(40)	84		(29)	84		%
						Equity-to-equity correlation	(25)	99		(25)	100		%

¹ The ranges of significant unobservable inputs are represented in points, percentages and basis points. Points are a percentage of par (e.g., 100 points would be 100% of par). ² Weighted averages are provided for most non-derivative financial instruments and were calculated by weighting inputs based on the fair values of the respective instruments. Weighted averages are not provided for inputs related to Other financial liabilities designated at fair value and Derivative financial instruments, as this would not be meaningful. ³ The range of inputs is not disclosed, as there is a dispersion of values given the diverse nature of the investments. ⁴ Debt issued designated at fair value primarily consists of UBS AG structured notes, which include variable maturity notes with various equity and foreign exchange underlying risks, as well as rates-linked and credit-linked notes, all of which have embedded derivative parameters that are considered to be unobservable. The equivalent derivative instrument parameters are presented in the respective derivative financial instruments lines in this table.

Note 8 Fair value measurement (continued)

d) Level 3 instruments: sensitivity to changes in unobservable input assumptions

The table below summarizes those financial assets and liabilities classified as Level 3 for which a change in one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, and the estimated effect thereof.

The sensitivity data shown below presents an estimation of valuation uncertainty based on reasonably possible alternative values for Level 3 inputs at the balance sheet date and does not represent the estimated effect of stress scenarios. Typically, these financial assets and liabilities are sensitive to a combination of inputs from Levels 1–3. Although well-defined interdependencies may exist between Level 1 / 2 parameters and Level 3 parameters (e.g., between interest rates, which are generally Level 1 or Level 2, and prepayments, which are generally Level 3), these have not been incorporated in the table. Furthermore, direct interrelationships between the Level 3 parameters are not a significant element of the valuation uncertainty.

Sensitivity of fair value measurements to changes in unobservable input assumptions¹

USD m	30.6.23		31.3.23		31.12.22	
	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Traded loans, loans measured at fair value, loan commitments and guarantees	12	(6)	12	(13)	19	(12)
Securities financing transactions	27	(18)	27	(29)	33	(37)
Auction rate securities	44	(44)	45	(45)	46	(46)
Asset-backed securities	29	(28)	29	(27)	27	(27)
Equity instruments	193	(169)	188	(164)	183	(161)
Interest rate derivatives, net	5	(18)	20	(13)	18	(12)
Credit derivatives, net	4	(3)	3	(5)	3	(4)
Foreign exchange derivatives, net	6	(6)	4	(5)	10	(5)
Equity / index derivatives, net	350	(318)	371	(338)	361	(330)
Other	60	(56)	93	(105)	39	(62)
Total	730	(666)	791	(744)	738	(696)

¹ Sensitivity of issued and over-the-counter debt instruments is reported with the equivalent derivative or Other.

e) Level 3 instruments: movements during the period

The table below presents additional information about material Level 3 assets and liabilities measured at fair value on a recurring basis. Level 3 assets and liabilities may be hedged with instruments classified as Level 1 or Level 2 in the fair value hierarchy and, as a result, realized and unrealized gains and losses included in the table may not include the effect of related hedging activity. Furthermore, the realized and unrealized gains and losses presented in the table are not limited solely to those arising from Level 3 inputs, as valuations are generally derived from both observable and unobservable parameters.

Assets and liabilities transferred into or out of Level 3 are presented as if those assets or liabilities had been transferred at the beginning of the year.

Note 8 Fair value measurement (continued)

Movements of Level 3 instruments											
<i>USD bn</i>	Balance at the beginning of the period	Net gains / losses included in comprehensive income ¹	<i>of which: related to instruments held at the end of the period</i>	Purchases	Sales	Issuances	Settlements	Transfers into Level 3	Transfers out of Level 3	Foreign currency translation	Balance at the end of the period
For the six months ended 30 June 2023²											
Financial assets at fair value held for trading											
	1.5	0.0	(0.0)	0.2	(0.7)	0.7	0.0	0.1	(0.3)	0.0	1.5
<i>of which: Investment fund units</i>	0.1	(0.0)	(0.0)	0.0	(0.0)	0.0	0.0	0.0	(0.0)	0.0	0.0
<i>of which: Corporate and municipal bonds</i>	0.5	(0.0)	(0.0)	0.1	(0.2)	0.0	0.0	0.0	(0.0)	0.0	0.4
<i>of which: Loans</i>	0.6	0.0	0.0	0.0	(0.3)	0.7	0.0	0.0	(0.2)	0.0	0.8
Derivative financial instruments – assets											
	1.5	(0.2)	(0.2)	0.0	0.0	0.4	(0.2)	0.1	(0.2)	0.0	1.3
<i>of which: Interest rate</i>	0.5	0.0	(0.0)	0.0	0.0	0.1	(0.0)	0.0	(0.0)	(0.0)	0.5
<i>of which: Equity / index</i>	0.7	(0.2)	(0.1)	0.0	0.0	0.3	(0.2)	0.0	(0.2)	(0.0)	0.4
<i>of which: Credit</i>	0.3	(0.1)	(0.1)	0.0	0.0	0.1	(0.0)	0.0	(0.0)	0.0	0.4
Financial assets at fair value not held for trading											
	3.7	0.0	0.0	0.5	(0.4)	0.0	0.0	0.1	(0.1)	0.0	3.8
<i>of which: Loans</i>	0.7	0.0	0.0	0.2	(0.0)	0.0	0.0	0.0	(0.1)	(0.0)	0.8
<i>of which: Auction rate securities</i>	1.3	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	1.3
<i>of which: Equity instruments</i>	0.8	0.0	0.0	0.2	(0.1)	0.0	0.0	0.0	0.0	0.0	1.0
Derivative financial instruments – liabilities											
	1.7	0.2	0.2	0.0	0.0	0.7	(0.3)	0.1	(0.3)	0.0	2.1
<i>of which: Interest rate</i>	0.1	(0.0)	0.0	0.0	0.0	0.1	(0.1)	0.0	0.0	0.0	0.1
<i>of which: Equity / index</i>	1.2	0.2	0.2	0.0	0.0	0.5	(0.2)	0.0	(0.1)	0.0	1.7
<i>of which: Credit</i>	0.3	(0.0)	(0.0)	0.0	0.0	0.1	0.0	0.1	(0.2)	(0.0)	0.3
Debt issued designated at fair value											
	9.2	0.5	0.4	0.0	0.0	2.3	(2.0)	0.6	(0.8)	(0.0)	9.8
Other financial liabilities designated at fair value											
	2.0	0.1	0.1	0.0	0.0	0.2	(0.0)	0.0	(0.0)	(0.0)	2.2
For the six months ended 30 June 2022											
Financial assets at fair value held for trading											
	2.3	(0.1)	(0.2)	0.3	(1.3)	1.0	0.0	0.1	(0.3)	(0.0)	1.9
<i>of which: Investment fund units</i>	0.0	(0.0)	(0.0)	0.0	(0.0)	0.0	0.0	0.0	(0.0)	(0.0)	0.0
<i>of which: Corporate and municipal bonds</i>	0.6	(0.0)	(0.0)	0.2	(0.1)	0.0	0.0	0.0	(0.0)	(0.0)	0.7
<i>of which: Loans</i>	1.4	(0.1)	(0.1)	0.0	(1.2)	1.0	0.0	0.0	(0.2)	(0.0)	1.0
Derivative financial instruments – assets											
	1.1	0.5	0.6	0.0	0.0	0.5	(0.4)	0.2	(0.2)	(0.0)	1.8
<i>of which: Interest rate</i>	0.5	0.1	0.1	0.0	0.0	0.0	(0.1)	0.1	(0.1)	(0.0)	0.4
<i>of which: Equity / index</i>	0.4	0.3	0.3	0.0	0.0	0.2	(0.2)	0.0	(0.0)	(0.0)	0.7
<i>of which: Credit</i>	0.2	0.1	0.1	0.0	0.0	0.2	(0.0)	0.1	0.0	0.0	0.6
Financial assets at fair value not held for trading											
	4.2	0.1	0.1	0.6	(0.6)	0.0	(0.0)	0.0	(0.1)	(0.1)	4.2
<i>of which: Loans</i>	0.9	(0.0)	(0.0)	0.5	(0.2)	0.0	0.0	0.0	(0.1)	(0.0)	1.0
<i>of which: Auction rate securities</i>	1.6	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6
<i>of which: Equity instruments</i>	0.7	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	(0.0)	0.7
Derivative financial instruments – liabilities											
	2.2	(0.6)	(0.6)	0.0	0.0	0.9	(0.8)	0.1	(0.1)	(0.1)	1.7
<i>of which: Interest rate</i>	0.3	(0.2)	(0.2)	0.0	0.0	0.1	(0.0)	0.0	0.0	(0.0)	0.1
<i>of which: Equity / index</i>	1.5	(0.3)	(0.3)	0.0	0.0	0.6	(0.7)	0.0	(0.1)	(0.0)	1.1
<i>of which: Credit</i>	0.3	(0.1)	(0.1)	0.0	0.0	0.1	0.0	0.1	(0.0)	(0.0)	0.4
Debt issued designated at fair value											
	11.9	(1.9)	(1.6)	0.0	0.0	4.2	(2.7)	0.7	(1.3)	(0.4)	10.5
Other financial liabilities designated at fair value											
	3.2	(0.7)	(0.7)	0.0	0.0	0.2	(0.1)	0.0	(0.2)	(0.0)	2.4

