

SHANGHAI JAGUAR LAND ROVER AUTOMOTIVE SERVICE CO., LTD.

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS  
FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019  
IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION  
AND ITS ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.  
Balance sheet as at 31 December 2019  
(Expressed in Renminbi Yuan)

	Note	<u>2019</u>	<u>2018</u>
<b>Assets</b>			
Current assets			
Accounts receivable	5	31,181,892.75	51,584,262.98
Other receivables	6	2,878,919.66	4,429,057.88
Payments in advance		1,341,331.79	2,868,553.38
Inventories	7	1,187,781.84	2,743,285.81
Deferred expenses		899,827.28	893,397.54
Other current assets	8	569,467.01	1,371,197.01
		<hr/>	<hr/>
Total current assets		38,059,220.33	63,889,754.60
Fixed assets			
Original carrying amount		7,555,575.80	4,488,577.95
Less: Accumulated depreciation		(5,039,071.57)	(4,333,927.45)
		<hr/>	<hr/>
Net carrying amount of fixed assets	9	2,516,504.23	154,650.50
Long-term deferred expenses			
	10	764,516.37	1,201,382.85
		<hr/>	<hr/>
Total assets		<u>41,340,240.93</u>	<u>65,245,787.95</u>

The notes on pages 9 to 19 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.  
Balance sheet as at 31 December 2019 (continued)  
(Expressed in Renminbi Yuan)

	Note	<u>2019</u>	<u>2018</u>
Liabilities and owner's equities			
Current liabilities			
Short-term loans	11	36,576,206.74	54,961,221.06
Accounts payable		859,221.78	4,539,287.30
Deposit received		930,770.64	-
Taxes payable	4(c)	792,999.61	609,831.47
Other levies payable		14,106.61	-
Other accounts payable	12	1,010,557.30	5,175,905.75
Accrued expenses		8,082,720.48	7,580,821.94
		<hr/>	<hr/>
Total current liabilities		48,266,583.16	72,867,067.52
		<hr/>	<hr/>
Total liabilities		48,266,583.16	72,867,067.52

The notes on pages 9 to 19 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.  
Balance sheet as at 31 December 2019 (continued)  
(Expressed in Renminbi Yuan)

Liabilities and owner's equities (continued)	Note	<u>2019</u>	<u>2018</u>
Owner's equities			
Paid-in capital	13	16,000,000.00	16,000,000.00
Accumulated losses		<u>(22,926,342.23)</u>	<u>(23,621,279.57)</u>
Total owner's equities		<u>(6,926,342.23)</u>	<u>(7,621,279.57)</u>
Total liabilities and owner's equities		<u>41,340,240.93</u>	<u>65,245,787.95</u>

These financial statements have been approved by the Board of Directors of the Company.

Pan Qing Legal representative	Arthur Yu The person in charge of the accounting affairs	Gui Minghua The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

Date:

The notes on pages 9 to 19 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Income statement  
for the year ended 31 December 2019  
(Expressed in Renminbi Yuan)

	Note	2019	2018
Revenues from principal activities	14	35,315,115.92	66,602,011.95
Less: Cost of sales from principal activities		(29,263,423.12)	(58,033,674.59)
Business taxes and surcharges from principal activities	4(a)	(36,196.22)	(62,639.19)
Profit from principal activities		6,015,496.58	8,505,698.17
Less: Operating expenses		(4,754,902.71)	(5,796,070.26)
General and administrative expenses		(306,379.66)	(516,445.48)
Financial expenses	15	(578,252.65)	(153,359.72)
Operating profit		375,961.56	2,039,822.71
Add: Subsidy income		1,291,968.63	1,325,236.00
Non-operating income		57,296.57	457,113.13
Total profit before income tax		1,725,226.76	3,822,171.84
Less: Income tax	4(b)	(1,030,289.42)	-
Net profit for the year		694,937.34	3,822,171.84
Add: Accumulated losses at the beginning of the year		(23,621,279.57)	(27,443,451.41)
Accumulated losses carried forward		(22,926,342.23)	(23,621,279.57)

