

SSANGYONG MOTOR COMPANY

Separate Interim Financial Statements

(Unaudited)

March 31, 2020 and 2019

(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

Based on a report originally issued in Korean

The Board of Directors and Shareholders
Ssangyong Motor Company

We have reviewed the accompanying separate interim financial statements of Ssangyong Motor Company (the "Company"), which comprise the separate interim statement of financial position as of March 31, 2020, the separate interim statements of comprehensive loss, changes in equity and cash flows for the three-month periods ended March 31, 2020 and 2019 and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with Korean International Financial Reporting Standards ("K-IFRS") No.1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of the separate interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' review responsibility

Our responsibility is to issue a report on these separate interim financial statements based on our review.

We conducted our review in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Disclaimer of Opinion

The accompanying separate interim financial statements have been prepared assuming that the Company will continue as a going concern and therefore the Company's assets and liabilities are accounted for on the assumption that they can be recovered or repaid at their carrying amount through the normal course of business activities. As discussed in note 36 to the separate interim financial statements, the Company has incurred operating loss of ₩97,751 million and a net loss of ₩192,896 million during the period ended March 31, 2020 and, as of that date, the Company's current liabilities exceed its current assets by ₩576,748 million.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Whether the Company to continue as a going concern or not includes a material uncertainty that depends on the final results of the capital reorganization plan and business improvement plan of the Company, as discussed in note 36 to the separate interim financial statement. However, we were not able to obtain sufficient appropriate review evidence that could reasonably estimate any adjustment of assets, liabilities and related profit or loss items that might be resulted from the outcome of this uncertainty.



Disclaimer of Opinion

Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we do not express a review opinion on the accompanying separate interim financial statements.

Other matters

The separate statement of financial position of the Company as of December 31, 2019, and the related separate statements of comprehensive loss, changes in equity and cash flows for the year then ended, which are not accompanying this report, were audited by us in accordance with Korean Standards on Auditing and our report thereon, dated March 16, 2020, expressed an unqualified opinion. The statement of financial position of the company as of December 31, 2019, presented for comparative purposes, is consistent, in all material respects, with the audited separate financial statements from which it has been derived.

The procedures and practices utilized in the Republic of Korea to review such separate interim financial statements may differ from those generally accepted and applied in other countries.

The accompanying separate interim financial statements as of and for the three-month periods ended March 31, 2020 and 2019 have been translated into Indian Rupee solely for the convenience of the reader and such translation does not comply with K-IFRS. We have reviewed the translation and nothing came to our attention that cause us to believe that the separate interim financial statements expressed in Korean won have not been translated into Indian Rupee on the basis set forth in note 2.(1) to the separate interim financial statements.

KPMG Samjong Accounting Corp.

Seoul, Korea
May 15, 2020

This report is effective as of May 15, 2020, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the separate interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

SSANGYONG MOTOR COMPANY
 Separate Interim Statements of Financial Position
 (Unaudited)

As of March 31, 2020 and December 31, 2019

(In thousands of won and in thousands of rupee)

	Note	Korean won		Indian rupee	
		2020	2019	2020	2019
Assets					
Cash and cash equivalents	4,5,35 ₩	42,532,527	119,130,707	Rs 2,629,148	7,364,065
Trade and other receivables, net	7,14,33,34,35	125,951,917	173,894,654	7,785,718	10,749,298
Derivative assets	27,35	230,190	-	14,229	-
Inventories, net	8,26	220,886,984	204,624,341	13,654,129	12,648,854
Non-current assets held for sale	10	15,865,159	-	980,705	-
Other current assets	11	12,892,084	8,879,552	796,924	548,889
Total current assets		<u>418,358,861</u>	<u>506,529,254</u>	<u>25,860,853</u>	<u>31,311,106</u>
Non-current financial instruments	5,35	4,000	4,000	247	247
Non-current other receivables, net	7,33,34,35	37,903,157	38,884,934	2,342,984	2,403,672
Non-current financial assets	6,35	560,000	560,000	34,616	34,616
Property, plant and equipment, net	12,15	1,043,992,639	1,141,386,612	64,534,405	70,554,813
Intangible assets, net	12,13	276,521,835	312,855,599	17,093,197	19,339,169
Investments in subsidiaries	9	297,411	297,411	18,384	18,384
Investments in joint venture	9	10,200,000	10,200,000	630,513	630,513
Other non-current assets	11	276,016	276,041	17,063	17,065
Right-of-use assets	14	5,374,798	5,851,154	332,243	361,689
Total non-current assets		<u>1,375,129,856</u>	<u>1,510,315,751</u>	<u>85,003,652</u>	<u>93,360,168</u>
Total assets		<u>₩ 1,793,488,717</u>	<u>2,016,845,005</u>	<u>Rs 110,864,505</u>	<u>124,671,274</u>

See accompanying notes to the separate interim financial statements.

SSANGYONG MOTOR COMPANY
 Separate Interim Statements of Financial Position, Continued
 (Unaudited)

As of March 31, 2020 and December 31, 2019

(In thousands of won and in thousands of rupee)

	Note	Korean won		Indian rupee	
		2020	2019	2020	2019
Liabilities					
Trade payables	34,35 ₩	363,390,729	477,054,916	Rs 22,462,998	29,489,150
Other payables	20,34,35	110,419,391	128,788,149	6,825,575	7,961,039
Short-term borrowings	15,20, 32,35	389,932,965	254,106,448	24,103,706	15,707,590
Derivative liabilities	27,35	87,120	-	5,385	-
Other financial liabilities	16,35	43,126,508	39,427,815	2,665,866	2,437,231
Provision of warranty for sale					
- current	17	56,566,741	50,305,013	3,496,673	3,109,604
Other long-term employee benefits liabilities- current		2,014,858	2,078,739	124,548	128,497
Other current liabilities	16,18,33, 34,35	23,383,034	25,535,241	1,445,422	1,578,461
Current lease liabilities	14,32,35	6,185,685	6,128,903	382,368	378,858
Total current liabilities		<u>995,107,031</u>	<u>983,425,224</u>	<u>61,512,541</u>	<u>60,790,430</u>
Long-term borrowings	15,20,32, 35	115,000,000	158,750,000	7,108,725	9,813,131
Non-current other payables	35	801,832	848,340	49,565	52,440
Other non-current liabilities	18,33	16,135,713	15,862,475	997,429	980,539
Defined benefit liabilities	19	361,745,063	356,155,261	22,361,271	22,015,738
Other long-term employee benefits liabilities		14,463,689	14,174,556	894,073	876,200
Non-current provision of warranty for sale	17	74,323,435	78,226,239	4,594,303	4,835,555
Non-current Lease liabilities	14,32,35	3,139,151	3,863,317	194,047	238,811
Total non-current liabilities		<u>585,608,883</u>	<u>627,880,188</u>	<u>36,199,413</u>	<u>38,812,414</u>
Total liabilities		<u>1,580,715,914</u>	<u>1,611,305,412</u>	<u>97,711,954</u>	<u>99,602,844</u>
Equity					
Capital stock	21,34	749,200,010	749,200,010	46,311,799	46,311,799
Other capital surplus	22	78,162,820	78,162,820	4,831,635	4,831,635
Other equity	23	130,390	-	8,060	-
Accumulated deficit	24	(614,720,417)	(421,823,237)	(37,998,943)	(26,075,004)
Total equity		<u>212,772,803</u>	<u>405,539,593</u>	<u>13,152,551</u>	<u>25,068,430</u>
Total liabilities and equity	₩	<u>1,793,488,717</u>	<u>2,016,845,005</u>	Rs <u>110,864,505</u>	<u>124,671,274</u>

See accompanying notes to the separate interim financial statements.

SSANGYONG MOTOR COMPANY
 Separate Interim Statements of Comprehensive Loss
 (Unaudited)

For the three-month periods ended March 31, 2020 and 2019

(In thousands of won and in thousands of rupee, except earnings per share information)

	Note	Korean won		Indian rupee	
		2020	2019	2020	2019
Sales	33,34 ₩	642,159,104	942,690,440	Rs 39,695,065	58,272,410
Cost of sales	26,34	635,106,995	831,980,932	39,259,139	51,428,901
Gross profit		<u>7,052,109</u>	<u>110,709,508</u>	<u>435,926</u>	<u>6,843,509</u>
Selling, general and administrative expenses	26,28	104,803,243	139,741,026	6,478,412	8,638,092
Operating loss		<u>(97,751,134)</u>	<u>(29,031,518)</u>	<u>(6,042,486)</u>	<u>(1,794,583)</u>
Other income	29,34	3,828,192	3,115,207	236,640	192,567
Other expenses	29,34	91,806,429	1,902,916	5,675,015	117,629
Finance income	27,30	1,609,254	3,664,979	99,476	226,551
Finance costs	27,30	8,776,272	3,351,903	542,505	207,198
Loss before income taxes		<u>(192,896,389)</u>	<u>(27,506,151)</u>	<u>(11,923,890)</u>	<u>(1,700,292)</u>
Income tax expenses	25	-	-	-	-
Loss for the period		<u>(192,896,389)</u>	<u>(27,506,151)</u>	<u>(11,923,890)</u>	<u>(1,700,292)</u>
Other comprehensive income (loss) for the period		129,599	(406,125)	8,011	(25,105)
Items that will never be reclassified to profit or loss:					
Defined benefit plan re-measurements	19,24	(791)	(1,675)	(49)	(104)
Items that are or may be reclassified subsequently to profit or loss:					
Changes in fair value of cash flow hedge	23,27	130,390	(404,450)	8,060	(25,001)
Total comprehensive loss for the period		₩ <u>(192,766,790)</u>	<u>(27,912,276)</u> Rs	<u>(11,915,879)</u>	<u>(1,725,397)</u>
Losses per share					
Basic and diluted losses per share (in won and in rupee)	31 ₩	(1,287)	(187) Rs	(80)	(12)

See accompanying notes to the separate interim financial statements.

SSANGYONG MOTOR COMPANY
Separate Interim Statements of Changes in Equity
(Unaudited)

For the three-month periods ended March 31, 2020 and 2019

(In thousands of won)

	Korean won							
	Capital stock	Other capital surplus			Debt to be swapped for equity	Other equity	Accumulated deficit	Total
		Paid-in capital in excess of par value	Gain on capital reduction	-				
Balance at January 1, 2019	₩ 689,746,980	12,916,273	74,061,697	-	931,508	103,000	(82,483,045)	695,276,413
Total comprehensive income(loss) for the period:								
Loss for the period	-	-	-	-	-	-	(27,506,151)	(27,506,151)
Defined benefit plan re-measurements	-	-	-	-	-	-	(1,675)	(1,675)
Changes in fair value of cash flow hedge	-	-	-	-	-	(404,450)	-	(404,450)
Transactions with owners of the Parent Company, recognized directly in equity:								
Issue of ordinary shares	59,453,030	(9,746,658)	-	-	-	-	-	49,706,372
Balance at March 31, 2019	₩ 749,200,010	3,169,615	74,061,697	-	931,508	(301,450)	(109,990,871)	717,070,509
Balance at January 1, 2020	₩ 749,200,010	3,169,615	74,061,697	-	931,508	-	(421,823,237)	405,539,593
Total comprehensive income(loss) for the period:								
Loss for the period	-	-	-	-	-	-	(192,896,389)	(192,896,389)
Defined benefit plan re-measurements	-	-	-	-	-	-	(791)	(791)
Changes in fair value of cash flow hedge	-	-	-	-	-	130,390	-	130,390
Balance at March 31, 2020	₩ 749,200,010	3,169,615	74,061,697	-	931,508	130,390	(614,720,417)	212,772,803

See accompanying notes to the separate interim financial statements.