¹ Net gains / losses included in comprehensive income are recognized in Net interest income and Other net income from financial instruments measured at fair value through profit or loss in the Income statement, and also in Gains / (losses) from own credit on financial liabilities designated at fair value, before tax in the Statement of comprehensive income. ² Total Level 3 assets as of 30 June 2023 were USD 6.7bn (31 December 2022: USD 6.7bn). Total Level 3 liabilities as of 30 June 2023 were USD 14.3bn (31 December 2022: USD 13.0bn).

Note 8 Fair value measurement (continued)

f) Financial instruments not measured at fair value

The table below reflects the estimated fair values of financial instruments not measured at fair value. Valuation principles applied when determining fair value estimates for financial instruments not measured at fair value are consistent with those described in "Note 20 Fair value measurement" in the "Consolidated financial statements" section of the Annual Report 2022.

Financial instruments not measured at fair value

<i>USD bn</i>	30.6.23		31.3.23		31.12.22	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Assets						
Cash and balances at central banks	159.4	159.4	144.2	144.2	169.4	169.4
Loans and advances to banks	21.4	21.4	14.8	14.8	14.7	14.6
Receivables from securities financing transactions measured at amortized cost	62.0	62.0	60.0	60.0	67.8	67.8
Cash collateral receivables on derivative instruments	35.1	35.1	32.7	32.6	35.0	35.0
Loans and advances to customers	397.6	385.1	395.4	383.8	390.0	377.7
Other financial assets measured at amortized cost	52.2	51.8	49.3	49.0	53.4	51.0
Liabilities						
Amounts due to banks	16.3	16.3	13.6	13.6	11.6	11.6
Payables from securities financing transactions measured at amortized cost	12.3	12.3	9.9	9.9	4.2	4.2
Cash collateral payables on derivative instruments	31.4	31.4	32.2	32.2	36.4	36.4
Customer deposits	521.7	521.4	507.8	507.2	527.2	526.9
Funding from UBS Group AG measured at amortized cost	61.4	60.3	63.1	61.2	56.1	55.7
Debt issued measured at amortized cost	62.6	62.0	54.7	54.0	59.5	58.9
Other financial liabilities measured at amortized cost ¹	8.6	8.6	7.5	7.5	7.2	7.2

¹ Excludes lease liabilities.

Note 9 Derivative instruments

a) Derivative instruments

	Derivative financial assets	Derivative financial liabilities	Notional values related to derivative financial assets and liabilities ¹	Other notional values ²
<i>As of 30.6.23, USD bn</i>				
Derivative financial instruments				
Interest rate	39.5	38.0	2,356	15,180
Credit derivatives	1.4	1.5	90	
Foreign exchange	58.9	59.7	6,636	78
Equity / index	22.4	26.1	1,001	77
Commodities	1.4	1.5	141	16
Other ³	0.5	0.5	121	
Total derivative financial instruments, based on IFRS netting⁴	124.0	127.4	10,345	15,351
Further netting potential not recognized on the balance sheet ⁵	(114.0)	(116.0)		
<i>of which: netting of recognized financial liabilities / assets</i>	<i>(92.8)</i>	<i>(92.8)</i>		
<i>of which: netting with collateral received / pledged</i>	<i>(21.2)</i>	<i>(23.2)</i>		
Total derivative financial instruments, after consideration of further netting potential	10.1	11.4		

<i>As of 31.3.23, USD bn</i>				
Derivative financial instruments				
Interest rate	36.7	34.7	2,345	13,842
Credit derivatives	1.3	1.3	86	
Foreign exchange	52.3	53.3	6,610	56
Equity / index	21.8	24.6	932	76
Commodities	1.8	1.6	146	19
Other ³	0.4	0.6	106	
Total derivative financial instruments, based on IFRS netting⁴	114.3	116.1	10,224	13,993
Further netting potential not recognized on the balance sheet ⁵	(105.4)	(104.3)		
<i>of which: netting of recognized financial liabilities / assets</i>	<i>(84.9)</i>	<i>(84.9)</i>		
<i>of which: netting with collateral received / pledged</i>	<i>(20.5)</i>	<i>(19.4)</i>		
Total derivative financial instruments, after consideration of further netting potential	8.8	11.8		

<i>As of 31.12.22, USD bn</i>				
Derivative financial instruments				
Interest rate	39.8	37.5	2,080	11,255
Credit derivatives	1.0	1.2	74	
Foreign exchange	85.5	88.5	6,080	40
Equity / index	22.2	26.1	886	63
Commodities	1.4	1.4	132	18
Other ³	0.2	0.1	50	
Total derivative financial instruments, based on IFRS netting⁴	150.1	154.9	9,302	11,376
Further netting potential not recognized on the balance sheet ⁵	(139.4)	(137.1)		
<i>of which: netting of recognized financial liabilities / assets</i>	<i>(110.9)</i>	<i>(110.9)</i>		
<i>of which: netting with collateral received / pledged</i>	<i>(28.5)</i>	<i>(26.2)</i>		
Total derivative financial instruments, after consideration of further netting potential	10.7	17.8		

¹ In cases where derivative financial instruments are presented on a net basis on the balance sheet, the respective notional values of the netted derivative financial instruments are still presented on a gross basis. Notional amounts of client-cleared ETD and OTC transactions through central clearing counterparties are not disclosed, as they have a significantly different risk profile. ² Other notional values relate to derivatives that are cleared through either a central counterparty or an exchange. The fair value of these derivatives is presented on the balance sheet net of the corresponding cash margin under Cash collateral receivables on derivative instruments and Cash collateral payables on derivative instruments and was not material for all periods presented. ³ Includes mainly Loan commitments measured at FVTPL, as well as unsettled purchases and sales of non-derivative financial instruments, for which the changes in the fair value between trade date and settlement date are recognized as derivative financial instruments. ⁴ Financial assets and liabilities are presented net on the balance sheet if UBS AG has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of UBS AG or its counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. ⁵ Reflects the netting potential in accordance with enforceable master netting and similar arrangements where not all criteria for a net presentation on the balance sheet have been met. Refer to "Note 21 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the Annual Report 2022 for more information.

Note 9 Derivative instruments (continued)

b) Cash collateral on derivative instruments

<i>USD bn</i>	Receivables 30.6.23	Payables 30.6.23	Receivables 31.3.23	Payables 31.3.23	Receivables 31.12.22	Payables 31.12.22
Cash collateral on derivative instruments, based on IFRS netting ¹	35.1	31.4	32.7	32.2	35.0	36.4
Further netting potential not recognized on the balance sheet ²	(22.9)	(18.8)	(18.6)	(17.3)	(22.9)	(21.9)
<i>of which: netting of recognized financial liabilities / assets</i>	<i>(20.3)</i>	<i>(16.1)</i>	<i>(15.6)</i>	<i>(14.3)</i>	<i>(20.9)</i>	<i>(20.0)</i>
<i>of which: netting with collateral received / pledged</i>	<i>(2.6)</i>	<i>(2.6)</i>	<i>(3.0)</i>	<i>(3.0)</i>	<i>(1.9)</i>	<i>(1.9)</i>
Cash collateral on derivative instruments, after consideration of further netting potential	12.1	12.7	14.1	14.9	12.1	14.5

¹ Financial assets and liabilities are presented net on the balance sheet if UBS AG has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of UBS AG or its counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. ² Reflects the netting potential in accordance with enforceable master netting and similar arrangements where not all criteria for a net presentation on the balance sheet have been met. Refer to "Note 21 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the Annual Report 2022 for more information.