The notes on pages 9 to 19 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Cash flow statement  
for the year ended 31 December 2019  
(Expressed in Renminbi Yuan)

	Note to the cash flow statement	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		54,927,414.95	81,564,601.12
Cash received relating to other operating activities		1,291,968.63	1,325,236.00
		<hr/>	<hr/>
Sub-total of cash inflows		56,219,383.58	82,889,837.12
		<hr/>	<hr/>
Cash paid for purchasing goods and receiving services		10,091,258.62	15,679,160.35
Cash paid to and for employees		21,324,058.70	63,176,376.49
Cash paid for all types of taxes		1,759,979.53	14,459,758.16
Cash paid relating to other operating activities		490,913.87	15,213,416.88
		<hr/>	<hr/>
Sub-total of cash outflows		33,666,210.79	108,528,711.88
		<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	i	22,553,172.79	(25,638,874.76)
		<hr/>	<hr/>

The notes on pages 9 to 19 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Cash flow statement  
for the year ended 31 December 2019 (continued)  
(Expressed in Renminbi Yuan)

	Note to the cash flow statement	<u>2019</u>	<u>2018</u>
Cash flows from investing activities:			
Net cash received from disposal of fixed assets		-	1,176,600.97
Sub-total of cash inflows		-	1,176,600.97
Cash paid for acquisition of fixed assets		3,491,561.26	-
Sub-total of cash outflows		3,491,561.26	-
Net cash (outflow)/inflow from investing activities		(3,491,561.26)	1,176,600.97

The notes on pages 9 to 19 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Cash flow statement  
for the year ended 31 December 2019 (continued)  
(Expressed in Renminbi Yuan)

	Note to the cash flow statement	<u>2019</u>	<u>2018</u>
Cash flows from financing activities:			
Cash received from borrowings		<u>34,226,525.08</u>	<u>25,064,405.10</u>
Sub-total of cash inflows		<u>34,226,525.08</u>	<u>25,064,405.10</u>
Cash repayments of borrowings		52,611,539.33	-
Cash paid for interest expenses		<u>676,597.28</u>	<u>602,131.31</u>
Sub-total of cash outflows		<u>53,288,136.61</u>	<u>602,131.31</u>
Net cash (outflow)/inflow from financing activities		<u>(19,061,611.53)</u>	<u>24,462,273.79</u>
Net increase in cash and cash equivalents		<u>-</u>	<u>-</u>

The notes on pages 9 to 19 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Cash flow statement  
for the year ended 31 December 2019 (continued)  
(Expressed in Renminbi Yuan)

Notes to the cash flow statement

	<u>2019</u>	<u>2018</u>
i Reconciliation of net profit to cash flows from operating activities		
Net profit	694,937.34	3,822,171.84
Add: Depreciation of fixed assets	705,144.12	357,492.84
Amortisation of long-term deferred expenses	436,866.48	436,866.48
Increase/(decrease) in deferred expenses	(6,429.74)	2,741,049.09
Increase/(decrease) in accrued expenses	5,829,936.54	(1,649,793.54)
Gains on disposal of fixed assets	-	(457,025.50)
Financial expenses	676,597.28	590,155.66
Decrease in gross inventories	1,555,503.97	2,147,502.22
Decrease in gross operating receivables	18,151,692.04	6,375,784.91
Decrease in gross operating payables	(5,491,075.24)	(40,003,078.76)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	22,553,172.79	(25,638,874.76)
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The notes on pages 9 to 19 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Notes to the financial statements

(Expressed in Renminbi Yuan)