SSANGYONG MOTOR COMPANY
Separate Interim Statements of Changes in Equity, Continued
(Unaudited)

For the three-month periods ended March 31, 2020 and 2019

(In thousands of rupee)

	Indian rupee							
	Capital stock	Paid-in capital in excess of par value	Other capital surplus		Debt to be swapped for equity	Other equity	Accumulated deficit	Total
			Gain on capital reduction					
Balance at January 1, 2019	Rs 42,636,710	798,420	4,578,124	5,7581	6,367	(5,098,689)	42,978,513	
Total comprehensive income(loss) for the period:								
Loss for the period	-	-	-	-	-	(1,700,292)	(1,700,292)	
Defined benefit plan re-measurements	-	-	-	-	-	(104)	(104)	
Changes in fair value of cash flow hedge	-	-	-	-	(25,001)	-	(25,001)	
Transactions with owners of the Parent Company, recognized directly in equity:								
Issue of ordinary shares	3,675,089	(602,490)	-	-	-	-	3,072,599	
Balance at March 31, 2019	Rs 46,311,799	195,930	4,578,124	5,7581	(18,634)	(6,799,085)	44,325,715	
Balance at January 1, 2020	Rs 46,311,799	195,930	4,578,124	5,7581	-	(26,075,004)	25,068,430	
Total comprehensive income(loss) for the period:								
Loss for the period	-	-	-	-	-	(11,923,890)	(11,923,890)	
Defined benefit plan re-measurements	-	-	-	-	-	(49)	(49)	
Changes in fair value of cash flow hedge	-	-	-	-	8,060	-	8,060	
Balance at March 31, 2020	Rs 46,311,799	195,930	4,578,124	5,7581	8,060	(37,998,943)	13,152,551	

See accompanying notes to the separate interim financial statements.

SSANGYONG MOTOR COMPANY
 Separate Interim Statements of Cash Flows
 (Unaudited)

For the three-month periods ended March 31, 2020 and 2019

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Cash flows from operating activities				
Loss for the period	₩ (192,896,389)	(27,506,151)	Rs (11,923,890)	(1,700,292)
Adjustment	169,870,588	76,315,322	10,500,550	4,717,431
Changes in assets and liabilities	(115,024,879)	132,589,421	(7,110,263)	8,196,015
Cash generated from operations (note 32)	<u>(138,050,680)</u>	<u>181,398,592</u>	<u>(8,533,603)</u>	<u>11,213,154</u>
Interest received	684,226	957,205	42,295	59,170
Interest paid	(2,975,982)	(1,356,872)	(183,960)	(83,875)
Dividends received	6,000	6,000	371	371
Net cash provided by (used in) operating activities	<u>(140,336,436)</u>	<u>181,004,925</u>	<u>(8,674,897)</u>	<u>11,188,820</u>
Cash flows from investing activities				
Proceed from disposal of property, plant and equipment	769,059	257,469	47,539	15,915
Acquisition of property, plant and equipment	(9,648,837)	(55,714,864)	(596,443)	(3,444,014)
Acquisition of intangible assets	(11,844,401)	(31,548,916)	(732,162)	(1,950,196)
Cash flow used in other investing activities	(870,349)	(1,388,145)	(53,801)	(85,808)
Net cash used in investing activities	<u>(21,594,528)</u>	<u>(88,394,456)</u>	<u>(1,334,867)</u>	<u>(5,464,103)</u>
Cash flows from financing activities				
Proceeds from borrowings	96,999,947	62,639,471	5,996,052	3,872,059
Proceeds from issuing capital stock	-	49,999,998	-	3,090,750
Receipts of government grants	-	40,932	-	2,530
Repayment of borrowings	(9,424,774)	(1,250,000)	(582,593)	(77,269)
Payment of lease liabilities	(2,242,389)	(2,252,775)	(138,613)	(139,255)
Stock issuance cost	-	(293,626)	-	(18,151)
Net cash provided by financing activities	<u>85,332,784</u>	<u>108,884,000</u>	<u>5,274,846</u>	<u>6,730,664</u>
Net increase(decrease) in cash and cash equivalents	<u>(76,598,180)</u>	<u>201,494,469</u>	<u>(4,734,918)</u>	<u>12,455,381</u>
Cash and cash equivalents at January 1	119,130,707	150,953,423	7,364,065	9,331,186
Cash and cash equivalents at March 31	<u>₩ 42,532,527</u>	<u>352,447,892</u>	<u>Rs 2,629,147</u>	<u>21,786,567</u>

See accompanying notes to the separate interim financial statements.

SSANGYONG MOTOR COMPANY
Notes to the Separate Interim Financial Statements
(Unaudited)

For the three-month periods ended March 31, 2020 and 2019

1. General Description of the Company

(1) Organization and description of business of the Company

Ssangyong Motor Company (the "Company") was incorporated on December 6, 1962, in the Republic of Korea and listed its stocks on the Korea Stock Exchange in May 1975. The Company is headquartered in Dongsak-ro, Pyeongtaek, and its factories are located in Pyeongtaek, Gyeonggi-do, and Changwon, Gyeongsangnam-do, Republic of Korea to manufacture, sell and fix multiple types of vehicle, heavy machinery and those parts.

(2) Major shareholders

As of March 31, 2020, the Company's shareholders are as follows:

Name of shareholder	Number of shares (In shares)	Percentage of ownership
Mahindra & Mahindra Ltd.	111,855,108	74.65%
Others	37,984,894	25.35%
	<u>149,840,002</u>	<u>100.00%</u>

2. Basis of Preparation and Accounting Policies

(1) Basis of translating separate financial statements

The separate financial statements are expressed in Korean won and have been translated into Indian rupees at the rate of INR 0.061815 to ₩1 on March 31, 2020, solely for the convenience of the reader. These translations should not be construed as a representation that any or all of the amounts shown could be converted into Indian rupees at this or any other rate.

(2) Statement of compliance

The separate interim financial statements have been prepared in accordance with Korean International Financial Reporting Standards ("K-IFRS"), as prescribed in the Act on External Audits of Corporations in the Republic of Korea.

These separate interim financial statements were prepared in accordance with K-IFRS No.1034, 'Interim Financial Reporting' as part of the period covered by the Company's K-IFRS annual financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual separate financial statements as of and for the year ended December 31, 2019. These separate interim financial statements do not include all of the disclosures required for full annual financial statements.

These separate interim financial statements are separate interim financial statements prepared in accordance with K-IFRS No.1027, 'Separate Financial Statements' presented by a parent, an investor in an associate or a venturer in a joint venture, in which the investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees.

SSANGYONG MOTOR COMPANY
Notes to the Separate Interim Financial Statements
(Unaudited)

For the three-month periods ended March 31, 2020 and 2019

2. Basis of Preparation and Accounting Policies, Continued

(3) Use of estimates and judgments

The preparation of the separate financial statements in conformity with K-IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management's judgment on the application of the Company's accounting policies and the estimated amount used in the quarterly financial statements is the same as the annual financial statements for the fiscal year ending December 31, 2019.

Meanwhile, the spread of COVID-19 during 2020 is having a significant impact on domestic and foreign economies. This can have a negative impact on the reduction or delay of sales and the recovery of existing receivables. This could also negatively affect our financial position and performance, which are expected to continue in the Company's annual financial statements in 2020.

Important accounting estimates and assumptions used in preparing the separate interim financial statements can be adjusted according to changes in uncertainty under COVID-19, and the ultimate impact of COVID-19 on the Company's business, financial status and management performance is unpredictable as of the end of the period.

3. Changes in accounting policies

The Company applied the following new standards, interpretations and amendments to existing standards from January 1, 2020, except for this, the significant accounting policies applied to the preparation of separate interim financial statements are the same as those adopted when preparing annual financial statements for the year ended December 31, 2019.

(1) Revised K-IFRS No.1001 'Presentation of Financial Statements' and K-IFRS No.1008 'Accounting Policies, Changes in Accounting Estimates and Errors - Definitions of Material'

The definition of material was clarified and K-IFRS No.1001 and K-IFRS No.1008 were amended in accordance with the clarified definitions. In determining the importance of the information, the impact of non-critical information as well as the omission or distortion of important information, and the characteristics of the users of the information to be disclosed by the Company were to be considered. There is no significant effect on the separate interim financial statements by amending the Standard.

(2) Revised K-IFRS No.1103 'Business Combinations - definition of a business'

In the revised project definition, in order to determine a set of acquired activities and assets as a business, inputs and practical processes with the ability to contribute significantly to the creation of output were required to be included, and economic benefits were excluded from the reduction in cost. In addition, when most of the fair value of the acquired total assets is concentrated on a single identifiable asset or company of assets, an optional intensive test was added that the acquired activities and company of assets can be determined by the company of assets or assets, not by the business. There is no significant effect on the separate interim financial statements by amending the Standard.

On the other hand, there are no standards or interpretations that have been enacted or announced but have not been applied since the enforcement date has not yet arrived.

SSANGYONG MOTOR COMPANY
Notes to the Separate Interim Financial Statements
(Unaudited)

For the three-month periods ended March 31, 2020 and 2019

4. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in banks and highly liquid short-term financial instruments that may be easily converted into cash and whose risk of value fluctuation is not material.

5. Restricted Financial Instruments

Restricted financial Instruments as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Financial institution	Korean won		Indian rupee		Description
		2020	2019	2020	2019	
Cash and cash equivalents	Shinhan Bank and others	₩ 442,845	187,494	Rs 27,374	11,590	Litigated asset, government grants and others
Long-term financial instruments	Woori Bank	752,793	752,317	46,534	46,504	Unconfirmed reorganization debt pledged as collateral
	Shinhan Bank and others	4,000	4,000	247	247	Bank account deposit
		₩ <u>1,199,638</u>	<u>943,811</u>	Rs <u>74,155</u>	<u>58,341</u>	

6. Non-current Financial Assets

Non-current financial assets as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won)

	Ownership (%)		2020		2019	
			Acquisition cost	Net asset value	Book value	Book value
Korea Business Finance Loan(*)	1.72	₩	500,000	736,772	500,000	500,000
Korea Management Consultants Association(*)	1.50		60,000	949,895	60,000	60,000
		₩	<u>560,000</u>	<u>1,686,667</u>	<u>560,000</u>	<u>560,000</u>

(In thousands of rupee)

	Ownership (%)		2020		2019	
			Acquisition cost	Net asset value	Book value	Book value
Korea Business Finance Loan(*)	1.72	Rs	30,907	45,544	30,907	30,907
Korea Management Consultants Association(*)	1.50		3,709	58,718	3,709	3,709
		Rs	<u>34,616</u>	<u>104,262</u>	<u>34,616</u>	<u>34,616</u>

(*) Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at acquisition cost.

SSANGYONG MOTOR COMPANY
Notes to the Separate Interim Financial Statements
(Unaudited)

For the three-month periods ended March 31, 2020 and 2019

7. Trade and Other Receivables

(1) Details of trade and other receivables as of March 31, 2020 and December 31, 2019 are as follows:
(In thousands of won)

	2020		2019	
	Current	Non-current	Current	Non-current
Trade receivables	₩ 108,798,114	-	159,356,266	100,000
Less: Allowance for doubtful accounts	(160,031)	-	(332,307)	(497)
Other receivables	8,318,255	108,077	7,104,763	108,172
Less: Allowance for doubtful accounts	(4,684,079)	(44,250)	(4,442,546)	(44,345)
Loans and others(*)	13,679,658	37,839,687	12,208,478	38,721,961
Less: Allowance for doubtful accounts	-	(357)	-	(357)
	₩ 125,951,917	37,903,157	173,894,654	38,884,934

(*) The Loans and others listed above include ₩3,852,762 thousand and ₩4,037,510 thousand for sub lease receivables as of March 31, 2020 and December 31, 2019, respectively. The interest revenue received by the sub lease contract are ₩150,324 thousand and ₩164,916 thousand for the three-month periods ended March 31, 2020 and 2019, respectively.

(In thousands of rupee)

	2020		2019	
	Current	Non-current	Current	Non-current
Trade receivables	Rs 6,725,355	-	9,850,608	6,182
Less: Allowance for doubtful accounts	(9,892)	-	(20,542)	(31)
Other receivables	514,193	6,681	439,181	6,687
Less: Allowance for doubtful accounts	(289,546)	(2,735)	(274,616)	(2,741)
Loans and others(*)	845,608	2,339,060	754,667	2,393,597
Less: Allowance for doubtful accounts	-	(22)	-	(22)
	Rs 7,785,718	2,342,984	10,749,298	2,403,672

(*) The Loans and others listed above include Rs 238,158 thousand and Rs 249,579 thousand for sub lease receivables as of March 31, 2020 and December 31, 2019, respectively. The interest revenue received by the sub lease contract are Rs 9,292 thousand and Rs 10,194 thousand for the three-month periods ended March 31, 2020 and 2019, respectively.