Note 10 Other assets and liabilities

a) Other financial assets measured at amortized cost

<i>USD m</i>	30.6.23	31.3.23	31.12.22
Debt securities	41,521	40,646	44,594
Loans to financial advisors	2,588	2,571	2,611
Fee- and commission-related receivables	1,822	1,922	1,803
Finance lease receivables	1,376	1,344	1,314
Settlement and clearing accounts	395	542	1,174
Accrued interest income	1,430	1,340	1,276
Other	3,048	924	618
Total other financial assets measured at amortized cost	52,180	49,289	53,389

b) Other non-financial assets

<i>USD m</i>	30.6.23	31.3.23	31.12.22
Precious metals and other physical commodities	4,426	4,506	4,471
Deposits and collateral provided in connection with litigation, regulatory and similar matters ¹	2,250	2,235	2,205
Prepaid expenses	1,019	848	709
VAT, withholding tax and other tax receivables	707	1,830	1,405
Properties and other non-current assets held for sale	111	279	279
Other	741	670	583
Total other non-financial assets	9,254	10,367	9,652

¹ Refer to Note 15 for more information.

c) Other financial liabilities measured at amortized cost

<i>USD m</i>	30.6.23	31.3.23	31.12.22
Other accrued expenses	1,543	1,613	1,564
Accrued interest expenses	2,577	1,954	2,008
Settlement and clearing accounts	1,499	1,533	1,060
Lease liabilities	3,105	3,174	3,211
Other	2,948	2,422	2,549
Total other financial liabilities measured at amortized cost	11,673	10,695	10,391

d) Other financial liabilities designated at fair value

<i>USD m</i>	30.6.23	31.3.23	31.12.22
Financial liabilities related to unit-linked investment contracts	15,055	14,243	13,221
Securities financing transactions	11,344	9,707	15,333
Over-the-counter debt instruments and other	2,727	1,809	1,684
Funding from UBS Group AG	2,299	2,259	1,796
Total other financial liabilities designated at fair value	31,425	28,018	32,033

Note 10 Other assets and liabilities (continued)

e) Other non-financial liabilities

USD m	30.6.23	31.3.23	31.12.22
Compensation-related liabilities	3,248	2,628	4,424
<i>of which: net defined benefit liability</i>	455	463	449
Current tax liabilities	991	952	1,044
Deferred tax liabilities	212	261	233
VAT, withholding tax and other tax payables	514	481	472
Deferred income	280	288	233
Other	86	62	84
Total other non-financial liabilities	5,330	4,673	6,489

Note 11 Funding from UBS Group AG measured at amortized cost

USD m	30.6.23	31.3.23	31.12.22
Senior unsecured debt that contributes to total loss-absorbing capacity (TLAC)	48,546	47,172	42,073
Senior unsecured debt other than TLAC	1,180	3,606	236
Subordinated debt	11,719	12,315	13,838
<i>of which: eligible as high-trigger loss-absorbing additional tier 1 capital instruments</i>	10,528	11,118	10,654
<i>of which: eligible as low-trigger loss-absorbing additional tier 1 capital instruments</i>	1,189	1,198	1,187
Total funding from UBS Group AG measured at amortized cost¹	61,445	63,093	56,147

¹ UBS AG has also recognized funding from UBS Group AG that is designated at fair value. Refer to Note 10d for more information.

Note 12 Debt issued designated at fair value

USD m	30.6.23	31.3.23	31.12.22
Issued debt instruments			
Equity-linked ¹	45,475	44,721	41,901
Rates-linked	15,945	15,797	16,276
Credit-linked	4,230	2,815	2,170
Fixed-rate	8,378	6,673	6,538
Commodity-linked	3,979	4,311	4,294
Other	734	656	663
Total debt issued designated at fair value	78,741	74,974	71,842
<i>of which: issued by UBS AG with original maturity greater than one year²</i>	<i>64,047</i>	<i>60,268</i>	<i>57,750</i>

¹ Includes investment fund unit-linked instruments issued. ² Based on original contractual maturity without considering any early redemption features. As of 30 June 2023, 100% of the balance was unsecured (31 March 2023: 100%; 31 December 2022: 100%).

Note 13 Debt issued measured at amortized cost

USD m	30.6.23	31.3.23	31.12.22
Short-term debt¹	35,590	27,412	29,676
Senior unsecured debt	14,920	15,472	17,892
<i>of which: issued by UBS AG with original maturity greater than one year</i>	<i>14,918</i>	<i>15,472</i>	<i>17,892</i>
Subordinated debt	2,976	2,975	2,968
<i>of which: eligible as low-trigger loss-absorbing tier 2 capital instruments</i>	<i>0</i>	<i>2,438</i>	<i>2,422</i>
<i>of which: eligible as non-Basel III-compliant tier 2 capital instruments</i>	<i>539</i>	<i>538</i>	<i>536</i>
Debt issued through the Swiss central mortgage institutions	9,076	8,873	8,962
Long-term debt²	26,971	27,320	29,823
Total debt issued measured at amortized cost³	62,561	54,733	59,499

¹ Debt with an original contractual maturity of less than one year, includes mainly certificates of deposit and commercial paper. ² Debt with an original contractual maturity greater than or equal to one year. The classification of debt issued into short-term and long-term does not consider any early redemption features. ³ Net of bifurcated embedded derivatives, the fair value of which was not material for the periods presented.

Note 14 Interest rate benchmark reform

During 2023, UBS AG has largely completed the transition of the remaining USD London Interbank Offered Rate (LIBOR) contracts. The transition of the largest remaining non-derivative exposure, the US mortgage portfolio of approximately USD 9bn as of 31 December 2022, had been substantially completed as of 30 June 2023, with these contracts automatically converting to term Secured Overnight Financing Rate (SOFR) from their next interest rate reset date following the cessation of the respective USD LIBOR rates, i.e., 30 June 2023. Corporate loans in the Investment Bank have now either been transitioned to alternative rates or are temporarily utilizing the last available USD LIBOR fixing to complete transition, with a small residual amount relying on synthetic LIBOR rates.

In August 2022, to facilitate the transition of derivatives linked to the USD LIBOR Swap Rate, UBS AG adhered to the June 2022 Benchmark Module of the ISDA 2021 Fallbacks Protocol on the USD LIBOR Swap Rate. The majority of these contracts had transitioned as of 30 June 2023, with a small number of contracts transitioned in July 2023. The transition of USD LIBOR-cleared derivatives has been effected through industry-wide central clearing counterparty conversion events that occurred primarily in April and May 2023. As of 30 June 2023 the transition of these USD LIBOR-linked derivatives has been materially accomplished.

UBS AG has approximately USD 3bn equivalent of Japanese yen- and US dollar-denominated funding from UBS Group AG that, per current contractual terms, if not called on their respective call dates, would reset based directly on JPY LIBOR and USD LIBOR. In addition, several contracts providing funding from UBS Group AG reference rates indirectly derived from IBORs, if they are not called on their respective call dates. These contracts have robust IBOR fallback language and the confirmation of interest rate calculation mechanics will be communicated in advance of any rate resets.

Note 15 Provisions and contingent liabilities

a) Provisions

The table below presents an overview of total provisions.

<i>USD m</i>	30.6.23	31.3.23	31.12.22
Provisions other than provisions for expected credit losses	3,641	3,673	2,982
Provisions for expected credit losses ¹	175	214	201
Total provisions	3,817	3,886	3,183

¹ Refer to Note 7c for more information.

The following table presents additional information for provisions other than provisions for expected credit losses.