1 Company status

Shanghai Jaguar Land Rover Automotive Service Co., Ltd. ("the Company") was established in Shanghai by Jaguar Land Rover Investment (China) Co., Ltd. as a foreign invested enterprise on 10 March 2014 with an operating period of 30 years. The Company mainly engages in entrepot trade, regional trade, regional trade agency, technical development, transfer, consulting and services in the field of automotive science and technology, sales of automobile and its assembly, automobile supplies, hardware tools, crafts (excluding ivory and its products), clothing, automobile model, toys, textile, general merchandise, leather, luggage, outdoor goods, fitness equipment, glasses, cosmetics, stationery, accessories, electronic products, software, communications equipment, household appliances, chemical products (except dangerous chemical products, monitored chemicals, fireworks, civil explosives and precursor chemicals), wholesale of lubricants, import and export service, commission agency (excluding auction), retail (extra regional branches only), online retail (except commodities) and related supporting services, regional simple business reprocessing, warehousing services (excluding dangerous goods), conference and exhibition services, business management consulting, home and abroad advertisement designing, production and agency, and marketing planning. (Items related to above scope of business that shall be approved in accordance with laws and regulations can only be operated after approval by the relevant departments.) The Company has two branches in Huzhou and Changshu. Huzhou branch is mainly engaged in automobile development activities (except transportation) and technical consulting, sales of automobile assembly, craft gifts and clothes, auto exhibition, conference and exhibition services, advertisement production, and import and export of goods and technologies. Changshu branch mainly engages in driving experience service in the field, sales of automobile assembly, craft gifts and clothes, automobile exhibition, conference and exhibition services, import and export of goods and technologies, except goods and technologies that the Company is restricted to operate or prohibited to import or export by the State. The registered capital of the Company is RMB16,000,000. Jaguar Land Rover Investment (China) Co., Ltd. contributed RMB16,000,000 (representing 100%).

2 Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are in conformity with the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the PRC (MOF).

As at 31 December 2019, the Company's current liabilities exceeded its current assets by RMB 10,207,362.83, and total liabilities exceeded its total assets by RMB 6,926,342.23. Notwithstanding the above, these financial statements have been prepared on a going concern basis as the Company's parent company, Jaguar Land Rover Investment (China) Co., Ltd., has undertaken to provide such continuing financial assistance to the Company as may be necessary to maintain the Company as a going concern for at least 12 months since 31 December 2019. Accordingly, it is appropriate to prepare the financial statements on a going concern basis.

3 Significant accounting policies

(a) Accounting year

The accounting year of the Company is from 1 January to 31 December.

(b) Basis of preparation and measurement basis

The financial statements of the Company have been prepared on an accrual basis. Unless otherwise stated, the measurement basis used is historical cost.

(c) Functional currency

The Company's functional currency is the Renminbi.

(d) Translation of foreign currencies

Foreign currency transactions during the year are translated into Renminbi at the exchange rates quoted by the People's Bank of China ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Renminbi at the exchange rates quoted by the People's Bank of China ruling at the balance sheet date. Exchange gains and losses on foreign currency translation, except for the exchange gains and losses directly relating to the construction of fixed assets (see Note 3(h)), are dealt with in the income statement.

(e) Cash equivalents

Cash equivalents represent short-term, highly liquid investments, which are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

(f) Provision for bad and doubtful debts

The provision for bad and doubtful debts is estimated by management based on individual accounts receivable which show signs of uncollectibility and an ageing analysis. Provision for other receivables is determined based on their specific nature and management's estimate of their collectibility.

(g) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost comprises all costs of purchase and other costs. Inventories are measured at their actual cost upon acquisition. The cost of inventories is calculated using the month-end weighted average method.

Any excess of the cost over the net realisable value of each item of inventories is recognised as a provision for diminution in the value of inventories. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale and relevant taxes.

(h) Fixed assets

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see Note 3(k)).

Fixed assets are depreciated using the straight-line method over their estimated useful lives. The respective estimated useful lives and the estimated rate of residual values on cost for the Company's fixed assets are as follows:

	<u>Estimated useful life</u>	<u>Estimated rate of residual value</u>	<u>Rate of depreciation</u>
Vehicles	5 years	0%	20%
Leasehold improvement	Lower of remaining lease term and remaining useful life of leasehold asset	0%	20% - 33%

(i) Operating lease charges

Lease payments under operating leases are charged as expenses on a straight-line basis over the lease term.

(j) Long-term deferred expenses

Long-term deferred expenses are amortised on a straight-line basis over their beneficial periods. The amortisation period for the long-term deferred expenses is as follows:

Huzhou Experience Center Land Leasement	5 years
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(k) Provision for impairment

The carrying amounts of assets (including fixed assets and other assets) are assessed regularly to determine whether their recoverable amounts have declined below their carrying amounts. Assets are tested for impairment whenever events or changes in conditions indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The amount by which the carrying amount is reduced is the impairment loss.