(2) Details of aging analysis of the trade and other receivables as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won)

	2020		2019	
	Trade receivables	Others(*)	Trade receivables	Others(*)
Less than 90 days	₩ 77,292,231	54,990,720	124,619,361	53,501,544
Less than 180 days	10,638,545	88,640	15,540,796	57,067
Less than 270 days	11,457,482	50,505	17,528,017	30,610
Less than 365 days	8,809,673	25,946	674,780	1,568
More than 366 days	600,183	4,789,866	1,093,312	4,552,585
Total	₩ 108,798,114	59,945,677	159,456,266	58,143,374
Impaired receivables	160,031	4,728,686	332,804	4,487,248

(*) Others consist of other receivables, loans and others.

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7. Trade and Other Receivables, Continued

(2) Details of aging analysis of the trade and other receivables as of March 31, 2020 and December 31, 2019 are as follows, Continued:

(In thousands of rupee)

		2020		2019	
		Trade receivables	Others(*)	Trade receivables	Others(*)
Less than 90 days	Rs	4,777,819	3,399,251	7,703,346	3,307,198
Less than 180 days		657,622	5,479	960,654	3,528
Less than 270 days		708,244	3,122	1,083,494	1,892
Less than 365 days		544,570	1,604	41,712	97
More than 366 days		37,100	296,086	67,583	281,418
Total	Rs	<u>6,725,355</u>	<u>3,705,542</u>	<u>9,856,789</u>	<u>3,594,133</u>
Impaired receivables		9,892	292,303	20,572	277,379

(*) Others consist of other receivables, loans and others.

(3) Changes in allowance for trade and other receivables the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won)

		2020		2019	
		Trade receivables	Others	Trade receivables	Others
Beginning balance	₩	332,804	4,487,248	124,299	4,369,256
Bad debt expense		-	241,533	101,722	91,505
Reversal of allowance for bad debts		(172,773)	(95)	-	-
Ending balance	₩	<u>160,031</u>	<u>4,728,686</u>	<u>226,021</u>	<u>4,460,761</u>

(In thousands of rupee)

		2020		2019	
		Trade receivables	Others	Trade receivables	Others
Beginning balance	Rs	20,572	277,379	7,684	270,085
Bad debt expense		-	14,930	6,288	5,656
Reversal of allowance for bad debts		(10,680)	(6)	-	-
Ending balance	Rs	<u>9,892</u>	<u>292,303</u>	<u>13,972</u>	<u>275,741</u>

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8. Inventories

Details of inventories as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Merchandises	₩ 39,254,014	37,958,354	Rs 2,426,487	2,346,396
Finished goods	81,827,467	73,488,372	5,058,165	4,542,684
Work-in-process	25,181,320	22,869,812	1,556,583	1,413,697
Raw materials	37,880,091	34,184,282	2,341,558	2,113,101
Sub-materials	377,342	375,663	23,325	23,222
Supplies	3,276,295	3,270,070	202,524	202,139
Goods in transit	33,090,455	32,477,788	2,045,487	2,007,615
	₩ <u>220,886,984</u>	<u>204,624,341</u>	Rs <u>13,654,129</u>	<u>12,648,854</u>

The Company has measured inventories at the lower of cost or net realizable value. The loss on valuation of inventories amounted to ₩1,176,886 thousand (Rs 72,749 thousand) for the three-month period ended March 31, 2020 and the reversal of loss on valuation of inventories amounted to ₩1,884,958 thousand (Rs 116,519 thousand) for the three-month period ended March 31, 2019.

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9. Investments in Subsidiaries and a Joint venture

Details of investment in subsidiaries and a joint venture as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won)

	Company	Location	Owner ship	Closing month	2020		2019
					Acquisition cost	Book value	Book value
Subsidiaries	Ssangyong Motor (Shanghai) Co., Ltd.	China	100%	December	₩ 5,338,097	297,411	297,411
	Ssangyong European Parts Center B.V.	Netherlands	100%	December	835,695	-	-
	Ssangyong Australia Pty Ltd.(*1)	Australia	100%	December	4,067,594	-	-
					<u>10,241,386</u>	<u>297,411</u>	<u>297,411</u>
Joint venture	SY Auto Capital Co., Ltd.(*2)	Korea	51%	December	10,200,000	10,200,000	10,200,000
					<u>₩ 20,441,386</u>	<u>10,497,411</u>	<u>10,497,411</u>

(*1) The company made additional investments of ₩1,116,761 thousand during the previous year. Impairment loss on investments in subsidiaries of ₩4,067,594 thousand was recognized for the year ended December 31, 2019.

(*2) SY Auto Capital Co., Ltd. were established under joint venture agreement as a joint venture since the Company has rights only to the net assets, and their legal structures of arrangements are separated.

(In thousands of rupee)

	Company	Location	Owner ship	Closing month	2020		2019
					Acquisition cost	Book value	Book value
Subsidiaries	Ssangyong Motor (Shanghai) Co., Ltd.	China	100%	December	Rs 329,974	18,384	18,384
	Ssangyong European Parts Center B.V.	Netherlands	100%	December	51,658	-	-
	Ssangyong Australia Pty Ltd.(*1)	Australia	100%	December	251,438	-	-
					<u>633,070</u>	<u>18,384</u>	<u>18,384</u>
Joint venture	SY Auto Capital Co., Ltd.(*2)	Korea	51%	December	630,513	630,513	630,513
					<u>Rs 1,263,583</u>	<u>648,897</u>	<u>648,897</u>

(*1) The company made additional investments of Rs 69,032 thousand during the previous year. Impairment loss on investments in subsidiaries of Rs 251,438 thousand was recognized for the year ended December 31, 2019.

(*2) SY Auto Capital Co., Ltd. were established under joint venture agreement as a joint venture since the Company has rights only to the net assets, and their legal structures of arrangements are separated.

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10. Non-current assets held for sale

(1) The Company is selling land and buildings located in Gamjeon-dong, Sasang-gu, Busan. Accordingly, the carrying amount (₩15,865 million (Rs 981 million)) of the assets was classified as non-current assets held for sale as of March 31, 2020. Meanwhile, in April 2020, after the end of the reporting period, the sale was completed (sale price: ₩26,250 million (Rs 1,623 million)) and related disposal profit was recognized at ₩10,385 million (Rs 642 million).

(2) The details of non-current assets held for sale as of March 31, 2020 are as follows:

(In thousands of won)

	2020			
	Acquisition cost	Accumulated depreciation	Accumulated impairment losses	Book value
Land	₩ 13,422,033	-	-	13,422,033
Buildings	5,104,484	(2,534,102)	(139,600)	2,430,782
Structures	122,386	(109,234)	(808)	12,344
	<u>₩ 18,648,903</u>	<u>(2,643,336)</u>	<u>(140,408)</u>	<u>15,865,159</u>

(In thousands of rupee)

	2020			
	Acquisition cost	Accumulated depreciation	Accumulated impairment losses	Book value
Land	Rs 829,683	-	-	829,683
Buildings	315,534	(156,646)	(8,629)	150,259
Structures	7,565	(6,752)	(50)	763
	<u>Rs 1,152,782</u>	<u>(163,398)</u>	<u>(8,679)</u>	<u>980,705</u>

11. Other Assets

Details of other assets as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Other current assets				
Advance payments	₩ 1,174,531	1,341,758	Rs 72,604	82,941
Prepaid expenses	11,222,703	7,107,472	693,731	439,348
Current tax assets	494,850	430,322	30,589	26,600
	<u>₩ 12,892,084</u>	<u>8,879,552</u>	<u>Rs 796,924</u>	<u>548,889</u>
Other non-current assets				
Other non-current assets	₩ 276,016	276,041	Rs 17,063	17,065

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12. Property, Plant and Equipment

(1) Details of property, plant and equipment as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won)

		2020			
	Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Book value
Land	₩ 461,333,221	(7,354)	-	-	461,325,867
Buildings	546,951,384	(3,655,585)	(240,012,221)	(157,039,520)	146,244,058
Structures	112,592,258	(64,512)	(67,767,647)	(31,226,062)	13,534,037
Machinery	1,305,759,285	(135,340)	(1,061,266,050)	(113,884,267)	130,473,628
Vehicles	7,042,165	(3,961)	(5,291,299)	(408,429)	1,338,476
Tools and molds	1,396,186,710	(86,213)	(932,298,463)	(197,125,906)	266,676,128
Equipment	69,331,396	(104,265)	(55,578,079)	(4,458,638)	9,190,414
Construction in progress	17,550,697	-	-	(2,340,666)	15,210,031
	₩ 3,916,747,116	(4,057,230)	(2,362,213,759)	(506,483,488)	1,043,992,639

(In thousands of won)

		2019			
	Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Book value
Land	₩ 474,755,254	(7,354)	-	-	474,747,900
Buildings	552,055,868	(3,681,126)	(239,864,472)	(157,179,120)	151,331,150
Structures	112,714,645	(69,552)	(67,488,211)	(29,759,580)	15,397,302
Machinery	1,306,810,589	(143,706)	(1,053,087,261)	(100,241,895)	153,337,727
Vehicles	8,304,758	(4,344)	(5,758,383)	(471,742)	2,070,289
Tools and molds	1,405,141,005	(90,765)	(912,094,472)	(171,857,337)	321,098,431
Equipment	69,603,163	(110,235)	(54,857,475)	(3,482,468)	11,152,985
Construction in progress	12,717,610	-	-	(699,821)	12,017,789
Machinery in transit	233,039	-	-	-	233,039
	₩ 3,942,335,931	(4,107,082)	(2,333,150,274)	(463,691,963)	1,141,386,612

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12. Property, Plant and Equipment, Continued

(1) Details of property, plant and equipment as of March 31, 2020 and December 31, 2019 are as follows, continued:

(In thousands of rupee)

		2020				
		Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Book value
Land	Rs	28,517,313	(455)	-	-	28,516,858
Buildings		33,809,800	(225,971)	(14,836,355)	(9,707,398)	9,040,076
Structures		6,959,890	(3,987)	(4,189,057)	(1,930,239)	836,607
Machinery		80,715,510	(8,365)	(65,602,161)	(7,039,756)	8,065,228
Vehicles		435,311	(244)	(327,082)	(25,247)	82,738
Tools and molds		86,305,281	(5,329)	(57,630,029)	(12,185,338)	16,484,585
Equipment		4,285,720	(6,444)	(3,435,559)	(275,611)	568,106
Construction in progress		1,084,896	-	-	(144,689)	940,207
Machinery in transit		-	-	-	-	-
	Rs	<u>242,113,721</u>	<u>(250,795)</u>	<u>(146,020,243)</u>	<u>(31,308,278)</u>	<u>64,534,405</u>

(In thousands of rupee)

		2019				
		Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Book value
Land	Rs	29,346,996	(455)	-	-	29,346,541
Buildings		34,125,333	(227,549)	(14,827,222)	(9,716,027)	9,354,535
Structures		6,967,456	(4,299)	(4,171,784)	(1,839,588)	951,785
Machinery		80,780,497	(8,883)	(65,096,589)	(6,196,453)	9,478,572
Vehicles		513,359	(269)	(355,954)	(29,161)	127,975
Tools and molds		86,858,791	(5,612)	(56,381,120)	(10,623,361)	19,848,698
Equipment		4,302,520	(6,814)	(3,391,015)	(215,269)	689,422
Construction in progress		786,139	-	-	(43,259)	742,880
Machinery in transit		14,405	-	-	-	14,405
	Rs	<u>243,695,496</u>	<u>(253,881)</u>	<u>(144,223,684)</u>	<u>(28,663,118)</u>	<u>70,554,813</u>

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12. Property, Plant and Equipment, Continued

(2) Changes in property, plant and equipment for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won)

		2020					
	Beginning balance	Acquisition	Disposal	Depreciation	Impairment (*1)	Others (*2)	Ending balance
Land	₩ 474,747,900	-	-	-	-	(13,422,033)	461,325,867
Buildings	151,331,150	-	-	(2,656,310)	-	(2,430,782)	146,244,058
Structures	15,397,302	-	-	(383,632)	(1,467,288)	(12,345)	13,534,037
Machinery	153,337,727	-	(60,672)	(9,875,068)	(14,145,255)	1,216,896	130,473,628
Vehicles	2,070,289	-	(620,638)	(111,175)	-	-	1,338,476
Tools and molds	321,098,431	201,910	(95,865)	(26,964,880)	(28,911,604)	1,348,136	266,676,128
Equipment	11,152,985	68,051	(11,995)	(1,022,251)	(996,376)	-	9,190,414
Construction in progress	12,017,789	6,900,062	-	-	(1,648,991)	(2,058,829)	15,210,031
Machinery in transit	233,039	160,978	-	-	-	(394,017)	-
	<u>₩ 1,141,386,612</u>	<u>7,331,001</u>	<u>(789,170)</u>	<u>(41,013,316)</u>	<u>(47,169,514)</u>	<u>(15,752,974)</u>	<u>1,043,992,639</u>

(*1) The Company judged that there is an indication of impairment to the cash-generating unit due to continuous deterioration of competitiveness and the deterioration of the market due to the spread of COVID-19. Accordingly, the Company conducted an impairment assessment on the cash-generating unit and recognized impairment loss at ₩47,170 million for property, plant and equipment during this period. The recoverable amount of the cash generating unit during the impairment assessment was determined on the basis of its fair value less costs to sell.