<i>USD m</i>	Litigation, regulatory and similar matters ¹	Other ²	Total
Balance as of 31 December 2022	2,586	396	2,982
Balance as of 31 March 2023	3,306	366	3,673
Increase in provisions recognized in the income statement	56	12	68
Release of provisions recognized in the income statement	(1)	(3)	(4)
Provisions used in conformity with designated purpose	(83)	(33)	(116)
Foreign currency translation and other movements ³	10	11	21
Balance as of 30 June 2023	3,289	353	3,641

¹ Consists of provisions for losses resulting from legal, liability and compliance risks. ² Mainly includes restructuring provisions and provisions related to real estate, employee benefits and operational risks. ³ Other movements include capitalized reinstatement costs and unwinding of discount.

Information about provisions and contingent liabilities in respect of litigation, regulatory and similar matters, as a class, is included in Note 15b. There are no material contingent liabilities associated with the other classes of provisions.

Note 15 Provisions and contingent liabilities (continued)

b) Litigation, regulatory and similar matters

UBS operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and regulatory proceedings. As a result, UBS is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. "UBS," "we" and "our", for purposes of this Note, refer to UBS AG and / or one or more of its subsidiaries, as applicable.

Such matters are subject to many uncertainties, and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. There are also situations where UBS may enter into a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, even for those matters for which UBS believes it should be exonerated. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. UBS makes provisions for such matters brought against it when, in the opinion of management after seeking legal advice, it is more likely than not that UBS has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required, and the amount can be reliably estimated. Where these factors are otherwise satisfied, a provision may be established for claims that have not yet been asserted against UBS, but are nevertheless expected to be, based on UBS's experience with similar asserted claims. If any of those conditions is not met, such matters result in contingent liabilities. If the amount of an obligation cannot be reliably estimated, a liability exists that is not recognized even if an outflow of resources is probable. Accordingly, no provision is established even if the potential outflow of resources with respect to such matters could be significant. Developments relating to a matter that occur after the relevant reporting period, but prior to the issuance of financial statements, which affect management's assessment of the provision for such matter (because, for example, the developments provide evidence of conditions that existed at the end of the reporting period), are adjusting events after the reporting period under IAS 10 and must be recognized in the financial statements for the reporting period.

Specific litigation, regulatory and other matters are described below, including all such matters that management considers to be material and others that management believes to be of significance to UBS due to potential financial, reputational and other effects. The amount of damages claimed, the size of a transaction or other information is provided where available and appropriate in order to assist users in considering the magnitude of potential exposures.

In the case of certain matters below, we state that we have established a provision, and for the other matters, we make no such statement. When we make this statement and we expect disclosure of the amount of a provision to prejudice seriously our position with other parties in the matter because it would reveal what UBS believes to be the probable and reliably estimable outflow, we do not disclose that amount. In some cases we are subject to confidentiality obligations that preclude such disclosure. With respect to the matters for which we do not state whether we have established a provision, either: (a) we have not established a provision, in which case the matter is treated as a contingent liability under the applicable accounting standard; or (b) we have established a provision but expect disclosure of that fact to prejudice seriously our position with other parties in the matter because it would reveal the fact that UBS believes an outflow of resources to be probable and reliably estimable.

With respect to certain litigation, regulatory and similar matters for which we have established provisions, we are able to estimate the expected timing of outflows. However, the aggregate amount of the expected outflows for those matters for which we are able to estimate expected timing is immaterial relative to our current and expected levels of liquidity over the relevant time periods.

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in the "Provisions" table in Note 15a above. It is not practicable to provide an aggregate estimate of liability for our litigation, regulatory and similar matters as a class of contingent liabilities. Doing so would require UBS to provide speculative legal assessments as to claims and proceedings that involve unique fact patterns or novel legal theories, that have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants. Although UBS therefore cannot provide a numerical estimate of the future losses that could arise from litigation, regulatory and similar matters, UBS believes that the aggregate amount of possible future losses from this class that are more than remote substantially exceeds the level of current provisions.

Note 15 Provisions and contingent liabilities (continued)

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. A guilty plea to, or conviction of, a crime could have material consequences for UBS. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations, and may permit financial market utilities to limit, suspend or terminate UBS's participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations, could have material consequences for UBS.

The risk of loss associated with litigation, regulatory and similar matters is a component of operational risk for purposes of determining capital requirements. Information concerning our capital requirements and the calculation of operational risk for this purpose is included in the "Capital management" section of this report.

Provisions for litigation, regulatory and similar matters by business division and in Group Functions¹

<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Group Functions	Total
Balance as of 31 December 2022	1,182	159	8	308	928	2,586
Balance as of 31 March 2023	1,193	161	8	351	1,594	3,306
Increase in provisions recognized in the income statement	35	0	1	20	0	56
Release of provisions recognized in the income statement	(1)	0	0	0	0	(1)
Provisions used in conformity with designated purpose	(37)	0	(1)	(45)	0	(83)
Foreign currency translation / unwind of discount	7	1	0	1	1	10
Balance as of 30 June 2023	1,196	162	8	327	1,595	3,289

¹ Provisions, if any, for the matters described in item 3 of this Note are recorded in Global Wealth Management, and provisions, if any, for the matters described in item 2 are recorded in Group Functions. Provisions, if any, for the matters described in items 1 and 5 of this Note are allocated between Global Wealth Management and Personal & Corporate Banking, and provisions, if any, for the matters described in item 4 are allocated between the Investment Bank and Group Functions.

1. Inquiries regarding cross-border wealth management businesses

Tax and regulatory authorities in a number of countries have made inquiries, served requests for information or examined employees located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions.

Since 2013, UBS (France) S.A., UBS AG and certain former employees have been under investigation in France in relation to UBS's cross-border business with French clients. In connection with this investigation, the investigating judges ordered UBS AG to provide bail ("*caution*") of EUR 1.1bn.

In 2019, the court of first instance returned a verdict finding UBS AG guilty of unlawful solicitation of clients on French territory and aggravated laundering of the proceeds of tax fraud, and UBS (France) S.A. guilty of aiding and abetting unlawful solicitation and of laundering the proceeds of tax fraud. The court imposed fines aggregating EUR 3.7bn on UBS AG and UBS (France) S.A. and awarded EUR 800m of civil damages to the French state. A trial in the French Court of Appeal took place in March 2021. In December 2021, the Court of Appeal found UBS AG guilty of unlawful solicitation and aggravated laundering of the proceeds of tax fraud. The court ordered a fine of EUR 3.75m, the confiscation of EUR 1bn, and awarded civil damages to the French state of EUR 800m. UBS AG has filed an appeal with the French Supreme Court. A hearing in the Supreme Court is currently scheduled for 27 September 2023. The fine and confiscation imposed by the Court of Appeal are suspended during the appeal. The civil damages award has been paid to the French state (EUR 99m of which was deducted from the bail), subject to the result of UBS's appeal.

Our balance sheet at 30 June 2023 reflected provisions with respect to this matter in an amount of EUR 1.1bn (USD 1.2bn). The wide range of possible outcomes in this case contributes to a high degree of estimation uncertainty and the provision reflects our best estimate of possible financial implications, although actual penalties and civil damages could exceed (or may be less than) the provision amount.

Note 15 Provisions and contingent liabilities (continued)

2. Claims related to sales of residential mortgage-backed securities and mortgages

From 2002 through 2007, prior to the crisis in the US residential loan market, UBS was a substantial issuer and underwriter of US residential mortgage-backed securities (RMBS) and was a purchaser and seller of US residential mortgages.

In 2018, the DOJ filed a civil complaint in the District Court for the Eastern District of New York. The complaint seeks unspecified civil monetary penalties under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 related to UBS's issuance, underwriting and sale of 40 RMBS transactions in 2006 and 2007. UBS moved to dismiss the civil complaint in 2019. Later in 2019, the district court denied UBS's motion to dismiss. In August 2023, UBS reached a settlement with the DOJ, under which UBS paid USD 1.435bn to resolve all civil claims by the DOJ.

Our balance sheet at 30 June 2023 reflected a provision with respect to matters described in this item 2 in an amount that UBS believed to be appropriate under the applicable accounting standard.

3. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC (BMIS) investment fraud, UBS AG, UBS (Luxembourg) S.A. (now UBS Europe SE, Luxembourg branch) and certain other UBS subsidiaries have been subject to inquiries by a number of regulators, including the Swiss Financial Market Supervisory Authority (FINMA) and the Luxembourg Commission de Surveillance du Secteur Financier. Those inquiries concerned two third-party funds established under Luxembourg law, substantially all assets of which were with BMIS, as well as certain funds established in offshore jurisdictions with either direct or indirect exposure to BMIS. These funds faced severe losses, and the Luxembourg funds are in liquidation. The documentation establishing both funds identifies UBS entities in various roles, including custodian, administrator, manager, distributor and promoter, and indicates that UBS employees serve as board members.

In 2009 and 2010, the liquidators of the two Luxembourg funds filed claims against UBS entities, non-UBS entities and certain individuals, including current and former UBS employees, seeking amounts totaling approximately EUR 2.1bn, which includes amounts that the funds may be held liable to pay the trustee for the liquidation of BMIS (BMIS Trustee).

A large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff fraud. The majority of these cases have been filed in Luxembourg, where decisions that the claims in eight test cases were inadmissible have been affirmed by the Luxembourg Court of Appeal, and the Luxembourg Supreme Court has dismissed a further appeal in one of the test cases.

In the US, the BMIS Trustee filed claims against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. The total amount claimed against all defendants in these actions was not less than USD 2bn. In 2014, the US Supreme Court rejected the BMIS Trustee's motion for leave to appeal decisions dismissing all claims except those for the recovery of approximately USD 125m of payments alleged to be fraudulent conveyances and preference payments. In 2016, the bankruptcy court dismissed these claims against the UBS entities. In 2019, the Court of Appeals reversed the dismissal of the BMIS Trustee's remaining claims, and the US Supreme Court subsequently denied a petition seeking review of the Court of Appeals' decision. The case has been remanded to the Bankruptcy Court for further proceedings.

Note 15 Provisions and contingent liabilities (continued)

4. Foreign exchange, LIBOR and benchmark rates, and other trading practices

Foreign exchange-related regulatory matters: Beginning in 2013, numerous authorities commenced investigations concerning possible manipulation of foreign exchange markets and precious metals prices. As a result of these investigations, UBS entered into resolutions with Swiss, US and United Kingdom regulators and the European Commission. UBS was granted conditional immunity by the Antitrust Division of the DOJ and by authorities in other jurisdictions in connection with potential competition law violations relating to foreign exchange and precious metals businesses.

Foreign exchange-related civil litigation: Putative class actions have been filed since 2013 in US federal courts and in other jurisdictions against UBS and other banks on behalf of putative classes of persons who engaged in foreign currency transactions with any of the defendant banks. UBS has resolved US federal court class actions relating to foreign currency transactions with the defendant banks and persons who transacted in foreign exchange futures contracts and options on such futures under a settlement agreement that provides for UBS to pay an aggregate of USD 141m and provide cooperation to the settlement classes. Certain class members have excluded themselves from that settlement and have filed individual actions in US and English courts against UBS and other banks, alleging violations of US and European competition laws and unjust enrichment. UBS and the other banks have resolved those individual matters.

In 2015, a putative class action was filed in federal court against UBS and numerous other banks on behalf of persons and businesses in the US who directly purchased foreign currency from the defendants and alleged co-conspirators for their own end use. In 2022, the court denied plaintiffs' motion for class certification. In March 2023, the court granted defendants' summary judgment motion, dismissing the case. Plaintiffs have appealed.

LIBOR and other benchmark-related regulatory matters: Numerous government agencies conducted investigations regarding potential improper attempts by UBS, among others, to manipulate LIBOR and other benchmark rates at certain times. UBS reached settlements or otherwise concluded investigations relating to benchmark interest rates with the investigating authorities. UBS was granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ and the Swiss Competition Commission (WEKO), in connection with potential antitrust or competition law violations related to certain rates. However, UBS has not reached a final settlement with WEKO, as the Secretariat of WEKO has asserted that UBS does not qualify for full immunity.

LIBOR and other benchmark-related civil litigation: A number of putative class actions and other actions are pending in the federal courts in New York against UBS and numerous other banks on behalf of parties who transacted in certain interest rate benchmark-based derivatives. Also pending in the US and in other jurisdictions are a number of other actions asserting losses related to various products whose interest rates were linked to LIBOR and other benchmarks, including adjustable rate mortgages, preferred and debt securities, bonds pledged as collateral, loans, depository accounts, investments and other interest-bearing instruments. The complaints allege manipulation, through various means, of certain benchmark interest rates, including USD LIBOR, Euroyen TIBOR, Yen LIBOR, EURIBOR, CHF LIBOR, GBP LIBOR and seek unspecified compensatory and other damages under varying legal theories.

Note 15 Provisions and contingent liabilities (continued)

USD LIBOR class and individual actions in the US: In 2013 and 2015, the district court in the USD LIBOR actions dismissed, in whole or in part, certain plaintiffs' antitrust claims, federal racketeering claims, Commodity Exchange Act claims, and state common law claims, and again dismissed the antitrust claims in 2016 following an appeal. In 2021, the Second Circuit affirmed the district court's dismissal in part and reversed in part and remanded to the district court for further proceedings. The Second Circuit, among other things, held that there was personal jurisdiction over UBS and other foreign defendants. Separately, in 2018, the Second Circuit reversed in part the district court's 2015 decision dismissing certain individual plaintiffs' claims and certain of these actions are now proceeding. In 2018, the district court denied plaintiffs' motions for class certification in the USD class actions for claims pending against UBS, and plaintiffs sought permission to appeal that ruling to the Second Circuit. The Second Circuit denied the petition to appeal. In 2020, an individual action was filed in the Northern District of California against UBS and numerous other banks alleging that the defendants conspired to fix the interest rate used as the basis for loans to consumers by jointly setting the USD LIBOR rate and monopolized the market for LIBOR-based consumer loans and credit cards. In September 2022, the court granted defendants' motion to dismiss the complaint in its entirety, while allowing plaintiffs the opportunity to file an amended complaint. Plaintiffs filed an amended complaint in October 2022, and defendants have moved to dismiss the amended complaint.

Other benchmark class actions in the US:

Yen LIBOR / Euroyen TIBOR – In 2017, the court dismissed one Yen LIBOR / Euroyen TIBOR action in its entirety on standing grounds. In 2020, the appeals court reversed the dismissal and, subsequently, plaintiffs in that action filed an amended complaint focused on Yen LIBOR. In 2022, the court granted UBS's motion for reconsideration and dismissed the case against UBS. The dismissal of the case against UBS could be appealed following the disposition of the case against the remaining defendant in the district court.

CHF LIBOR – In 2017, the court dismissed the CHF LIBOR action on standing grounds and failure to state a claim. Plaintiffs filed an amended complaint, and the court granted a renewed motion to dismiss in 2019. Plaintiffs appealed. In 2021, the Second Circuit granted the parties' joint motion to vacate the dismissal and remand the case for further proceedings. Plaintiffs filed a third amended complaint in November 2022 and defendants moved to dismiss the amended complaint in January 2023.

EURIBOR – In 2017, the court in the EURIBOR lawsuit dismissed the case as to UBS and certain other foreign defendants for lack of personal jurisdiction. Plaintiffs have appealed.

GBP LIBOR – The court dismissed the GBP LIBOR action in 2019. Plaintiffs have appealed.

Government bonds: Putative class actions have been filed since 2015 in US federal courts against UBS and other banks on behalf of persons who participated in markets for US Treasury securities since 2007. A consolidated complaint was filed in 2017 in the US District Court for the Southern District of New York alleging that the banks colluded with respect to, and manipulated prices of, US Treasury securities sold at auction and in the secondary market and asserting claims under the antitrust laws and for unjust enrichment. Defendants' motions to dismiss the consolidated complaint were granted in 2021. Plaintiffs filed an amended complaint, which defendants moved to dismiss later in 2021. In March 2022, the court granted defendants' motion to dismiss that complaint. Plaintiffs have appealed the dismissal. Similar class actions have been filed concerning European government bonds and other government bonds.

Note 15 Provisions and contingent liabilities (continued)

In 2021, the European Commission issued a decision finding that UBS and six other banks breached European Union antitrust rules in 2007–2011 relating to European government bonds. The European Commission fined UBS EUR 172m. UBS is appealing the amount of the fine.

