

**SSANGYONG MOTOR COMPANY**

Separate Interim Financial Statements

(Unaudited)

September 30, 2020 and 2019

(With Independent Auditors' Review Report Thereon)

# Contents

	<b>Page</b>
<b>Independent Auditors' Review Report</b>	1
Separate Interim Statements of Financial Position	3
Separate Interim Statements of Comprehensive Loss	5
Separate Interim Statements of Changes in Equity	7
Separate Interim Statements of Cash Flows	9
Notes to the Separate Interim Financial Statements	10

## **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 September 30, 2020, the separate interim statements of comprehensive loss for the three-month and nine-month periods ended September 30, 2020 and 2019, the separate interim statements of changes in equity and cash flows for the nine-month periods ended September 30, 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 reviews.

We conducted our reviews 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 34 to the separate interim financial statements, the Company has incurred operating loss of ₩306,216 million and a net loss of ₩304,239 million during the period ended September 30, 2020 and, as of that date, the Company's current liabilities exceed its current assets by ₩520,629 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 34 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 nine-month periods ended September 30, 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  
November 13, 2020

This report is effective as of November 13, 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 September 30, 2020 and December 31, 2019

(In thousands of won and in thousands of rupee)

	Note	Korean won		Indian rupee	
		2020	2019	2020	2019
<b>Assets</b>					
Cash and cash equivalents	4,5,33 ₩	49,267,977	119,130,707	Rs 3,108,070	7,515,361
Trade and other receivables, net	7,13,31,32,33	153,617,326	173,894,654	9,690,949	10,970,144
Inventories, net	8,25	168,885,327	204,624,341	10,654,131	12,908,727
Other current assets	10	48,241,870	8,879,552	3,043,339	560,166
<b>Total current assets</b>		<u>420,012,500</u>	<u>506,529,254</u>	<u>26,496,489</u>	<u>31,954,398</u>
Non-current financial instruments	5,33	4,000	4,000	252	252
Non-current other receivables, net	7,31,32,33	42,566,170	38,884,934	2,685,287	2,453,056
Non-current financial assets	6,33	560,000	560,000	35,328	35,328
Property, plant and equipment, net	11,14	937,511,549	1,141,386,612	59,142,916	72,004,374
Intangible assets, net	12	265,244,467	312,855,599	16,732,947	19,736,496
Investments in subsidiaries	9	297,411	297,411	18,762	18,762
Investments in joint venture	9	10,200,000	10,200,000	643,467	643,467
Other non-current assets	10	275,981	276,041	17,410	17,414
Right-of-use assets	13	13,960,873	5,851,154	880,722	369,120
<b>Total non-current assets</b>		<u>1,270,620,451</u>	<u>1,510,315,751</u>	<u>80,157,091</u>	<u>95,278,269</u>
<b>Total assets</b>		<u>₩ 1,690,632,951</u>	<u>2,016,845,005</u>	<u>Rs 106,653,580</u>	<u>127,232,667</u>

See accompanying notes to the separate interim financial statements.

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

As of September 30, 2020 and December 31, 2019

(In thousands of won and in thousands of rupee)

	Note	Korean won		Indian rupee	
		2020	2019	2020	2019
<b>Liabilities</b>					
Trade payables	32,33 ₩	399,602,575	477,054,916	Rs 25,208,928	30,095,009
Other payables	19,32,33	174,908,861	128,788,149	11,034,125	8,124,600
Short-term borrowings	14,19, 30,33	224,138,028	254,106,448	14,139,747	16,030,305
Other financial liabilities	15,33	51,115,599	39,427,815	3,224,628	2,487,304
Provision of warranty for sale - current	16	52,693,829	50,305,013	3,324,190	3,173,492
Other long-term employee benefits liabilities- current		2,014,859	2,078,739	127,108	131,137
Other current liabilities	17,31,32	31,134,494	25,535,241	1,964,120	1,610,891
Current lease liabilities	13,30,33	5,033,689	6,128,903	317,550	386,642
<b>Total current liabilities</b>		<u>940,641,934</u>	<u>983,425,224</u>	<u>59,340,396</u>	<u>62,039,380</u>
Long-term borrowings	14,19,30, 32,33	150,000,000	158,750,000	9,462,750	10,014,744
Non-current other payables	33	725,541	848,340	45,771	53,518
Other non-current liabilities	17,31	16,467,397	15,862,475	1,038,846	1,000,684
Defined benefit liabilities	18	384,354,753	356,155,261	24,247,019	22,468,055
Other long-term employee benefits liabilities		15,041,957	14,174,556	948,922	894,202
Non-current provision of warranty for sale	16	68,831,369	78,226,239	4,342,227	4,934,902
Non-current Lease liabilities	13,30,33	13,271,409	3,863,317	837,227	243,717
<b>Total non-current liabilities</b>		<u>648,692,426</u>	<u>627,880,188</u>	<u>40,922,762</u>	<u>39,609,822</u>
<b>Total liabilities</b>		<u>1,589,334,360</u>	<u>1,611,305,412</u>	<u>100,263,158</u>	<u>101,649,202</u>
<b>Equity</b>					
Capital stock	20,32	749,200,010	749,200,010	47,263,283	47,263,283
Other capital surplus	21	78,162,820	78,162,820	4,930,901	4,930,901
Other equity	22	-	-	-	-
Accumulated deficit	23	(726,064,239)	(421,823,237)	(45,803,762)	(26,610,719)
<b>Total equity</b>		<u>101,298,591</u>	<u>405,539,593</u>	<u>6,390,422</u>	<u>25,583,465</u>
<b>Total liabilities and equity</b>		<u>₩ 1,690,632,951</u>	<u>2,016,845,005</u>	<u>Rs 106,653,580</u>	<u>127,232,667</u>