(*2) Capitalized borrowing costs in respect of construction in progress is ₩112,185 thousand and the carrying amount classified as a non-current asset held for sale is ₩15,865,159 thousand for periods ended March 31, 2020.

(In thousands of won)

		2019				
	Beginning balance	Acquisition	Disposal	Depreciation	Others(*)	Ending balance
Land	₩ 475,109,638	-	-	-	-	475,109,638
Buildings	169,644,693	-	-	(2,781,313)	848,924	167,712,304
Structures	17,372,729	-	(2,408)	(423,523)	65,679	17,012,477
Machinery	160,696,016	77,568	(258,869)	(8,715,792)	22,287,798	174,086,721
Vehicles	1,231,926	223,939	(2,882)	(145,963)	1,194,096	2,501,116
Tools and molds	276,953,283	287,200	(477)	(24,079,406)	100,938,278	354,098,878
Equipment	14,254,721	199,717	(18,331)	(1,433,571)	100,251	13,102,787
Construction in progress	110,625,296	58,973,971	-	-	(123,903,763)	45,695,504
Machinery in transit	1,318,137	7,333	-	-	-	1,325,470
	<u>₩ 1,227,206,439</u>	<u>59,769,728</u>	<u>(282,967)</u>	<u>(37,579,568)</u>	<u>1,531,263</u>	<u>1,250,644,895</u>

(*) Capitalized borrowing costs in respect of construction in progress is ₩376,981 thousand and ₩1,154,282 thousand was transferred from inventory to vehicles during the period ended March 31, 2019.

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12. Property, Plant and Equipment, Continued

(2) Changes in property, plant and equipment for the three-month periods ended March 31, 2020 and 2019 are as follows, continued:

(In thousands of rupee)

		2020						
		Beginning balance	Acquisition	Disposal	Depreciation	Impairment (*1)	Others(*2)	Ending balance
Land	Rs	29,346,541	-	-	-	-	(829,683)	28,516,858
Buildings		9,354,535	-	-	(164,200)	-	(150,259)	9,040,076
Structures		951,784	-	-	(23,714)	(90,700)	(763)	836,607
Machinery		9,478,572	-	(3,750)	(610,427)	(874,389)	75,222	8,065,228
Vehicles		127,975	-	(38,365)	(6,872)	-	-	82,738
Tools and molds		19,848,700	12,481	(5,926)	(1,666,834)	(1,787,171)	83,335	16,484,585
Equipment		689,422	4,207	(741)	(63,191)	(61,591)	-	568,106
Construction in progress		742,879	426,527	-	-	(101,932)	(127,267)	940,207
Machinery in transit		14,405	9,951	-	-	-	(24,356)	-
	Rs	<u>70,554,813</u>	<u>453,166</u>	<u>(48,782)</u>	<u>(2,535,238)</u>	<u>(2,915,783)</u>	<u>(973,771)</u>	<u>64,534,405</u>

(*1) The Company judged that there is an indication of impairment to the cash-generating unit due to continuous deterioration of competitiveness and the deterioration of the market due to the spread of COVID-19. Accordingly, the Company conducted an impairment assessment on the cash-generating unit and recognized impairment loss at Rs 2,916 million for property, plant and equipment during this period. The recoverable amount of the cash generating unit during the impairment assessment was determined on the basis of its fair value less costs to sell.

(*2) Capitalized borrowing costs in respect of construction in progress is Rs 6,935 thousand and the carrying amount classified as a non-current asset held for sale is Rs 980,705 thousand for period ended March 31, 2020.

(In thousands of rupee)

		2019					
		Beginning balance	Acquisition	Disposal	Depreciation	Others(*)	Ending balance
Land	Rs	29,368,902	-	-	-	-	29,368,902
Buildings		10,486,587	-	-	(171,927)	52,476	10,367,136
Structures		1,073,895	-	(151)	(26,180)	4,060	1,051,624
Machinery		9,933,424	4,795	(16,002)	(538,767)	1,377,720	10,761,170
Vehicles		76,152	13,843	(178)	(9,023)	73,813	154,607
Tools and molds		17,119,867	17,753	(29)	(1,488,468)	6,239,500	21,888,623
Equipment		881,156	12,346	(1,133)	(88,616)	6,197	809,950
Construction in progress		6,838,303	3,645,476	-	-	(7,659,111)	2,824,668
Machinery in transit		81,481	453	-	-	-	81,934
	Rs	<u>75,859,767</u>	<u>3,694,666</u>	<u>(17,493)</u>	<u>(2,322,981)</u>	<u>94,655</u>	<u>77,308,614</u>

(*) Capitalized borrowing costs in respect of construction in progress is Rs 23,303 thousand and Rs 71,352 thousand was transferred from inventory to vehicles during the period ended March 31, 2019.

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12. Property, Plant and Equipment, Continued

(3) Details of pledged assets provided as collateral for the borrowings as of March 31, 2020 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	Book value	Collateralized amount	Book value	Collateralized amount
Land	₩ 449,395,956		Rs 27,779,411	
Buildings and structures	113,527,479	372,000,000	7,017,701	22,995,180
Machinery and others	14,690		908	
	₩ <u>562,938,125</u>	<u>372,000,000</u>	Rs <u>34,798,020</u>	<u>22,995,180</u>

(4) Capitalized borrowing costs and capitalization interest rate for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Capitalized interest expenses(*)	₩ 807,347	1,103,036	Rs 49,906	68,184
Capitalization interest rate	3.28%	3.61%	3.28%	3.61%

(*) Capitalized borrowing costs for intangible assets are ₩695,162 thousand (Rs 42,971 thousand) and ₩726,055 thousand (Rs 44,881 thousand) for the three-month periods ended March 31, 2020 and 2019, respectively.

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13. Intangible Assets

(1) Details of intangible assets as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won)

		2020				
		Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment losses	Book value
Development cost	₩	510,279,976	-	(293,571,233)	(32,860,505)	183,848,238
Patents		4,936,313	(9,343)	(3,661,487)	(165,523)	1,099,960
Other intangible assets		142,621,740	-	(34,755,352)	(16,292,751)	91,573,637
	₩	<u>657,838,029</u>	<u>(9,343)</u>	<u>(331,988,072)</u>	<u>(49,318,779)</u>	<u>276,521,835</u>

(In thousands of won)

		2019				
		Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment losses	Book value
Development cost	₩	510,279,976	-	(275,331,952)	(12,928,659)	222,019,365
Patents		4,848,742	(9,343)	(3,525,514)	(156,296)	1,157,589
Other intangible assets		130,169,749	-	(33,946,764)	(6,544,340)	89,678,645
	₩	<u>645,298,467</u>	<u>(9,343)</u>	<u>(312,804,230)</u>	<u>(19,629,295)</u>	<u>312,855,599</u>

(In thousands of rupee)

		2020				
		Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment losses	Book value
Development cost	Rs	31,542,957	-	(18,147,106)	(2,031,272)	11,364,579
Patents		305,138	(578)	(226,334)	(10,232)	67,994
Other intangible assets		8,816,163	-	(2,148,403)	(1,007,136)	5,660,624
	Rs	<u>40,664,258</u>	<u>(578)</u>	<u>(20,521,843)</u>	<u>(3,048,640)</u>	<u>17,093,197</u>

(In thousands of rupee)

		2019				
		Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment losses	Book value
Development cost	Rs	31,542,957	-	(17,019,645)	(799,185)	13,724,127
Patents		299,725	(578)	(217,930)	(9,661)	71,556
Other intangible assets		8,046,443	-	(2,098,419)	(404,538)	5,543,486
	Rs	<u>39,889,125</u>	<u>(578)</u>	<u>(19,335,994)</u>	<u>(1,213,384)</u>	<u>19,339,169</u>

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13. Intangible Assets, Continued

(2) Changes in intangible assets for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won)

		2020					
		Beginning balance	Acquisition	Amortization	Impairment(*1)	Others(*2)	Ending balance
Internally created intangible assets:							
Development cost	₩	222,019,365	-	(18,239,281)	(19,931,846)	-	183,848,238
Other intangible assets		82,875,485	11,638,942	-	(9,312,504)	695,162	85,897,085
		<u>304,894,850</u>	<u>11,638,942</u>	<u>(18,239,281)</u>	<u>(29,244,350)</u>	<u>695,162</u>	<u>269,745,323</u>
Individually acquired intangible assets:							
Patents		1,157,589	87,571	(135,973)	(9,227)	-	1,099,960
Other intangible assets		6,803,160	117,888	(808,589)	(435,907)	-	5,676,552
		7,960,749	205,459	(944,562)	(445,134)	-	6,776,512
	₩	<u>312,855,599</u>	<u>11,844,401</u>	<u>(19,183,843)</u>	<u>(29,689,484)</u>	<u>695,162</u>	<u>276,521,835</u>

(In thousands of won)

		2019						
		Beginning balance	Acquisition	Amortization	Impairment	Transfer	Others(*2)	Ending balance
Internally created intangible assets:								
Development cost	₩	163,025,002	-	(19,600,152)	-	139,162,118	-	282,586,968
Other intangible assets		181,843,818	31,192,506	-	-	(139,162,118)	726,055	74,600,261
		<u>344,868,820</u>	<u>31,192,506</u>	<u>(19,600,152)</u>	<u>-</u>	<u>-</u>	<u>726,055</u>	<u>357,187,229</u>
Individually acquired intangible assets:								
Patents		1,334,224	124,210	(157,230)	(13,127)	-	-	1,288,077
Other intangible assets		7,556,918	232,201	(792,393)	-	-	-	6,996,726
		8,891,142	356,411	(949,623)	(13,127)	-	-	8,284,803
	₩	<u>353,759,962</u>	<u>31,548,917</u>	<u>(20,549,775)</u>	<u>(13,127)</u>	<u>-</u>	<u>726,055</u>	<u>365,472,032</u>

(*1) The Company judged that there is an indication of impairment to the cash-generating unit due to continuous deterioration of competitiveness and the deterioration of the market due to the spread of COVID-19. Accordingly, the Company conducted an impairment assessment on the cash-generating unit and recognized impairment loss at ₩29,680 million for intangible assets during this period. The recoverable amount of the cash generating unit during the impairment assessment was determined on the basis of its fair value less costs to sell.

(*2) Capitalized borrowing costs in respect of other intangible assets is ₩695,162 thousand and ₩726,055 thousand for the three-month periods ended March 31, 2020 and 2019, respectively.