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, our balance sheet at 30 June 2023 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

5. Swiss retrocessions

The Federal Supreme Court of Switzerland ruled in 2012, in a test case against UBS, that distribution fees paid to a firm for distributing third-party and intra-group investment funds and structured products must be disclosed and surrendered to clients who have entered into a discretionary mandate agreement with the firm, absent a valid waiver. FINMA issued a supervisory note to all Swiss banks in response to the Supreme Court decision. UBS has met the FINMA requirements and has notified all potentially affected clients.

The Supreme Court decision has resulted, and continues to result, in a number of client requests for UBS to disclose and potentially surrender retrocessions. Client requests are assessed on a case-by-case basis. Considerations taken into account when assessing these cases include, among other things, the existence of a discretionary mandate and whether or not the client documentation contained a valid waiver with respect to distribution fees.

Our balance sheet at 30 June 2023 reflected a provision with respect to matters described in this item 5 in an amount that UBS believes to be appropriate under the applicable accounting standard. The ultimate exposure will depend on client requests and the resolution thereof, factors that are difficult to predict and assess. Hence, as in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

Note 16 Supplemental guarantor information required under SEC regulations

Joint liability of UBS Switzerland AG

In 2015, the Personal & Corporate Banking and Wealth Management businesses booked in Switzerland were transferred from UBS AG to UBS Switzerland AG through an asset transfer in accordance with the Swiss Merger Act. Under the terms of the asset transfer agreement, UBS Switzerland AG assumed joint liability for contractual obligations of UBS AG existing on the asset transfer date, including the full and unconditional guarantee of certain registered debt securities issued by UBS AG. To reflect this joint liability, UBS Switzerland AG is presented in a separate column as a subsidiary co-guarantor.

The joint liability of UBS Switzerland AG for contractual obligations of UBS AG decreased in the first half of 2023 by USD 0.8bn to USD 3.5bn as of 30 June 2023. The decrease substantially relates to a combination of contractual maturities, early extinguishments, fair value movements and foreign currency effects.

Supplemental guarantor information

The following tables provide supplemental guarantor information that is required under SEC regulations.

Supplemental guarantor consolidated income statement

<i>USD m</i>	UBS AG (standalone) ¹	UBS Switzerland AG (standalone) ¹	Other subsidiaries ²	Elimination entries	UBS AG (consolidated)
For the six months ended 30 June 2023					
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	4,911	3,248	4,399	(2,260)	10,298
Interest expense from financial instruments measured at amortized cost	(6,508)	(1,085)	(3,543)	2,675	(8,461)
Net interest income from financial instruments measured at fair value through profit or loss and other	461	343	460	(407)	856
Net interest income	(1,136)	2,506	1,316	8	2,694
Other net income from financial instruments measured at fair value through profit or loss	3,605	505	533	366	5,009
Fee and commission income	1,384	2,557	6,457	(314)	10,083
Fee and commission expense	(345)	(233)	(601)	314	(866)
Net fee and commission income	1,038	2,324	5,855	0	9,217
Other income	2,166	118	527	(2,418)	392
Total revenues	5,673	5,453	8,231	(2,045)	17,313
Credit loss expense / (release)	1	21	29	3	54
Personnel expenses	1,670	1,092	4,983	0	7,745
General and administrative expenses	1,834	1,735	3,216	(1,360)	5,425
Depreciation, amortization and impairment of non-financial assets	427	198	605	(54)	1,176
Operating expenses	3,931	3,025	8,804	(1,414)	14,346
Operating profit / (loss) before tax	1,741	2,407	(602)	(634)	2,912
Tax expense / (benefit)	50	436	241	48	776
Net profit / (loss)	1,691	1,971	(843)	(683)	2,136
Net profit / (loss) attributable to non-controlling interests	0	0	12	0	12
Net profit / (loss) attributable to shareholders	1,691	1,971	(855)	(683)	2,124

¹ Amounts presented for UBS AG standalone and UBS Switzerland AG standalone represent IFRS standalone information. Refer to the UBS AG standalone and UBS Switzerland AG standalone financial statements under "Complementary financial information" at ubs.com/investors for information prepared in accordance with Swiss GAAP. ² The "Other subsidiaries" column includes consolidated information for the UBS Americas Holding LLC, UBS Europe SE and UBS Asset Management AG significant sub-groups, as well as standalone information for other subsidiaries.

Note 16 Supplemental guarantor information required under SEC regulations (continued)

Supplemental guarantor consolidated statement of comprehensive income

<i>USD m</i>	UBS AG (standalone) ¹	UBS Switzerland AG (standalone) ¹	Other subsidiaries ²	Elimination entries	UBS AG (consolidated)
For the six months ended 30 June 2023					
Comprehensive income attributable to shareholders					
Net profit / (loss)	1,691	1,971	(855)	(683)	2,124
Other comprehensive income					
Other comprehensive income that may be reclassified to the income statement					
Foreign currency translation, net of tax	10	470	63	(297)	246
Financial assets measured at fair value through other comprehensive income, net of tax	1		1		1
Cash flow hedges, net of tax	40	108	(79)	(5)	64
Cost of hedging, net of tax	6		(1)		6
Total other comprehensive income that may be reclassified to the income statement, net of tax	57	578	(16)	(302)	317
Other comprehensive income that will not be reclassified to the income statement					
Defined benefit plans, net of tax	3	(18)	2		(12)
Own credit on financial liabilities designated at fair value, net of tax	(100)				(100)
Total other comprehensive income that will not be reclassified to the income statement, net of tax	(96)	(18)	2		(112)
Total other comprehensive income	(39)	560	(14)	(302)	206
Total comprehensive income attributable to shareholders	1,652	2,531	(870)	(985)	2,329
Total comprehensive income attributable to non-controlling interests			14		14
Total comprehensive income	1,652	2,531	(856)	(985)	2,343

¹ Amounts presented for UBS AG standalone and UBS Switzerland AG standalone represent IFRS standalone information. Refer to the UBS AG standalone and UBS Switzerland AG standalone financial statements, available under "Complementary financial information" at ubs.com/investors, for information prepared in accordance with Swiss GAAP. ² The "Other subsidiaries" column includes consolidated information for the UBS Americas Holding LLC, UBS Europe SE and UBS Asset Management AG significant sub-groups, as well as standalone information for other subsidiaries.

Note 16 Supplemental guarantor information required under SEC regulations (continued)

Supplemental guarantor consolidated balance sheet

<i>USD m</i>	UBS		Other subsidiaries ²	Elimination entries	UBS AG (consolidated)
As of 30 June 2023	UBS AG (standalone) ¹	Switzerland AG (standalone) ¹			
Assets					
Cash and balances at central banks	41,403	84,668	33,354		159,425
Amounts due from banks	58,247	6,891	16,479	(60,222)	21,395
Receivables from securities financing transactions measured at amortized cost	48,438	827	39,088	(26,375)	61,977
Cash collateral receivables on derivative instruments	36,017	1,832	10,757	(13,538)	35,068
Loans and advances to customers	91,603	239,061	97,024	(30,091)	397,596
Other financial assets measured at amortized cost	23,165	8,674	23,093	(2,753)	52,180
Total financial assets measured at amortized cost	298,872	341,954	219,795	(132,979)	727,642
Financial assets at fair value held for trading	106,625	124	15,466	(1,982)	120,232
<i>of which: assets pledged as collateral that may be sold or repledged by counterparties</i>	<i>45,553</i>	<i>1</i>	<i>7,170</i>	<i>(13,156)</i>	<i>39,568</i>
Derivative financial instruments	122,172	4,810	30,912	(33,849)	124,046
Brokerage receivables	11,314		9,905	0	21,218
Financial assets at fair value not held for trading	53,343	4,255	30,637	(24,522)	63,714
Total financial assets measured at fair value through profit or loss	293,455	9,189	86,919	(60,353)	329,210
Financial assets measured at fair value through other comprehensive income	1,935		282		2,217
Investments in subsidiaries and associates	50,969	34	0	(49,894)	1,109
Property, equipment and software	5,904	1,707	3,847	(265)	11,193
Goodwill and intangible assets	212		6,064	5	6,281
Deferred tax assets	1,752	263	7,479	(83)	9,411
Other non-financial assets	6,354	1,697	1,193	10	9,254
Total assets	659,454	354,843	325,579	(243,558)	1,096,318
Liabilities					
Amounts due to banks	45,557	42,309	60,365	(131,941)	16,290
Payables from securities financing transactions measured at amortized cost	21,049	439	17,170	(26,338)	12,320
Cash collateral payables on derivative instruments	32,431	1,361	11,108	(13,456)	31,445
Customer deposits	97,967	276,512	119,750	27,428	521,657
Funding from UBS Group AG measured at amortized cost	61,445				61,445
Debt issued measured at amortized cost	53,535	9,083	1	(57)	62,561
Other financial liabilities measured at amortized cost	5,598	3,076	6,118	(3,119)	11,673
Total financial liabilities measured at amortized cost	317,581	332,780	214,513	(147,482)	717,392
Financial liabilities at fair value held for trading	30,727	351	6,321	(1,784)	35,616
Derivative financial instruments	125,014	5,316	30,850	(33,813)	127,367
Brokerage payables designated at fair value	29,158		14,204	(4)	43,357
Debt issued designated at fair value	78,084		783	(127)	78,741
Other financial liabilities designated at fair value	20,073		22,163	(10,811)	31,425
Total financial liabilities measured at fair value through profit or loss	283,056	5,667	74,321	(46,539)	316,506
Provisions	1,889	215	1,713	(1)	3,817
Other non-financial liabilities	1,205	1,098	2,943	84	5,330
Total liabilities	603,731	339,760	293,491	(193,938)	1,043,044
Equity attributable to shareholders	55,723	15,083	31,736	(49,620)	52,922
Equity attributable to non-controlling interests			352		352
Total equity	55,723	15,083	32,088	(49,620)	53,274
Total liabilities and equity	659,454	354,843	325,579	(243,558)	1,096,318