See accompanying notes to the separate interim financial statements.

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

**For the three-month and nine-month periods ended September 30, 2020 and 2019**

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

	Note	2020		2019	
		Three-month period	Nine-month period	Three-month period	Nine-month period
Sales	31,32 ₩	709,443,297	2,050,040,890	835,300,075	2,710,079,827
Cost of sales	25,32	697,873,446	2,028,090,466	812,093,440	2,487,032,084
<b>Gross profit</b>		<u>11,569,851</u>	<u>21,950,424</u>	<u>23,206,635</u>	<u>223,047,743</u>
Selling, general and administrative expenses	25,26	103,916,001	328,166,707	127,941,406	403,952,743
<b>Operating loss</b>		<u>(92,346,150)</u>	<u>(306,216,283)</u>	<u>(104,734,771)</u>	<u>(180,905,000)</u>
Other income	27,32	4,860,063	124,461,453	3,849,222	12,666,984
Other expenses	27,32	12,248,887	110,803,443	2,761,010	7,997,118
Finance income	28	672,468	3,256,763	1,763,554	7,898,789
Finance costs	28	2,679,889	14,937,155	6,516,701	17,843,447
<b>Loss before income taxes</b>		<u>(101,742,395)</u>	<u>(304,238,665)</u>	<u>(108,399,706)</u>	<u>(186,179,792)</u>
Income tax expenses	24	-	-	-	-
<b>Loss for the period</b>		<u>(101,742,395)</u>	<u>(304,238,665)</u>	<u>(108,399,706)</u>	<u>(186,179,792)</u>
<b>Other comprehensive income (loss) for the period</b>		(739)	(2,337)	115,610	(23,451)
<b>Items that will never be reclassified to profit or loss:</b>					
Defined benefit plan re-measurements	18,23	(739)	(2,337)	(1,760)	(5,201)
<b>Items that are or may be reclassified subsequently to profit or loss:</b>					
Effective portion of changes in fair value of cash flow hedge	28	-	-	117,370	(18,250)
<b>Total comprehensive loss for the period</b>		<u>₩ (101,743,134)</u>	<u>(304,241,002)</u>	<u>(108,284,096)</u>	<u>(186,203,243)</u>
<b>Losses per share</b>					
Basic and diluted losses per share (In won)	29 ₩	(679)	(2,030)	(723)	(1,251)

See accompanying notes to the separate interim financial statements.