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13. Intangible Assets, Continued

(2) Changes in intangible assets for the three-month periods ended March 31, 2020 and 2019 are as follows, continued:

(In thousands of rupee)

		2020					
		Beginning balance	Acquisition	Amortization	Impairment(*1)	Others(*2)	Ending balance
Internally created intangible assets:							
Development cost	Rs	13,724,127	-	(1,127,461)	(1,232,087)	-	11,364,579
Other intangible assets		5,122,948	719,461	-	(575,652)	42,971	5,309,728
		<u>18,847,075</u>	<u>719,461</u>	<u>(1,127,461)</u>	<u>(1,807,739)</u>	<u>42,971</u>	<u>16,674,307</u>
Individually acquired intangible assets:							
Patents		71,557	5,413	(8,405)	(571)	-	67,994
Other intangible assets		420,537	7,288	(49,983)	(26,946)	-	350,896
		<u>492,094</u>	<u>12,701</u>	<u>(58,388)</u>	<u>(27,517)</u>	<u>-</u>	<u>418,890</u>
	Rs	<u>19,339,169</u>	<u>732,162</u>	<u>(1,185,849)</u>	<u>(1,835,256)</u>	<u>42,971</u>	<u>17,093,197</u>

(In thousands of rupee)

		2019						
		Beginning balance	Acquisition	Amortization	Impairment	Transfer	Others(*2)	Ending balance
Internally created intangible assets:								
Development cost	Rs	10,077,390	-	(1,211,583)	-	8,602,306	-	17,468,113
Other intangible assets		11,240,676	1,928,165	-	-	(8,602,306)	44,881	4,611,416
		<u>21,318,066</u>	<u>1,928,165</u>	<u>(1,211,583)</u>	<u>-</u>	<u>-</u>	<u>44,881</u>	<u>22,079,529</u>
Individually acquired intangible assets:								
Patents		82,475	7,678	(9,719)	(811)	-	-	79,623
Other intangible assets		467,131	14,354	(48,981)	-	-	-	432,504
		<u>549,606</u>	<u>22,032</u>	<u>(58,700)</u>	<u>(811)</u>	<u>-</u>	<u>-</u>	<u>512,127</u>
	Rs	<u>21,867,672</u>	<u>1,950,197</u>	<u>(1,270,283)</u>	<u>(811)</u>	<u>-</u>	<u>44,881</u>	<u>22,591,656</u>

(*1) The Company judged that there is an indication of impairment to the cash-generating unit due to continuous deterioration of competitiveness and the deterioration of the market due to the spread of COVID-19. Accordingly, the Company conducted an impairment assessment on the cash-generating unit and recognized impairment loss at Rs 1,835 million for intangible assets during this period. The recoverable amount of the cash generating unit during the impairment assessment was determined on the basis of its fair value less costs to sell.

(*2) Capitalized borrowing costs in respect of other intangible assets is Rs 42,971 thousand and Rs 44,881 thousand for the three-month periods ended March 31, 2020 and 2019, respectively.

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13. Intangible Assets, Continued

(3) Details of capitalized development costs as of March 31, 2020 are as follows.

(In thousands of won and in thousands of rupee)

	Project name	Korean won	Indian rupee	Remaining amortization period(*1)
Development costs	RV(*2)	₩ 160,406,227	Rs 9,915,511	1~4 years
	Power train and others	23,442,011	1,449,068	1~4 years
Other intangible assets	RV(*3)	85,897,085	5,309,728	-
		₩ 269,745,323	Rs 16,674,307	

(*1) If the amortization is initiated, the remaining amortization period is recorded. If the amortization is not started, it is marked with "-" only.

(*2) It is a development project for vehicles under sale as of March 31, 2020.

(*3) On-going development project for vehicles as of March 31, 2020 to respond to consumer needs and market conditions.

(4) Details of expenditures for research and developments for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

		Korean won			Indian rupee	
		2020	2019		2020	2019
Capitalization of intangible assets	₩	12,334,104	30,463,355	Rs	762,433	1,883,092
Manufacturing costs		19,488,398	16,253,136		1,204,675	1,004,688
Selling and administrative expenses		5,294,480	4,511,348		327,278	278,869
	₩	37,116,982	51,227,839	Rs	2,294,386	3,166,649

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14. Lease

(1) Changes in right-of-use assets as of March 31, 2020 are as follows:

(In thousands of won)

		Beginning balance	Increase	Depreciation	Ending balance
Land and building	₩	919,240	1,275	(259,534)	660,981
Vehicle		3,575,908	-	(463,171)	3,112,737
Equipment		1,356,006	415,757	(170,683)	1,601,080
Total	₩	<u>5,851,154</u>	<u>417,032</u>	<u>(893,388)</u>	<u>5,374,798</u>

(In thousands of rupee)

		Beginning balance	Increase	Depreciation	Ending balance
Land and building	Rs	56,823	78	(16,043)	40,858
Vehicle		221,045	-	(28,631)	192,414
Equipment		83,822	25,700	(10,551)	98,971
Total	Rs	<u>361,690</u>	<u>25,778</u>	<u>(55,225)</u>	<u>332,243</u>

(2) Details of lease liabilities as of March 31, 2020 are as follows:

(In thousands of won)

		Within a year	Over 1 year
Lease liabilities(*)	₩	6,185,685	3,139,151

(In thousands of rupee)

		Within a year	Over 1 year
Lease liabilities(*)	Rs	382,368	194,047

(*) The total amount of lease liabilities paid in the current term is ₩2,242,389 thousand (Rs 138,613 thousand) and interests expenses is ₩106,296 thousand (Rs 6,571 thousand) during the three-month period ended March 31, 2020.

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14. Lease, Continued

(3) Expenses from lease contracts with low cost and short-term contract for the three-month period ended March 31, 2020 are as the following:

<i>(In thousands of won)</i>	<u>Exemption of lease recognition</u>	<u>Expenses</u>
Office equipment	Low cost	₩ 227,615
	Short term	11,110
Building	Short term	7,500

<i>(In thousands of rupee)</i>	<u>Exemption of lease recognition</u>	<u>Expenses</u>
Office equipment	Low cost	Rs 14,070
	Short term	687
Building	Short term	464

(4) The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date. Under K-IFRS No 1017, the Company did not have any finance leases as a lessor.

	2020	
	<u>Korean won</u>	<u>Indian rupee</u>
Sub lease		
Less than 1 year	₩ 3,041,105	Rs 187,986
1 year to 2 years	914,818	56,549
Lease to be received	3,955,923	244,535
Unrealized interests	(103,161)	(6,377)
Net investment in the lease	3,852,762	238,158
Interests from sublease for this period	42,551	2,630

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15. Borrowings

(1) Details of short-term borrowings as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

Creditor	Type	Interest rate (%)	Korean won		Indian rupee	
			2020	2019	2020	2019
Korea Development Bank	Operating fund	CD+2.10	₩ 20,000,000	20,000,000	Rs 1,236,300	1,236,300
Korea Development Bank	Facility fund(*)	CD+1.57	70,000,000	70,000,000	4,327,050	4,327,050
Kookmin Bank	Operating fund(*)	CD+2.00	8,750,000	10,000,000	540,881	618,150
Woori Bank	Operating fund(*)	CD+2.00	15,000,000	17,500,000	927,225	1,081,763
JP Morgan	Operating fund(*)	CD+2.00	40,000,000	-	2,472,600	-
BNP PARIBAS	Overdraft	CD+2.00	47,000,000	30,000,000	2,905,305	1,854,450
JP Morgan	Overdraft	CD+2.00	49,999,973	-	3,090,748	-
BOA	Overdraft	CD+2.00	29,999,974	-	1,854,448	-
Citi Bank and others	Banker's usance	0.30 ~0.80	109,183,018	106,606,448	6,749,149	6,589,877
			₩ 389,932,965	254,106,448	Rs 24,103,706	15,707,590

(*) Current portion of long-term borrowing

(2) Details of long-term borrowing as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

Creditor	Type	Interest rate(%)	Korean won		Indian rupee	
			2020	2019	2020	2019
Korea Development Bank	Facility fund	CD+1.57 ~ 1.60	₩ 170,000,000	170,000,000	Rs 10,508,550	10,508,550
Woori Bank	Operating fund	CD+2.00	30,000,000	35,000,000	1,854,450	2,163,525
Kookmin Bank	Facility fund	CD+2.00	8,750,000	11,250,000	540,881	695,419
JP Morgan	Facilities fund	CD+2.00	40,000,000	40,000,000	2,472,600	2,472,600
Less: Current portion			(133,750,000)	(97,500,000)	(8,267,756)	(6,026,963)
			₩ 115,000,000	158,750,000	Rs 7,108,725	9,813,131

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15. Borrowings, Continued

(3) Details of pledged assets as collateral for borrowings as of March 31, 2020 are as follows:

(In thousands of won)

Creditor	Pledged assets		Borrowings amount	Maximum credit amount
Korea Development Bank	Land, buildings, structures and machinery	₩	190,000,000	300,000,000
Kookmin Bank	Land and buildings		8,750,000	24,000,000
Woori Bank	Land and buildings		30,000,000	48,000,000
		₩	<u>228,750,000</u>	<u>372,000,000</u>

(In thousands of rupee)

Creditor	Pledged assets		Borrowings amount	Maximum credit amount
Korea Development Bank	Land, buildings, structures and machinery	Rs	11,744,850	18,544,500
Kookmin Bank	Land and buildings		540,881	1,483,560
Woori Bank	Land and buildings		1,854,450	2,967,120
		Rs	<u>14,140,181</u>	<u>22,995,180</u>

16. Other Financial Liabilities

Details of other financial liabilities as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Accrued expenses	₩ 43,126,508	39,427,815	Rs 2,665,866	2,437,231

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17. Provision of Warranty for sale

The Company generally provides warranty for each product sold and accrues warranty expense at the time of sale based on the history of actual claims. Changes in provision of warranty for sale for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won			Indian rupee	
	2020	2019		2020	2019
Beginning balance	₩ 128,531,252	135,038,087	Rs	7,945,159	8,347,379
Increase	11,428,020	5,807,450		706,423	358,988
Decrease	(9,069,096)	(8,575,749)		(560,606)	(530,110)
Ending balance	₩ 130,890,176	132,269,788	Rs	8,090,976	8,176,257
Current	₩ 56,566,741	49,265,976	Rs	3,496,673	3,045,376
Non-current	74,323,435	83,003,812		4,594,303	5,130,881

18. Other Liabilities

Details of other liabilities as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won)

	2020		2019	
	Current	Non-current	Current	Non-current
Advances from customers	₩ 2,977,920	-	3,734,946	-
Deposits received	574,622	-	580,505	-
Withholdings	12,778,540	-	17,435,070	-
Unearned revenue	5,600,030	16,135,713	3,784,720	15,862,475
Refund liability	1,451,922	-	-	-
	₩ 23,383,034	16,135,713	25,535,241	15,862,475

(In thousands of rupee)

	2020		2019	
	Current	Non-current	Current	Non-current
Advances from customers	Rs 184,080	-	230,876	-
Deposits received	35,520	-	35,884	-
Withholdings	789,905	-	1,077,749	-
Unearned revenue	346,166	997,429	233,952	980,539
Refund liability	89,751	-	-	-
	Rs 1,445,422	997,429	1,578,461	980,539

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19. Employee Benefits

(1) Details of defined benefit liabilities as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Present value of defined benefit obligations	₩ 362,675,743	357,109,529	Rs 22,418,801	22,074,726
Fair value of plan assets	(930,680)	(954,268)	(57,530)	(58,988)
	₩ 361,745,063	356,155,261	Rs 22,361,271	22,015,738

(2) Changes in defined benefit liabilities for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won)

Details	2020		
	PV of defined benefit obligation	Plan assets	Total
Beginning balance	₩ 357,109,529	(954,268)	356,155,261
Current service cost	10,137,667	-	10,137,667
Interest expense (income)	2,026,926	(5,400)	2,021,526
Sub-total	369,274,122	(959,668)	368,314,454
Re-measurement factors:			
Re-measurements of plan assets	-	791	791
Sub-total	-	791	791
Benefit paid by plan	(28,197)	28,197	-
Benefit paid directly	(6,570,182)	-	(6,570,182)
Ending balance	₩ 362,675,743	(930,680)	361,745,063

(In thousands of won)

Details	2019		
	PV of defined benefit obligation	Plan assets	Total
Beginning balance	₩ 330,195,117	(1,013,651)	329,181,466
Current service cost	9,930,550	-	9,930,550
Interest expense (income)	2,147,698	(6,579)	2,141,119
Sub-total	342,273,365	(1,020,230)	341,253,135
Re-measurement factors:			
Re-measurements of plan assets	-	1,675	1,675
Sub-total	-	1,675	1,675
Benefit paid by plan	(32,485)	32,485	-
Benefit paid directly	(9,572,405)	-	(9,572,405)
Ending balance	₩ 332,668,475	(986,070)	331,682,405

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19. Employee Benefits, Continued

(2) Changes in defined benefit obligation for the three-month periods ended March 31, 2020 and 2019 are as follows, continued:

(In thousands of rupee)

Details	2020		
	PV of defined benefit obligation	Plan assets	Total
Beginning balance	Rs 22,074,726	(58,988)	22,015,738
Current service cost	626,660	-	626,660
Interest expense (income)	125,294	(334)	124,960
Sub-total	22,826,680	(59,322)	22,767,358
Re-measurement factors:			
Re-measurements of plan assets	-	49	49
Sub-total	-	49	49
Benefit paid by plan	(1,743)	1,743	-
Benefit paid directly	(406,136)	-	(406,136)
Ending balance	Rs 22,418,801	(57,530)	22,361,271

(In thousands of rupee)

Details	2019		
	PV of defined benefit obligation	Plan assets	Total
Beginning balance	Rs 20,411,011	(62,659)	20,348,352
Current service cost	613,857	-	613,857
Interest expense (income)	132,760	(407)	132,353
Sub-total	21,157,628	(63,066)	21,094,562
Re-measurement factors:			
Re-measurements of plan assets	-	104	104
Sub-total	-	104	104
Benefit paid by plan	(2,008)	2,008	-
Benefit paid directly	(591,718)	-	(591,718)
Ending balance	Rs 20,563,902	(60,954)	20,502,948

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19. Employee Benefits, Continued

(3) The components of plan assets as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Insurance contracts	₩ 930,680	954,268	Rs 57,530	58,988

(4) Actuarial assumptions used related to plans as of March 31, 2020 and December 31, 2019 are as follows:

	2020	2019
Discount rate (%)	2.30	2.30
Rate of future salary growth (%)	3.96	3.96

The discount rate is the market yield at the end of the reporting year on high quality corporate bonds (AA+) that have maturity which approximates the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The discount rate for the calculation of the present value of defined benefit obligations is also used as expected return on plan assets.