The recoverable amount is the greater of the net selling price and the present value of the estimated future cash flows arising from the continuous use of the asset and from the disposal of the asset at the end of its useful life.

Provision for impairment are calculated on an item-by-item basis and recognised as an expense in the income statement.

If there is an indication that there has been a change in the factors used to determine the provision for impairment in prior years and as a result the estimated recoverable amount is greater than the carrying amount of the asset, the impairment loss recognised in prior years is reversed. Reversals of impairment losses are recognised in the income statement. An impairment loss is reversed only to the extent of the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

- (l) Income tax  
Income tax is recognised using the tax payable method. Income tax for the year is provided at the applicable tax rate on taxable income.
- (m) Provisions and contingent liabilities  
Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligations and a reliable estimate can be made.

Where it is not probable that the settlement of this obligation will cause an outflow of economic benefits, or the amount of the outflow cannot be estimated reliably, the obligation is disclosed as a contingent liability.

- (n) Revenue recognition  
When it is probable that the economic benefits will flow to the Company and the revenue and costs can be measured reliably, revenue is recognised in the income statement according to the following methods:
  - (i) Sale of goods  
Revenue is recognised when the significant risks and rewards of the ownership of goods have been transferred to the buyers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
  - (ii) Rendering of services  
When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue from the rendering of services is recognised in the income statement by reference to the stage of completion of the transaction based on the services performed to date as a percentage of the total services to be performed. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the costs incurred that are expected to be recoverable.
- (o) Borrowing costs  
Borrowing cost is recognised as financial expenses in the income statement when incurred.
- (p) Retirement benefits  
Pursuant to the relevant laws and regulations in the PRC, the Company has joined a defined contribution retirement plan for the employees arranged by a governmental organisation. The Company makes contributions to the retirement scheme at the applicable rates based on the employees' salaries. The contributions are capitalised into cost of assets or charged to the income statement on an accrual basis. After the payment of the contributions under the retirement plan, the Company does not have any other obligations in this respect.

(q) Related parties

If the Company has the power, directly or indirectly, to control, jointly control or exercise significant influence over another party, or vice versa, or where the Company and one or more parties are subject to common control from another party, they are considered to be related parties. Related parties may be individuals or enterprises.

4 Taxation and surcharges

(a) The types of tax and surcharges applicable to the Company's sale of goods and rendering of services include value added tax (VAT), urban maintenance and construction tax, education fee surcharge, regional education fee surcharge etc.

Tax name	Tax basis and applicable rate
VAT	Output VAT is 16% (13% since 1 April 2019) of product sales and 6% of taxable services revenue, based on tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable.
Urban maintenance and construction tax	Urban maintenance and construction tax of Shanghai, Huzhou branch and Changshu branch is levied at 1%, 5% and 5% of actual payment of VAT, respectively
Education fee surcharge	3% of actual payment of VAT
Regional education fee surcharge	2% of actual payment of VAT(1% before 1 July 2019)

Business taxes and surcharges from principal activities include urban maintenance and construction tax, education fee surcharge, regional education fee surcharge etc.

(b) Income tax

Income tax in the income statement represents:

	<u>2019</u>	<u>2018</u>
Provision for income tax for the year	1,030,289.42	-

The statutory income tax rate of the Company is 25%. For the current year, the Company is liable to income tax at the statutory rate (2018: 25%).