¹ Amounts presented for UBS AG standalone and UBS Switzerland AG standalone represent IFRS standalone information. Refer to the UBS AG standalone and UBS Switzerland AG standalone financial statements, available under "Complementary financial information" at ubs.com/investors, for information prepared in accordance with Swiss GAAP. ² The "Other subsidiaries" column includes consolidated information for the UBS Americas Holding LLC, UBS Europe SE and UBS Asset Management AG significant sub-groups, as well as standalone information for other subsidiaries.

Note 16 Supplemental guarantor information required under SEC regulations (continued)

Supplemental guarantor consolidated statement of cash flows

USD m

For the six months ended 30 June 2023

	UBS AG ¹	UBS Switzerland AG ¹	Other subsidiaries ¹	UBS AG (consolidated)
Net cash flow from / (used in) operating activities	(17,054)	699	(2,755)	(19,110)
Cash flow from / (used in) investing activities				
Disposal of subsidiaries, associates and intangible assets ²	35			35
Purchase of property, equipment and software	(220)	(142)	(307)	(669)
Purchase of financial assets measured at fair value through other comprehensive income	(2,392)		(52)	(2,444)
Disposal and redemption of financial assets measured at fair value through other comprehensive income	2,408		60	2,468
Purchase of debt securities measured at amortized cost	(5,005)	(1,059)	(1,477)	(7,541)
Disposal and redemption of debt securities measured at amortized cost	1,141	1,421	2,097	4,659
Net cash flow from / (used in) investing activities	(4,033)	220	321	(3,492)
Cash flow from / (used in) financing activities				
Net issuance (repayment) of short-term debt measured at amortized cost	5,519	4	32	5,555
Distributions paid on UBS AG shares	(6,000)			(6,000)
Issuance of debt designated at fair value and long-term debt measured at amortized cost ³	50,162	479	500	51,141
Repayment of debt designated at fair value and long-term debt measured at amortized cost ³	(43,322)	(645)	(124)	(44,091)
Net cash flows from other financing activities	(124)	0	(118)	(242)
Net activity related to group internal capital transactions and dividends	5,128	(2,944)	(2,185)	0
Net cash flow from / (used in) financing activities	11,363	(3,106)	(1,895)	6,362
Total cash flow				
Cash and cash equivalents at the beginning of the year	63,608	86,232	45,359	195,200
Net cash flow from / (used in) operating, investing and financing activities	(9,724)	(2,187)	(4,329)	(16,239)
Effects of exchange rate differences on cash and cash equivalents	(472)	2,470	2	1,999
Cash and cash equivalents at the end of the period⁴	53,412	86,515	41,032	180,959

¹ Cash flows generally represent a third-party view from a UBS AG consolidated perspective, except for Net activity related to group internal capital transactions and dividends. ² Includes dividends received from associates. ³ Includes funding from UBS Group AG to UBS AG. ⁴ Consists of balances with an original maturity of three months or less. USD 3,073m were restricted.

Note 16 Supplemental guarantor information required under SEC regulations (continued)

Supplemental guarantor consolidated income statement

<i>USD m</i>	UBS AG (standalone) ¹	UBS Switzerland AG (standalone) ¹	Other subsidiaries ²	Elimination entries	UBS AG (consolidated)
For the six months ended 30 June 2022					
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	1,506	1,775	1,638	(393)	4,526
Interest expense from financial instruments measured at amortized cost	(1,629)	(238)	(643)	597	(1,912)
Net interest income from financial instruments measured at fair value through profit or loss and other	557	238	136	(165)	766
Net interest income	434	1,775	1,132	39	3,380
Other net income from financial instruments measured at fair value through profit or loss	2,373	469	468	535	3,845
Fee and commission income	1,634	2,606	7,230	(366)	11,103
Fee and commission expense	(373)	(247)	(678)	363	(934)
Net fee and commission income	1,261	2,359	6,552	(3)	10,169
Other income	3,653	104	1,944	(4,567)	1,135
Total revenues	7,721	4,708	10,095	(3,995)	18,529
Credit loss expense / (release)	(31)	58	(4)	2	25
Personnel expenses	1,782	1,031	5,183	0	7,996
General and administrative expenses	1,642	1,688	2,596	(1,330)	4,597
Depreciation, amortization and impairment of non-financial assets	432	158	366	(55)	900
Operating expenses	3,856	2,877	8,145	(1,385)	13,492
Operating profit / (loss) before tax	3,896	1,774	1,954	(2,612)	5,012
Tax expense / (benefit)	(18)	322	557	165	1,026
Net profit / (loss)	3,914	1,452	1,397	(2,777)	3,986
Net profit / (loss) attributable to non-controlling interests	0	0	18	0	18
Net profit / (loss) attributable to shareholders	3,914	1,452	1,379	(2,777)	3,968

¹ Amounts presented for UBS AG standalone and UBS Switzerland AG standalone represent IFRS standalone information. Refer to the UBS AG standalone and UBS Switzerland AG standalone financial statements under "Complementary financial information" at ubs.com/investors for information prepared in accordance with Swiss GAAP. ² The "Other subsidiaries" column includes consolidated information for the UBS Americas Holding LLC, UBS Europe SE and UBS Asset Management AG significant sub-groups, as well as standalone information for other subsidiaries.

Note 16 Supplemental guarantor information required under SEC regulations (continued)

Supplemental guarantor consolidated statement of comprehensive income

<i>USD m</i>	UBS				
For the six months ended 30 June 2022	UBS AG (standalone) ¹	Switzerland AG (standalone) ¹	Other subsidiaries ²	Elimination entries	UBS AG (consolidated)
Comprehensive income attributable to shareholders					
Net profit / (loss)	3,914	1,452	1,379	(2,777)	3,968
Other comprehensive income					
Other comprehensive income that may be reclassified to the income statement					
Foreign currency translation, net of tax	(107)	(688)	(647)	641	(801)
Financial assets measured at fair value through other comprehensive income, net of tax ³	(6)		10	0	3
Cash flow hedges, net of tax	(1,970)	(889)	(492)	(3)	(3,355)
Cost of hedging, net of tax	98				98
Total other comprehensive income that may be reclassified to the income statement, net of tax	(1,986)	(1,576)	(1,130)	637	(4,055)
Other comprehensive income that will not be reclassified to the income statement					
Defined benefit plans, net of tax	266	(94)	57	0	229
Own credit on financial liabilities designated at fair value, net of tax	693				693
Total other comprehensive income that will not be reclassified to the income statement, net of tax	960	(94)	57	0	922
Total other comprehensive income	(1,027)	(1,671)	(1,073)	637	(3,133)
Total comprehensive income attributable to shareholders	2,888	(219)	307	(2,140)	835
Total comprehensive income attributable to non-controlling interests			9		9
Total comprehensive income	2,888	(219)	316	(2,140)	844

¹ Amounts presented for UBS AG standalone and UBS Switzerland AG standalone represent IFRS standalone information. Refer to the UBS AG standalone and UBS Switzerland AG standalone financial statements, available under "Complementary financial information" at ubs.com/investors, for information prepared in accordance with Swiss GAAP. ² The "Other subsidiaries" column includes consolidated information for the UBS Americas Holding LLC, UBS Europe SE and UBS Asset Management AG significant sub-groups, as well as standalone information for other subsidiaries. ³ Effective 1 April 2022, a portfolio of assets previously classified as Financial assets measured at fair value through other comprehensive income was reclassified to Other financial assets measured at amortized cost. Refer to Note 10a for more information.