20. Commitments and Contingencies

Details of commitments and contingencies as of March 31, 2020 are as follows:

- (1) The Company carries product liability insurance for all products that it sells.
- (2) As of March 31, 2020, the Company has agreements with Korea Development Bank and others for various borrowings, trading finance and others with limit of ₩415,750 million (Rs 25,700 million) and USD 225 million. In addition, there is a requirement to retain over 51% of the majority interest in Mahindra & Mahindra Ltd., in relation to JP Morgan, BNP PARIBAS, BOA's overdraft borrowings and JP Morgan facility fund borrowings.
- (3) As of March 31, 2020, the Company has been provided with guarantees amounting to USD 896,649 by Standard Chartered Bank Korea Limited in connection with refunds for advance received and performing transactions.
- (4) As of March 31, 2020, 4 claims as a plaintiff were filled with the claim amount of ₩5,203 million (Rs 322 million) and 12 claims as a defendant were filled with the claims of ₩2,179 million (Rs 135 million). The provision amounting to ₩7,673 million (Rs 474 million) is recognized as other payable for the foregoing lawsuits and claims, since the amounts for potential loss can be estimated and management expect that it is probable that the Company will be required to incur an outflow.

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21. Capital Stock

The Company's capital stock as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee, except for par value and share information)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Number of shares authorized (in shares)	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Shares outstanding (in shares)	149,840,002	149,840,002	149,840,002	149,840,002
Par value (in won and rupee)	₩ 5,000	5,000	Rs 309	309
Capital stock	₩ 749,200,010	749,200,010	Rs 46,311,799	46,311,799

22. Other Capital Surplus and Retained Earnings

Details of other capital surplus and retained earnings as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Paid-up capital in excess of par value	₩ 3,169,615	3,169,615	Rs 195,930	195,930
Gain on capital reduction	74,061,697	74,061,697	4,578,124	4,578,124
Debt to be swapped for equity	931,508	931,508	57,581	57,581
	₩ <u>78,162,820</u>	<u>78,162,820</u>	Rs <u>4,831,635</u>	<u>4,831,635</u>

23. Other Equity

(1) Details of the Company's other equity as of as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Gains on valuation of derivatives	₩ 130,390	-	Rs 8,060	-

(2) Changes in the Company's gains (losses) on valuation of derivatives for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Beginning balance	₩ -	103,000	Rs -	6,367
Gains on valuation of derivatives	130,390	(301,450)	8,060	(18,634)
Reclassified to net income (losses)	-	(103,000)	-	(6,367)
Ending balance	₩ <u>130,390</u>	<u>(301,450)</u>	Rs <u>8,060</u>	<u>(18,634)</u>

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24. Deficit

(1) Details of deficit as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Deficit	₩ (614,720,417)	(421,823,237)	Rs (37,998,943)	(26,075,004)

(2) Changes in deficit for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Beginning balance	₩ (421,823,237)	(82,483,045)	Rs (26,075,004)	(5,098,689)
Disposition of deficit	-	-	-	-
Loss for the period	(192,896,389)	(27,506,151)	(11,923,890)	(1,700,293)
Defined benefit plan re-measurement	(791)	(1,675)	(49)	(104)
Ending balance	₩ (614,720,417)	(109,990,871)	Rs (37,998,943)	(6,799,086)

25. Income Tax Expense

Income tax expense and deferred income tax assets related to the temporary differences, deficit carried forward and tax credit carried forward are not recognized as of March 31, 2020.

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26. Nature of Expenses

Details of nature of expenses for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Changes in inventories	₩ (11,946,263)	2,454,016	Rs (738,458)	151,695
Raw materials consumed and purchase of merchandise	474,731,613	643,838,547	29,345,535	39,798,880
Employee benefits	110,414,385	138,311,226	6,825,265	8,549,708
Depreciation	41,013,316	37,579,568	2,535,238	2,322,981
Amortization	19,183,843	20,549,775	1,185,849	1,270,284
Others	106,513,344	128,988,825	6,584,122	7,973,444
	₩ <u>739,910,238</u>	<u>971,721,957</u>	Rs <u>45,737,551</u>	<u>60,066,992</u>

Total expenses are equal to the sum of cost of sales and selling, general and administrative expenses.

27. Derivatives

The Company holds derivative contracts to minimize foreign exchange risk. As of March 31, 2020, effective portion of changes in fair value of cash flow hedge is ₩130,390 thousand (Rs 8,060 thousand) classified as other equity. Ineffective portion of change in fair value of cash flow hedge recognized in current profit or loss is net amounting to ₩30,160 thousand (Rs 1,864 thousand) recognized in current profit. And, changes in fair value of derivative not designated as hedging instrument for the three-month period ended March 31, 2020 are net amounting to ₩17,480 thousand (Rs 1,081 thousand) recognized in current loss.

28. Selling, General and Administrative Expenses

(1) Details of selling expenses for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Warranty expenses	₩ 15,828,304	12,130,615	Rs 978,427	749,854
Commissions	39,645,987	59,287,018	2,450,717	3,664,827
Advertising	1,893,100	6,471,881	117,022	400,059
Export expenses	1,658,404	3,773,098	102,514	233,234
Others	3,482,393	7,301,713	215,264	451,356
	₩ <u>62,508,188</u>	<u>88,964,325</u>	Rs <u>3,863,944</u>	<u>5,499,330</u>

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28. Selling, General and Administrative Expenses, Continued

(2) Details of general and administrative expenses for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Salaries	₩ 10,750,572	13,622,355	Rs 664,547	842,066
Retirement benefit costs	1,560,508	1,523,952	96,463	94,203
Employee welfare	2,407,357	3,041,254	148,811	187,995
Rent expense	2,432,508	2,499,306	150,365	154,495
Service fees	4,684,558	9,239,624	289,576	571,147
Depreciation	6,856,983	7,214,895	423,864	445,989
R&D expenses	5,294,480	4,511,348	327,278	278,869
Amortization	944,562	949,623	58,388	58,701
Reversal of bad debt expense	(172,773)	101,722	(10,680)	6,288
Others	7,536,301	8,072,623	465,856	499,009
	₩ 42,295,056	50,776,702	Rs 2,614,468	3,138,762

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29. Other Income and Expenses

(1) Details of other income for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Foreign exchange transaction gain	₩ 1,092,309	792,405	Rs 67,521	48,983
Foreign exchange translation gain	1,083,534	329,418	66,979	20,363
Gain on disposal of property, plant and equipment	220,181	254,867	13,610	15,755
Others	1,432,168	1,738,517	88,530	107,466
	₩ <u>3,828,192</u>	<u>3,115,207</u>	Rs <u>236,640</u>	<u>192,567</u>

(2) Details of other expenses for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Foreign exchange transaction loss	₩ 2,526,126	859,354	Rs 156,152	53,121
Foreign exchange translation loss	1,842,880	240,777	113,918	14,884
Loss on disposal of property, plant and equipment	240,292	280,362	14,854	17,331
Loss on disposal of trade receivables	30,782	27,693	1,903	1,712
Impairment loss on PP&E	47,169,514	-	2,915,784	-
Impairment loss on Intangible	29,689,484	-	1,835,255	-
Others	10,307,351	494,730	637,148	30,581
	₩ <u>91,806,429</u>	<u>1,902,916</u>	Rs <u>5,675,014</u>	<u>117,629</u>

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30. Finance Income and Costs

(1) Details of finance income for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Interest income	₩ 686,178	1,121,474	Rs 42,416	69,324
Dividend income	6,000	6,000	371	371
Foreign exchange transaction gain	744,258	1,852,303	46,006	114,500
Foreign exchange translation gain	142,658	202,338	8,819	12,507
Realized gain of financial derivatives	-	260,544	-	16,106
Unrealized gain of financial derivatives	30,160	222,320	1,864	13,743
	₩ 1,609,254	3,664,979	Rs 99,476	226,551

(2) Details of finance costs for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Interest expense	₩ 2,481,528	396,650	Rs 153,396	24,519
Foreign exchange transaction loss	1,633,261	1,591,699	100,960	98,391
Foreign exchange translation loss	4,644,003	1,279,779	287,068	79,109
Realized loss of financial derivatives	-	35,557	-	2,198
Unrealized loss of financial derivatives	17,480	48,218	1,081	2,981
	₩ 8,776,272	3,351,903	Rs 542,505	207,198

(3) Details of the Company's financial net profit or loss for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Financial assets/ liabilities at amortized cost	₩ (7,185,698)	(92,012)	Rs (444,184)	(5,688)
Financial assets at FVTPL	6,000	6,000	371	371
Derivatives financial assets (liabilities)	12,680	399,088	784	24,670
	₩ (7,167,018)	313,076	Rs (443,029)	19,353

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31. Losses per Share

(1) Basic losses per share for the three-month periods ended March 31, 2020 and 2019 are calculated as follows:

(In thousands of won and in thousands of rupee, except per share information)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Loss for the period	₩ (192,896,389)	(27,506,151)	Rs (11,923,890)	(1,700,293)
Loss contributed to common stocks	(192,896,389)	(27,506,151)	(11,923,890)	(1,700,293)
Weighted average number of common shares (in shares)	149,840,002	146,824,272	149,840,002	146,824,271
Basic earnings (losses) per share(*) (in won and in rupee)	(1,287)	(187)	(80)	(12)

(*) Diluted earnings (losses) per share are not calculated for the three-month periods ended March 31, 2020 and 2019, because there are no dilutive shares as of March 31, 2020 and 2019.

(2) Weighted average number of common shares outstanding for the three-month periods ended March 31, 2020 and 2019 are calculated as follows:

(In shares)

	Outstanding period	2020		Common shares outstanding
		Common shares issued	Weighted-average	
Beginning	2020-01-01~2020-03-31	149,840,002	91/91	149,840,002

(In shares)

	Outstanding period	2019		Common shares outstanding
		Common shares issued	Weighted-average	
Beginning	2019-01-01~2019-03-31	137,949,396	90/90	137,949,396
Issuing(*)	2019-01-01~2019-03-31	1,033,976	90/90	1,033,976
Issuing	2019-01-26~2019-03-31	10,856,630	65/90	7,840,900
				<u>146,824,272</u>

(*) In accordance with K-IFRS No.1033, when the rights offering is less than fair value, the shares issued below the fair value are considered as free shares and the number of shares outstanding is retroactively calculated.