(c) Taxes payable

	<u>2019</u>	<u>2018</u>
Income tax payable	242,999.61	-
Withholding individual income tax	550,000.00	577,402.50
Others	-	32,428.97
	<hr/>	<hr/>
Total	<u>792,999.61</u>	<u>609,831.47</u>

5 Accounts receivable

The ageing analysis of the Company's accounts receivable is as follows:

	<u>2019</u>			<u>2018</u>		
	<u>RMB</u>	<u>Percentage of total accounts receivable</u>	<u>Provision for bad and doubtful debts</u>	<u>RMB</u>	<u>Percentage of total accounts receivable</u>	<u>Provision for bad and doubtful debts</u>
Within 1 year	17,312,478.35	55.52%	-	46,256,224.98	100.00%	-
After 2 years but within 3 years	13,869,414.40	44.48%	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>31,181,892.75</u>	<u>100.00%</u>	<u>-</u>	<u>46,256,224.98</u>	<u>100.00%</u>	<u>-</u>

The ageing is counted starting from the date when accounts receivable are recognised.

6 Other receivables

Other receivables by customer type:

	<u>2019</u>	<u>2018</u>
Amounts due from related parties	2,380,378.41	4,251,657.88
Amounts due from others	498,541.25	177,400.00
	<hr/>	<hr/>
Total	<u>2,878,919.66</u>	<u>4,429,057.88</u>

The ageing analysis of the Company's other receivables is as follows:

	2019			2018		
	<u>RMB</u>	<u>Percentage of total other receivables</u>	<u>Provision for bad and doubtful debts</u>	<u>RMB</u>	<u>Percentage of total other receivables</u>	<u>Provision for bad and doubtful debts</u>
Within 1 year	2,871,519.66	99.74%	-	4,344,057.88	98.08%	-
After 1 year but within 2 years	-	-	-	83,000.00	1.87%	-
After 2 years but within 3 years	5,400.00	0.19%	-	2,000.00	0.05%	-
After 3 years	2,000.00	0.07%	-	-	-	-
<b>Total</b>	<b>2,878,919.66</b>	<b>100.00%</b>	<b>-</b>	<b>4,429,057.88</b>	<b>100.00%</b>	<b>-</b>

The ageing is counted starting from the date when other receivables are recognised.

7

Inventories

	<u>2019</u>	<u>2018</u>
Merchandise	4,371,451.84	6,585,976.81
Less: Provision for diminution in value of inventories	(3,183,670.00)	(3,842,691.00)
	<u>1,187,781.84</u>	<u>2,743,285.81</u>

Provision for diminution in value of inventories:

	<u>2019</u>	<u>2018</u>
	Merchandise on hand	Merchandise on hand
Opening balance as at 1 January	(3,842,691.00)	(4,513,352.00)
Decrease during the year		
- Transfer out due to sales	659,021.00	670,661.00
Closing balance as at 31 December	<u>(3,183,670.00)</u>	<u>(3,842,691.00)</u>

8

Other current assets

	<u>2019</u>	<u>2018</u>
Deductible VAT	<u>569,467.01</u>	<u>1,371,197.01</u>

9 Fixed assets

	<u>Vehicles</u>	<u>Leasehold improvement</u>	<u>Total</u>
Cost			
As at 1 January 2019	1,364,419.07	3,124,158.88	4,488,577.95
Increase during the year	<u>3,066,997.85</u>	<u>-</u>	<u>3,066,997.85</u>
As at 31 December 2019	<u>4,431,416.92</u>	<u>3,124,158.88</u>	<u>7,555,575.80</u>
Accumulated depreciation			
As at 1 January 2019	(1,209,768.57)	(3,124,158.88)	(4,333,927.45)
Accrued depreciation for the year	<u>(705,144.12)</u>	<u>-</u>	<u>(705,144.12)</u>
As at 31 December 2019	<u>(1,914,912.69)</u>	<u>(3,124,158.88)</u>	<u>(5,039,071.57)</u>
Carrying amount			
As at 31 December 2019	<u>2,516,504.23</u>	<u>-</u>	<u>2,516,504.23</u>
As at 1 January 2019	<u>154,650.50</u>	<u>-</u>	<u>154,650.50</u>

10 Long-term deferred expenses

	Huzhou Experience Center <u>Land Leasement</u>
As at 1 January 2019	1,201,382.85
Decrease during the year	
- Transfer to deferred expenses	<u>(436,866.48)</u>
As at 31 December 2019	<u>764,516.37</u>