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

**For the three-month and nine-month periods ended September 30, 2020 and 2019**

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

	<i>Note</i>	2020		2019	
		Three-month period	Nine-month period	Three-month period	Nine-month period
Sales	31,32	Rs 44,755,230	129,326,830	52,694,905	170,965,386
Cost of sales	25,32	44,025,346	127,942,087	51,230,914	156,894,419
<b>Gross profit</b>		<u>729,884</u>	<u>1,384,743</u>	<u>1,463,991</u>	<u>14,070,967</u>
Selling, general and administrative expenses	25,26	6,555,541	20,702,397	8,071,184	25,483,359
<b>Operating loss</b>		<u>(5,825,657)</u>	<u>(19,317,654)</u>	<u>(6,607,193)</u>	<u>(11,412,392)</u>
Other income	27,32	306,597	7,851,651	242,828	799,097
Other expenses	27,32	772,721	6,990,035	174,178	504,498
Finance income	28	42,423	205,453	111,254	498,295
Finance costs	28	169,061	942,311	411,106	1,125,654
<b>Loss before income taxes</b>		<u>(6,418,419)</u>	<u>(19,192,896)</u>	<u>(6,838,395)</u>	<u>(11,745,152)</u>
Income tax expenses	24	-	-	-	-
<b>Loss for the period</b>		<u>(6,418,419)</u>	<u>(19,192,896)</u>	<u>(6,838,395)</u>	<u>(11,745,152)</u>
<b>Other comprehensive income (loss) for the period</b>			(47)	7,293	(1,479)
<b>Items that will never be reclassified to profit or loss:</b>					
Defined benefit plan re-measurements	18,23	(47)	(147)	(111)	(328)
<b>Items that are or may be reclassified subsequently to profit or loss:</b>					
Effective portion of changes in fair value of cash flow hedge	28	-	-	7,404	(1,151)
<b>Total comprehensive loss for the period</b>		Rs <u>(6,418,466)</u>	<u>(19,193,043)</u>	<u>(6,831,102)</u>	<u>(11,746,631)</u>
<b>Losses per share</b>					
Basic and diluted losses per share (In rupee)	29	Rs (43)	(128)	(46)	(79)

See accompanying notes to the separate interim financial statements.



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

**For the nine-month periods ended September 30, 2020 and 2019**

(In thousands of won)

	Korean won					
	Capital stock	Paid-in capital in excess of par value	Other capital surplus		Debt to be swapped for equity	Total
			Gain on capital reduction			
<b>Balance at January 1, 2019</b>	₩ 689,746,980	12,916,273	74,061,697		931,508	695,276,413
<b>Total comprehensive income(loss) for the period:</b>						
Loss for the period	-	-	-	-	-	(186,179,792)
Defined benefit plan re-measurements	-	-	-	-	-	(5,201)
Changes in fair value of cash flow hedge	-	-	-	-	(18,250)	(18,250)
<b>Transactions with owners of the Parent Company, recognized directly in equity:</b>						
Issue of ordinary shares	59,453,030	(9,746,658)	-	-	-	49,706,372
<b>Balance at September 30, 2019</b>	₩ 749,200,010	3,169,615	74,061,697		931,508	558,779,542
<b>Balance at January 1, 2020</b>	₩ 749,200,010	3,169,615	74,061,697		931,508	405,539,593
<b>Total comprehensive income(loss) for the period:</b>						
Loss for the period	-	-	-	-	-	(304,238,665)
Defined benefit plan re-measurements	-	-	-	-	-	(2,337)
<b>Balance at September 30, 2020</b>	₩ 749,200,010	3,169,615	74,061,697		931,508	101,298,591

See accompanying notes to the separate interim financial statements.

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

**For the nine-month periods ended September 30, 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	Total
			Gain on capital reduction	Other equity		
<b>Balance at January 1, 2019</b>	Rs 43,512,688	814,823	4,672,182	58,764	6,498	43,861,512
<b>Total comprehensive income(loss) for the period:</b>						
Loss for the period	-	-	-	-	-	(11,745,152)
Defined benefit plan re-measurements	-	-	-	-	-	(328)
Changes in fair value of cash flow hedge	-	-	-	-	(1,151)	(1,151)
<b>Transactions with owners of the Parent Company, recognized directly in equity:</b>						
Issue of ordinary shares	3,750,595	(614,868)	-	-	-	3,135,727
<b>Balance at September 30, 2019</b>	Rs 47,263,283	199,955	4,672,182	58,764	5,347	35,250,608
<b>Balance at January 1, 2020</b>	Rs 47,263,283	199,955	4,672,182	58,764	-	25,583,465
<b>Total comprehensive income(loss) for the period:</b>						
Loss for the period	-	-	-	-	-	(19,192,896)
Defined benefit plan re-measurements	-	-	-	-	-	(147)
<b>Balance at September 30, 2020</b>	Rs 47,263,283	199,955	4,672,182	58,764	-	6,390,422

See accompanying notes to the separate interim financial statements.