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32. Cash Flows

(1) Details of cash flows from operating activities for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Loss for the period	₩ (192,896,389)	(27,506,151)	Rs (11,923,890)	(1,700,292)
Adjustments for:				
Retirement benefit costs	12,159,193	12,071,668	751,620	746,210
Depreciation	41,013,316	37,579,568	2,535,238	2,322,981
Amortization	19,183,843	20,549,775	1,185,849	1,270,284
Losses on disposal of trade receivables	30,782	27,693	1,903	1,712
Foreign exchange translation gain and loss, net	5,260,691	988,800	325,190	61,123
Losses (Gains) on disposal of property, plant and equipment	20,111	25,497	1,243	1,576
Interest expense and income, net	1,795,351	(727,027)	110,980	(44,941)
Dividends income	(6,000)	(6,000)	(371)	(371)
Unrealized gain and loss of financial derivatives, net	(12,680)	(174,102)	(784)	(10,762)
(Reversal of) losses on valuation of inventories	1,176,886	(1,884,958)	72,749	(116,519)
Increase in provision of warranty for sale	11,428,020	6,721,628	706,423	415,497
Impairment loss on Tangible assets	47,169,514	-	2,915,784	-
Impairment loss on Intangible assets	29,689,484	13,127	1,835,255	811
Others	962,077	1,129,653	59,471	69,830
	<u>169,870,588</u>	<u>76,315,322</u>	<u>10,500,550</u>	<u>4,717,431</u>
Changes in assets and liabilities				
Trade receivables	49,761,308	2,032,693	3,075,996	125,650
Other receivables	(935,982)	(1,788,036)	(57,858)	(110,527)
Inventories	(17,439,530)	(13,377,987)	(1,078,025)	(826,960)
Trade payables	(113,711,610)	135,555,719	(7,029,083)	8,379,377
Other payables	(16,221,220)	48,795,773	(1,002,715)	3,016,311
Accrued expenses	3,385,799	(14,133,904)	209,293	(873,687)
Usage of provision of warranty for sale	(9,069,096)	(8,575,749)	(560,606)	(530,110)
Payment of retirement benefits	(6,570,182)	(9,572,405)	(406,136)	(591,718)
Others	(4,224,366)	(6,346,683)	(261,129)	(392,321)
	<u>(115,024,879)</u>	<u>132,589,421</u>	<u>(7,110,263)</u>	<u>8,196,015</u>
Net cash provided by (used in) operating activities	₩ <u>(138,050,680)</u>	<u>181,398,592</u>	Rs <u>(8,533,603)</u>	<u>11,213,154</u>

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32. Cash Flows, Continued

(2) Significant non-cash activities for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Changes in other payables related to the acquisition of property, plant and equipment	₩ 2,317,835	4,054,863	Rs 143,277	250,651

(3) Adjustment of liabilities from financing activities

Changes in liabilities from financial activities for the three-month period ended March 31, 2019 is as follows:

(In thousands of won)

	Beginning balance	Increase	Decrease	Liquidity	Others	Ending balance
Banker's usance(*)	₩ 106,606,448	-	(1,924,774)	-	4,501,344	109,183,018
Short-term borrowings	147,500,000	96,999,947	(7,500,000)	43,750,000	-	280,749,947
Long-term borrowings	158,750,000	-	-	(43,750,000)	-	115,000,000
Lease liabilities	9,992,220	-	(2,242,389)	-	1,575,005	9,324,836
	₩ 422,848,668	96,999,947	(11,667,163)	-	6,076,349	514,257,801

(In thousands of rupee)

	Beginning balance	Increase	Decrease	Liquidity	Others	Ending balance
Banker's usance(*)	Rs 6,589,878	-	(118,980)	-	278,250	6,749,148
Short-term borrowings	9,117,713	5,996,052	(463,613)	2,704,406	-	17,354,558
Long-term borrowings	9,813,131	-	-	(2,704,406)	-	7,108,725
Lease liabilities	617,669	-	(138,613)	-	97,359	576,415
	Rs 26,138,391	5,996,052	(721,206)	-	375,609	31,788,846

(*) The changes in usance borrowings are presented by net amounts.

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33. Segment Information

(1) The Company determined itself as a single reportable segment by considering the nature of goods and service as well as the characteristic of assets providing service. The Company has not disclosed operating income or loss, profit or loss before income taxes and total assets and liabilities by reportable segment.

(2) Geographic sales information of the Company for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

Sales region	Korean won		Indian rupee	
	2020	2019	2020	2019
Republic of Korea	₩ 495,057,153	761,928,535	Rs 30,601,958	47,098,612
Europe	74,015,686	67,848,335	4,575,280	4,194,045
Asia Pacific	24,415,854	71,643,559	1,509,266	4,428,647
Others	48,670,411	41,270,011	3,008,561	2,551,106
	₩ 642,159,104	942,690,440	Rs 39,695,065	58,272,410

Non-current assets are not separately disclosed since those are located in Korea. Main customer over 10% of sales is not disclosed since most sales are occurred through contract with individual customer and authorized foreign agencies.

(3) Information of sales of goods and service for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Automobile	₩ 551,672,938	806,854,365	Rs 34,101,663	49,875,703
Merchandise and parts	71,979,938	107,911,402	4,449,440	6,670,543
Others	18,506,228	27,924,673	1,143,962	1,726,164
	₩ 642,159,104	942,690,440	Rs 39,695,065	58,272,410

(4) Balance of Contracts as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Receivables from contracts with customers	₩ 108,638,083	159,123,462	Rs 6,715,463	9,836,217
Contract liabilities	21,735,743	19,647,195	1,343,595	1,214,491

Contract liabilities in unearned revenue was occurred from contracts from customers that recognizing over time such as product warranty and transportation.

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34. Transactions and Balances with Related Parties

(1) Details of related parties as of March 31, 2020 are as follows:

Relationship	Company
Parent	Mahindra & Mahindra Ltd.
	Ssangyong Australia Pty Ltd.
Subsidiaries	Ssangyong Motor (Shanghai) Co., Ltd.
	Ssangyong European Parts Center B.V.
Joint venture	SY Auto Capital Co., Ltd.
	Mahindra Vehicle Manufacturing Ltd.
Others	Mahindra Electric Mobility Ltd.
	Mahindra & Mahindra South Africa Ltd.
	PININFARINA S.P.A.

(2) Transactions with related parties for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won)

Relationship	Company	Description	2020	2019
Parent	Mahindra & Mahindra Ltd.	Sales	₩ 5,389,233	11,465,860
		Purchases	2,642,417	-
		Other expenses	229,808	382,508
Subsidiaries	Ssangyong European Parts Center B.V.	Sales	3,819,655	3,401,194
		Sales	3,281,768	17,534,222
	Ssangyong Australia Pty Ltd	Other expenses	100,256	31,822
		Ssangyong Motor (Shanghai) Co.Ltd.	Other income	257,256
Joint venture	SY Auto Capital Co., Ltd.	Other expenses	6,635,970	7,276,737
		Mahindra Vehicle Manufacturing Ltd. and others	Sales	501,633
Others		Other expenses	1,305,126	370,491

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34. Transactions and Balances with Related Parties, Continued

(2) Transactions with related parties for the three-month periods ended March 31, 2020 and 2019 are as follows, continued:

(In thousands of rupee)

Relationship	Company	Description	2020	2019	
Parent	Mahindra & Mahindra Ltd.	Sales	Rs 333,135	708,762	
		Purchases	163,341	-	
		Other expenses	14,206	23,645	
Subsidiaries	Ssangyong European Parts Center B.V.	Sales	236,112	210,245	
		Ssangyong Australia Pty Ltd	Sales	202,862	1,083,878
		Ssangyong Motor (Shanghai) Co.Ltd.	Other expenses	6,197	1,967
Joint venture	SY Auto Capital Co., Ltd.	Other income	15,902	-	
		Other expenses	410,202	449,811	
Others	Mahindra Vehicle Manufacturing Ltd. and others	Sales	31,008	1,571,950	
		Other expenses	80,676	22,902	

(3) Account balances with related parties as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won)

Relationship	Company	Description	2020	2019
Parent	Mahindra & Mahindra Ltd.	Trade receivables	₩ 2,768,755	454,892
		Other receivables	59,649	50,954
		Trade payables	2,029,592	486,641
		Other payables	914,365	811,771
Subsidiaries	Ssangyong European Parts Center B.V.	Trade receivables	15,046,938	14,013,743
		Other payables	43,745	22,867
		Trade receivables	20,540,686	25,253,968
		Other payables	54,497	6,631
Others	Ssangyong Motor (Shanghai) Co.Ltd. Mahindra Vehicle Manufacturing Ltd. and others	Other receivables	429,957	413,275
		Other payables	55,486	91,077
		Trade receivables	189,836	208,034
		Other payables	3,272,482	2,646,646

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34. Transactions and Balances with Related Parties, Continued

(3) Account balances with related parties as of March 31, 2020 and December 31, 2019 are as follows, continued:

(In thousands of rupee)

Relationship	Company	Description	2020	2019	
Parent	Mahindra & Mahindra Ltd.	Trade receivables Rs	171,151	28,119	
		Other receivables	3,687	3,150	
		Trade payables	125,459	30,082	
		Other payables	56,521	50,180	
Subsidiaries	Ssangyong European Parts Center B.V.	Trade receivables	930,126	866,260	
		Other payables	2,704	1,414	
		Trade receivables	1,269,723	1,561,074	
		Other payables	3,369	410	
Others	Ssangyong Motor (Shanghai) Co.Ltd.	Other receivables	26,578	25,547	
		Other payables	3,430	5,630	
		Mahindra Vehicle Manufacturing Ltd. and others	Trade receivables	11,735	12,860
			Other payables	202,288	163,602

Allowance for receivables from related parties were recognized ₩534,312 thousand (Rs 33,028 thousand) as of March 31, 2020 and ₩405,844 thousand (Rs 25,087 thousand) as of December 31, 2019, respectively.

(4) Capital transactions with related parties for the three-month periods ended March 31, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

		Korean won		Indian rupee	
		2020	2019	2020	2019
Parent	Mahindra & Mahindra Ltd. ₩	-	49,706,372	-	3,072,599

(5) Executive compensation of the Company for the three-month periods ended March 31, 2020 and 2019, are as follows:

(In thousands of won and in thousands of rupee)

		Korean won		Indian rupee	
		2020	2019	2020	2019
Short-term employee benefits	₩	1,387,814	2,361,946	85,788	146,004
Retirement benefits		31,553	37,823	1,950	2,338

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35. Financial Instruments

(1) Capital risk management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound or optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity on financial statements. The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Rs	Indian rupee	
	2020	2019		2020	2019
Debt (A)	₩ 1,580,715,914	1,611,305,412		97,711,954	99,602,844
Equity (B)	212,772,803	405,539,593		13,152,551	25,068,430
Debt-to-equity ratio (A/B)	742.91 %	397.32 %		742.91 %	397.32 %

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35. Financial Instruments, Continued

(2) Details of financial assets and liabilities by category as of March 31, 2020 and December 31, 2019 are as follows:

1) Financial assets

(In thousands of won)

	2020				
	Amortized cost	Measured at FVTPL	Derivatives cash flow hedge	Total	Fair value
Cash and cash equivalents	₩ 42,532,527	-	-	42,532,527	42,532,527
Long-term financial instruments	4,000	-	-	4,000	4,000
Trade and other receivables	163,558,928	-	-	163,558,928	163,558,928
Non-current financial assets	-	560,000	-	560,000	560,000
Derivative assets	-	-	230,190	230,190	230,190
	₩ 206,095,455	560,000	230,190	206,885,645	206,885,645

(In thousands of won)

	2019				
	Amortized cost	Measured at FVTPL	Derivatives cash flow hedge	Total	Fair value
Cash and cash equivalents	₩ 119,130,707	-	-	119,130,707	119,130,707
Long-term financial instruments	4,000	-	-	4,000	4,000
Trade and other receivables	212,482,093	-	-	212,482,093	212,482,093
Non-current financial assets	-	560,000	-	560,000	560,000
	₩ 331,616,800	560,000	-	332,176,800	332,176,800

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35. Financial Instruments, Continued

(2) Details of financial assets and liabilities by category as of March 31, 2020 and December 31, 2019 are as follows, continued:

1) Financial assets, continued

(In thousands of rupee)

		2020				
		Amortized cost	Measured at FVTPL	Derivatives cash flow hedge	Total	Fair value
Cash and cash equivalents	Rs	2,629,148	-	-	2,629,148	2,629,148
Long-term financial instruments		247	-	-	247	247
Trade and other receivables		10,110,395	-	-	10,110,395	10,110,395
Non-current financial assets		-	34,616	-	34,616	34,616
Derivative assets		-	-	14,229	14,229	14,229
	Rs	<u>12,739,790</u>	<u>34,616</u>	<u>14,229</u>	<u>12,788,635</u>	<u>12,788,635</u>