11 Short-term loans

	<u>2019</u>			<u>2018</u>		
	<u>Principal</u>	<u>Interest rate (p.a.)</u>	<u>Credit/ secured /pledged/ guaranteed</u>	<u>Principal</u>	<u>Interest rate (p.a.)</u>	<u>Credit/ secured /pledged/ guaranteed</u>
Cash pool loans from related parties	<u>36,576,206.74</u>	1.4%	Credit	<u>54,961,221.06</u>	1.4%	Credit

12	Other payables		
		<u>2019</u>	<u>2018</u>
	Service fee payable	860,557.30	5,003,931.00
	Others	150,000.00	171,974.75
		<hr/>	<hr/>
	Total	1,010,557.30	5,175,905.75
		<hr/>	<hr/>
13	Paid-in capital		
		<u>2019 and 2018</u>	
	Registered capital and paid-in capital	<u>Amount</u>	%
		RMB	
	Jaguar Land Rover (China) Investment Co., Ltd.	<u>16,000,000.00</u>	<u>100%</u>
	The above capital contributed by the investor has been verified by capital verification report Hu Ling Fang Kuai Shi Bao Zi (2014) No. SY0016 issued by Shanghai Linfang Certified Public Accountant Co., Ltd.		
14	Revenues from principal activities		
		<u>2019</u>	<u>2018</u>
	Sale of goods	4,003,057.33	4,391,486.63
	Rendering of services	31,312,058.59	62,210,525.32
		<hr/>	<hr/>
	Total	35,315,115.92	66,602,011.95
		<hr/>	<hr/>
15	Financial expenses		
		<u>2019</u>	<u>2018</u>
	Interest expenses incurred	676,597.28	590,155.66
	Net exchange gains	(105,066.17)	(443,310.25)
	Other financial expenses	6,721.54	6,514.31
		<hr/>	<hr/>
	Total	578,252.65	153,359.72
		<hr/>	<hr/>

16 Related party relationships and transactions

(a) Related party with controlling relationship

	<u>Registered address</u>	<u>Principal activities</u>	<u>Relationship with the Company</u>	<u>Type of legal entity</u>
Jaguar Land Rover (China) Investment Co., Ltd	Shanghai, China	Trading of motorcars	Parent company	Foreign funded enterprise

(b) Relationship between the Company and related parties without controlling relationships

	<u>Relationship with the Company</u>
Jaguar Land Rover Limited	Controlled by the same ultimate holding company
Chery Jaguar Land Rover Automotive Co., Ltd	Associate of parent company
Chery Jaguar Land Rover Automotive Sales Co., Ltd	Subsidiary of associate of parent company

(c) The amounts of the Company's related party transactions during the year and its balances with related parties at the year end are summarised as follows:

(i) The material related-party transactions of the Company are summarised as follows:

	<u>2019</u>	<u>2018</u>
Salary income of appointed employees	18,913,155.86	47,768,395.11
Salary expenses of appointed employees	988,343.33	3,722,349.82
Purchase of goods	4,014,461.15	10,806,196.61
Test drive experience service revenue	450,557.33	1,609,420.76
Revenue from brand promotion services	8,253,519.07	10,348,382.70
Repayment of cash pool borrowings	52,611,539.33	-
Borrowings from cash pool	34,226,525.08	25,064,405.10
Interest expenses	676,597.28	590,155.66

(ii) The balances of related party receivables, payables and borrowings at the end of the year are summarised as follows:

	<u>2019</u>	<u>2018</u>
Accounts receivable	28,007,675.01	45,440,821.20
Other receivables	2,380,378.41	4,251,657.88
Accounts payable	858,381.78	4,367,026.52
Other Payable	860,557.30	5,003,931.00
Short-term borrowings	36,576,206.74	54,961,221.06

17 Operating lease commitments

As at 31 December, the future minimum lease payments under non-cancellable operating leases in respect of the leasing of Properties were payable as follows:

	<u>2019</u>	<u>2018</u>
After 2 years but within 3 years	2,522,903.85	-
After 3 years	<u>2,775,194.25</u>	<u>5,298,098.10</u>
Total	<u><u>5,298,098.10</u></u>	<u><u>5,298,098.10</u></u>