Note 16 Supplemental guarantor information required under SEC regulations (continued)

Supplemental guarantor consolidated balance sheet

<i>USD m</i>	UBS				
As of 31 December 2022	UBS AG (standalone) ¹	Switzerland AG (standalone) ¹	Other subsidiaries ²	Elimination entries	UBS AG (consolidated)
Assets					
Cash and balances at central banks	48,689	84,465	36,291	0	169,445
Amounts due from banks	39,691	6,357	19,063	(50,441)	14,671
Receivables from securities financing transactions measured at amortized cost	51,493	903	34,110	(18,691)	67,814
Cash collateral receivables on derivative instruments	35,594	1,221	10,074	(11,856)	35,033
Loans and advances to customers	90,168	229,861	101,231	(31,233)	390,027
Other financial assets measured at amortized cost	24,005	9,532	21,880	(2,029)	53,389
Total financial assets measured at amortized cost	289,641	332,339	222,649	(114,250)	730,379
Financial assets at fair value held for trading	95,810	173	13,899	(1,848)	108,034
<i>of which: assets pledged as collateral that may be sold or repledged by counterparties</i>	<i>41,056</i>	<i>0</i>	<i>5,578</i>	<i>(9,892)</i>	<i>36,742</i>
Derivative financial instruments	149,447	5,925	35,106	(40,368)	150,109
Brokerage receivables	9,763	0	7,814	0	17,576
Financial assets at fair value not held for trading	45,302	4,354	26,843	(17,091)	59,408
Total financial assets measured at fair value through profit or loss	300,321	10,453	83,661	(59,308)	335,127
Financial assets measured at fair value through other comprehensive income					
Investments in subsidiaries and associates	54,323	33	0	(53,255)	1,101
Property, equipment and software	5,852	1,654	4,077	(267)	11,316
Goodwill and intangible assets	213	0	6,050	5	6,267
Deferred tax assets	1,624	276	7,470	(16)	9,354
Other non-financial assets	6,930	1,768	951	4	9,652
Total assets	660,856	346,522	325,144	(227,087)	1,105,436
Liabilities					
Amounts due to banks	41,395	37,123	51,555	(118,477)	11,596
Payables from securities financing transactions measured at amortized cost	9,425	247	13,303	(18,774)	4,202
Cash collateral payables on derivative instruments	35,528	1,518	11,191	(11,800)	36,436
Customer deposits	98,628	273,316	132,619	22,608	527,171
Funding from UBS Group AG measured at amortized cost	56,147	0	0	0	56,147
Debt issued measured at amortized cost	50,706	8,965	1	(173)	59,499
Other financial liabilities measured at amortized cost	4,903	2,221	5,554	(2,287)	10,391
Total financial liabilities measured at amortized cost	296,733	323,391	214,222	(128,903)	705,442
Financial liabilities at fair value held for trading	25,059	183	5,843	(1,570)	29,515
Derivative financial instruments	153,778	6,177	35,314	(40,363)	154,906
Brokerage payables designated at fair value	32,346	0	12,746	(7)	45,085
Debt issued designated at fair value	71,444	0	508	(110)	71,842
Other financial liabilities designated at fair value	17,888	0	17,074	(2,928)	32,033
Total financial liabilities measured at fair value through profit or loss	300,514	6,360	71,484	(44,977)	333,382
Provisions	1,904	239	1,041	(2)	3,183
Other non-financial liabilities	1,630	1,019	3,742	98	6,489
Total liabilities	600,782	331,009	290,490	(173,785)	1,048,496
Equity attributable to shareholders					
Equity attributable to non-controlling interests	60,075	15,513	34,313	(53,303)	56,598
Total equity	60,075	15,513	34,655	(53,303)	56,940
Total liabilities and equity	660,856	346,522	325,144	(227,087)	1,105,436

¹ Amounts presented for UBS AG standalone and UBS Switzerland AG standalone represent IFRS standalone information. Refer to the UBS AG standalone and UBS Switzerland AG standalone financial statements, available under "Complementary financial information" at ubs.com/investors, for information prepared in accordance with Swiss GAAP. ² The "Other subsidiaries" column includes consolidated information for the UBS Americas Holding LLC, UBS Europe SE and UBS Asset Management AG significant sub-groups, as well as standalone information for other subsidiaries.

Note 16 Supplemental guarantor information required under SEC regulations (continued)

Supplemental guarantor consolidated statement of cash flows

<i>USD m</i>				
For the six months ended 30 June 2022	UBS AG ¹	UBS Switzerland AG ¹	Other subsidiaries ¹	UBS AG (consolidated)
Net cash flow from / (used in) operating activities	13,625	6,134	(3,121)	16,639
Cash flow from / (used in) investing activities				
Disposal of subsidiaries, associates and intangible assets ²	31		880	911
Purchase of property, equipment and software	(276)	(145)	(275)	(695)
Disposal of property, equipment and software	3	0	0	3
Purchase of financial assets measured at fair value through other comprehensive income	(2,275)		(547)	(2,821)
Disposal and redemption of financial assets measured at fair value through other comprehensive income	1,498		794	2,291
Purchase of debt securities measured at amortized cost	(5,879)	(622)	(1,666)	(8,167)
Disposal and redemption of debt securities measured at amortized cost	2,160	313	1,440	3,914
Net cash flow from / (used in) investing activities	(4,738)	(454)	627	(4,565)
Cash flow from / (used in) financing activities				
Net issuance (repayment) of short-term debt measured at amortized cost	(10,421)	(3)	(16)	(10,440)
Distributions paid on UBS AG shares	(4,200)			(4,200)
Issuance of debt designated at fair value and long-term debt measured at amortized cost ³	48,258	550	48	48,856
Repayment of debt designated at fair value and long-term debt measured at amortized cost ³	(35,671)	(385)	(253)	(36,309)
Net cash flows from other financing activities	(130)		(211)	(341)
Net activity related to group internal capital transactions and dividends	4,092	(2,088)	(2,004)	0
Net cash flow from / (used in) financing activities	1,929	(1,926)	(2,436)	(2,433)
Total cash flow				
Cash and cash equivalents at the beginning of the year	57,895	92,799	57,061	207,755
Net cash flow from / (used in) operating, investing and financing activities	10,816	3,755	(4,930)	9,642
Effects of exchange rate differences on cash and cash equivalents	(3,671)	(4,342)	(1,635)	(9,648)
Cash and cash equivalents at the end of the period⁴	65,040	92,212	50,496	207,748

¹ Cash flows generally represent a third-party view from a UBS AG consolidated perspective, except for Net activity related to group internal capital transactions and dividends. ² Includes cash proceeds from the sale of UBS AG's shareholding in its Japanese real estate joint venture, Mitsubishi Corp.-UBS Realty Inc., and dividends received from associates. ³ Includes funding from UBS Group AG to UBS AG. ⁴ Consists of balances with an original maturity of three months or less. USD 4,434m were restricted.

REGISTERED OFFICE OF THE ISSUER

UBS AG, London Branch
5 Broadgate
London
EC2M 2QS
United Kingdom

ISSUER'S AUDITORS

Ernst & Young Ltd
Aeschengraben 9
P.O. Box 2149 CH-4002 Basel
Switzerland

LEGAL ADVISERS

(as to Singapore law)

Allen & Gledhill LLP

One Marina Boulevard #28-00
Singapore 018989

WARRANT AGENT

The Central Depository (Pte) Limited

11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589