(In thousands of rupee)

		2019				
		Amortized cost	Measured at FVTPL	Derivatives cash flow hedge	Total	Fair value
Cash and cash equivalents	Rs	7,364,065	-	-	7,364,065	7,364,065
Long-term financial instruments		247	-	-	247	247
Trade and other receivables		13,134,581	-	-	13,134,581	13,134,581
Non-current financial assets		-	34,616	-	34,616	34,616
	Rs	<u>20,498,893</u>	<u>34,616</u>	<u>-</u>	<u>20,533,509</u>	<u>20,533,509</u>

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35. Financial Instruments, Continued

(2) Details of financial assets and liabilities by category as of March 31, 2020 and December 31, 2019 are as follows, continued:

2) Financial liabilities

(In thousands of won)

		2020				
		Financial liability measured at amortized cost	Financial liabilities at FVTPL	Derivatives designated to hedge	Total	Fair value
Trade and other payables	₩	473,699,821	-	-	473,699,821	473,699,821
Borrowings		504,932,965	-	-	504,932,965	504,932,965
Lease liabilities		9,324,836	-	-	9,324,836	9,324,836
Derivatives liabilities		-	-	87,120	87,120	87,120
	₩	987,957,622	-	87,120	988,044,742	988,044,742

(In thousands of won)

		2019				
		Financial liability measured at amortized cost	Financial liabilities at FVTPL	Derivatives designated to hedge	Total	Fair value
Trade and other payables	₩	597,614,144	-	-	597,614,144	597,614,144
Borrowings		412,856,448	-	-	412,856,448	412,856,448
Lease liabilities		9,992,220	-	-	9,992,220	9,992,220
	₩	1,020,462,812	-	-	1,020,462,812	1,020,462,812

(In thousands of rupee)

		2020				
		Financial liability measured at amortized cost	Financial liabilities at FVTPL	Derivatives designated to hedge	Total	Fair value
Trade and other payables	Rs	29,281,754	-	-	29,281,754	29,281,754
Borrowings		31,212,431	-	-	31,212,431	31,212,431
Lease liabilities		576,415	-	-	576,415	576,415
Derivatives liabilities		-	-	5,385	5,385	5,385
	Rs	61,070,600	-	5,385	61,075,985	61,075,985

(In thousands of rupee)

		2019				
		Financial liability measured at amortized cost	Financial liabilities at FVTPL	Derivatives designated to hedge	Total	Fair value
Trade and other payables	Rs	36,941,518	-	-	36,941,518	36,941,518
Borrowings		25,520,721	-	-	25,520,721	25,520,721
Lease liabilities		617,669	-	-	617,669	617,669
	Rs	63,079,908	-	-	63,079,908	63,079,908

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35. Financial Instruments, Continued

(3) Financial risk management

The Company is exposed to credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring and responds to each risk factors.

Financial assets that are subject to the financial risk management consist of cash and cash equivalents, non-current financial assets, trade receivables, other receivables and others; financial liabilities subject to the financial risk management consist of trade payables, other payables, borrowings, and others.

1) Market risk

a. Foreign exchange risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company assesses, manages and reports, on a regular basis, the foreign exchange risk for its receivables and payables denominated in foreign currency.

The table below shows the sensitivity for each foreign currency when exchange rates change 10%. Sensitivity analysis only includes foreign currency monetary items that are not paid, and it adjusts the translation assuming exchange rate changes 10% as of March 31, 2020.

(In thousands of won and in thousands of rupee)

Currency	Korean won		Indian rupee	
	10% increase	10% decrease	10% increase	10% decrease
USD	₩ 866,093	(866,093) Rs	53,538	(53,538)
EUR	(118,717)	118,717	(7,338)	7,338
JPY	(9,173,433)	9,173,433	(567,056)	567,056
Others	2,175,226	(2,175,226)	134,462	(134,462)
	₩ (6,250,831)	6,250,831 Rs	(386,394)	386,394

b. Interest rate risk

Sensitivity analysis was conducted assuming floating rate debt current balance is the same during the whole reporting period. When reporting interest rate risk to management internally, 0.5% variation is used, representing management's assessment about reasonably possible fluctuations of interest rates.

If other variables are constant and the interest rate is lower or higher by 0.5% than the current rate, the Company's current income will decrease or increase in ₩444,086 thousand (Rs 27,451 thousand) for the three-month period ended March 31, 2020, due to floating rate debt's interest rate risk.

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35. Financial Instruments, Continued

(3) Financial risk management, continued

2) Credit risk

Credit risk arises from transactions in the ordinary course of business and investment activities and when a customer or a transacting party fails to perform obligations defined by respective contract terms. In order to manage the aforementioned credit risk, the Company regularly assesses credit ratings of its customers and transacting parties based on their financial status and past experiences, and establishes credit limit for each customer or transacting party.

If a credit risk occurs with respect to a dealership sale, which is a major type of the Company's sales, the respective dealership bears all of the risk; the Company manages credit risk on product sales using two management index, agreed liability rate and agreed excess rate, and when the management index exceeds the agreed rate, it imposes a release restriction on the respective dealership and transfers a credit risk arising from product sales. The Company's trade receivables are usually collected within 30 days but some of the notes receivable are collected within 75 days.

The Company estimates allowances for doubtful accounts (default, liquidation, bankruptcy, court receivership, workout, disappearance, full-scale capital erosion, etc.) through individual analysis for the receivables that are over more than 90 days.

Maximum exposure in respect of credit risk as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
Trade and other receivables	₩ 163,558,928	212,482,093	Rs 10,110,395	13,134,581

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35. Financial Instruments, Continued

(3) Financial risk management, continued

3) Liquidity risk

The Company has managed liquidity risk to maintain adequate level of liquidity by periodic projecting cash outflow. To manage the risks, the Company has entered into a factoring agreement with capital financial institutions.

The contractual maturities of financial liabilities as of March 31, 2020 and December 31, 2019 are as follows:

(In thousands of won)

		2020		
		Within a year	Over 1 year	Total
Trade payables	₩	363,390,729	-	363,390,729
Other payables		107,979,778	-	107,979,778
Short-term borrowings(*)		394,203,242	-	394,203,242
Lease liabilities		6,444,676	3,202,114	9,646,790
Derivatives liabilities		87,120	-	87,120
Other payables		1,527,482	-	1,527,482
Long-term borrowings(*)		-	125,929,454	125,929,454
Long-term other payables		-	801,832	801,832
	₩	<u>873,633,027</u>	<u>129,933,400</u>	<u>1,003,566,427</u>

(In thousands of won)

		2019		
		Within a year	Over 1 year	Total
Trade payables	₩	477,054,916	-	477,054,916
Other payables		118,490,416	-	118,490,416
Short-term borrowings(*)		256,399,637	-	256,399,637
Lease liabilities		6,414,948	3,981,696	10,396,644
Other payables		1,220,472	-	1,220,472
Long-term borrowings(*)		-	171,603,986	171,603,986
Long-term other payables		-	848,340	848,340
	₩	<u>859,580,389</u>	<u>176,434,022</u>	<u>1,036,014,411</u>

(*) Including expected interest expenses.

(In thousands of rupee)

		2020		
		Within a year	Over 1 year	Total
Trade payables	Rs	22,462,998	-	22,462,998
Other payables		6,674,770	-	6,674,770
Short-term borrowings(*)		24,367,673	-	24,367,673
Lease liabilities		398,378	197,939	596,317
Derivatives liabilities		5,385	-	5,385
Other payables		94,421	-	94,421
Long-term borrowings(*)		-	7,784,329	7,784,329
Long-term other payables		-	49,565	49,565
	Rs	<u>54,003,625</u>	<u>8,031,833</u>	<u>62,035,458</u>

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35. Financial Instruments, Continued

(3) Financial risk management, continued

3) Liquidity risk, continued

(In thousands of rupee)

		2019		
		Within a year	Over 1 year	Total
Trade payables	Rs	29,489,150	-	29,489,150
Other payables		7,324,485	-	7,324,485
Short-term borrowings(*)		15,849,344	-	15,849,344
Lease liabilities		396,540	246,129	642,669
Other payables		75,443		75,443
Long-term borrowings(*)		-	10,607,700	10,607,700
Long-term other payables		-	52,440	52,440
	Rs	<u>53,134,962</u>	<u>10,906,269</u>	<u>64,041,231</u>

(*) Including expected interest expenses.

(4) Fair value of financial instruments

1) The Company's management deems that the differences between carrying value and fair value of financial assets and financial liabilities recognized as amortized cost on financial statements is not significant.

2) Valuation methods and assumptions applied in fair value measurement

The fair values of financial instruments (i.e., government bonds and unsecured corporate bonds) traded on active markets are determined with reference to quoted market prices. The Company uses the closing price as the quoted market price for its financial assets.

The fair values of derivatives where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. Non-option derivatives are evaluated by discounted cash flow method using the yield curve available. Options are evaluated by option-pricing models. Foreign exchange forward contracts are determined using the yield curve derived from market interest rates with the same maturity of forward contracts. To measure interest rate swaps, the cash flows are estimated by the yield curve derived from market interest rate and discounted to calculate the present value of swaps.

Fair values of other financial assets and liabilities (except those stated above) are calculated by generally accepted valuation models based on discounted cash flow analysis. In case of borrowings, its fair value are disclosed, but estimated in amortized costs. The Company deem that its book value are similar to its fair values calculated by generally accepted valuation models based on discounts cash flow analysis.

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35. Financial Instruments, Continued

(4) Fair value of financial instruments, continued

3) The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, classified as Level 1, 2 or 3, based on the degree to which the fair value is observable.

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

Fair values of financial instruments by hierarchy level as of March 31, 2020 are as follows:

(In thousands of won)

		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair value</u>
As of March 31, 2020					
Derivatives assets	₩	-	230,190	-	230,190
Derivatives liabilities		-	87,120	-	87,120

(In thousands of rupee)

		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair value</u>
As of March 31, 2020					
Derivatives assets	Rs	-	14,229	-	14,229
Derivatives liabilities		-	5,385	-	5,385

4) The Company measures the foreign exchange forward contract derivative assets: ₩230,190 thousand (Rs 14,229 thousand) derivative liabilities ₩87,120 thousand (Rs 5,385 thousand) based on the forward rate announced officially in the market as of March 31, 2020. In the event that no corresponding forward rate with residual year of the foreign exchange forward contract in the market exists, the Company measured the market value through interpolation method.

As input factors used in measuring market value of foreign exchange forward are from observable exchange forward rate, the Company classified the fair value of foreign exchange forward as level 2.

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36. Going concern assumption

The Company's financial statements are prepared on the assumption that it will continue as going concern, and therefore our assets and liabilities are accounted for on the assumption that they can be recovered or repaid at their carrying amount through the normal course of business activities. However, due to deteriorating financial structure, the Company has incurred operating losses of ₩97,751 million (Rs 6,042 million) and net losses of ₩192,896 million (Rs 11,924 million) as of the end of the reporting period. In addition, the company's current liabilities exceed its current assets by ₩576,748 million (Rs 35,652 million) as of the end of the reporting period.

In circumstances where material uncertainty on the ability to continue as a going concern, which is the basis for preparation of the financial statements. As a result, the Company has commenced a capital reorganization plan and business improvement plan. As the stabilization of operating income will depend on the success of this plan, a significant uncertainty exists.

As it will be difficult for the Company to continue as a going concern if the Company fails to achieve its plan, the carrying amount of the Company's assets and liabilities may not be recoverable in the ordinary course of business. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

37. Subsequent events

As of April 3, 2020, after the end of the reporting period, the Company's major shareholder Mahindra & Mahindra Ltd., expressed its intention to withdraw its previously planned large-scale funding plan for the Company and decided to provide ₩40 billion in special funding for the continuity of the Company's business operations.

As a result, the Company received ₩20 billion in funding from the Company's major shareholders, Mahindra & Mahindra Ltd., on May 4, 2020, and will receive ₩20 billion in May. Fund support from Mahindra & Mahindra Ltd. is in the form of a loan, and the loan can be converted into the Company's stock (common stock) at the request of the Company within the agreement period (borrowing period: 3 years, interest payment: annual payment, interest rate: 3%).