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

For the nine-month periods ended September 30, 2020 and 2019

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Loss for the period	₩ (304,238,665)	(186,179,792)	Rs (19,192,896)	(11,745,152)
Adjustment	232,762,432	266,110,963	14,683,818	16,787,610
Changes in assets and liabilities	(67,826,593)	(247,484,295)	(4,278,841)	(15,612,547)
<b>Cash generated from operations (note 30)</b>	<u>(139,302,826)</u>	<u>(167,553,124)</u>	<u>(8,787,919)</u>	<u>(10,570,089)</u>
Interest received	1,614,285	3,095,425	101,837	195,275
Interest paid	(9,154,458)	(5,597,438)	(577,509)	(353,114)
Dividends received	11,000	11,000	694	694
<b>Net cash used in operating activities</b>	<u>(146,831,999)</u>	<u>(170,044,137)</u>	<u>(9,262,897)</u>	<u>(10,727,234)</u>
<b>Cash flows from investing activities</b>				
Proceed from disposal of property, plant and equipment	185,558,244	1,630,664	11,705,942	102,870
Proceed from disposal of intangible assets	-	112,138	-	7,074
Acquisition of property, plant and equipment	(30,955,354)	(116,287,961)	(1,952,819)	(7,336,026)
Acquisition of intangible assets	(32,570,089)	(60,320,375)	(2,054,684)	(3,805,311)
Acquisition of investments in subsidiaries	-	(1,116,761)	-	(70,451)
Cash flow provided by (used in) other investing activities	331,952	(2,588,229)	20,941	(163,278)
<b>Net cash provided by (used in) investing activities</b>	<u>122,364,753</u>	<u>(178,570,524)</u>	<u>7,719,380</u>	<u>(11,265,122)</u>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	157,000,113	210,000,000	9,904,352	13,247,850
Proceeds from issuing capital stock	-	49,706,372	-	3,135,727
Receipts of government grants	108,687	47,680	6,857	3,008
Repayment of borrowings	(195,845,116)	(18,822,995)	(12,354,889)	(1,187,449)
Payment of lease liabilities	(6,659,168)	(6,711,170)	(420,094)	(423,374)
<b>Net cash provided by (used in) financing activities (note 30)</b>	<u>(45,395,484)</u>	<u>234,219,887</u>	<u>(2,863,774)</u>	<u>14,775,762</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(69,862,730)</u>	<u>(114,394,774)</u>	<u>(4,407,291)</u>	<u>(7,216,594)</u>
Cash and cash equivalents at January 1	<u>119,130,707</u>	<u>150,953,423</u>	<u>7,515,361</u>	<u>9,522,897</u>
<b>Cash and cash equivalents at September 30</b>	<u>₩ 49,267,977</u>	<u>36,558,649</u>	<u>Rs 3,108,070</u>	<u>2,306,303</u>

See accompanying notes to the separate interim financial statements.

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

**For the nine-month periods ended September 30, 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 September 30, 2020, the Company's shareholders are as follows:

<u>Name of shareholder</u>	<u>Number of shares (In shares)</u>	<u>Percentage of ownership</u>
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 0.063085 to ₩1 on September 30, 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 nine-month periods ended September 30, 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 nine-month periods ended September 30, 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 September 30, 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	₩ 248,212	187,494	Rs 15,659	11,828	Litigated asset, government grants and others
Long-term financial instruments	Woori Bank	5,755,329	752,317	363,075	47,460	Unconfirmed reorganization debt pledged as collateral
	Shinhan Bank and others	4,000	4,000	252	252	Bank account deposit
		₩ <u>6,007,541</u>	<u>943,811</u>	Rs <u>378,986</u>	<u>59,540</u>	

#### 6. Non-current Financial Assets

Non-current financial assets as of September 30, 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	31,543	46,479	31,543	31,543
Korea Management Consultants Association(*)	1.50		3,785	59,924	3,785	3,785
		Rs	<u>35,328</u>	<u>106,403</u>	<u>35,328</u>	<u>35,328</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 nine-month periods ended September 30, 2020 and 2019

7. Trade and Other Receivables

(1) Details of trade and other receivables as of September 30, 2020 and December 31, 2019 are as follows:  
(In thousands of won)

	2020		2019	
	Current	Non-current	Current	Non-current
Trade receivables	₩ 132,699,858	-	159,356,266	100,000
Less: Allowance for doubtful accounts	(467,110)	-	(332,307)	(497)
Other receivables	7,014,911	106,200	7,104,763	108,172
Less: Allowance for doubtful accounts	(4,085,153)	(44,250)	(4,442,546)	(44,345)
Loans and others(*)	18,454,820	42,504,577	12,208,478	38,721,961
Less: Allowance for doubtful accounts	-	(357)	-	(357)
	₩ 153,617,326	42,566,170	173,894,654	38,884,934

(\*) The Loans and others listed above include ₩3,492,475 thousand and ₩4,037,510 thousand for sub lease receivables as of September 30, 2020 and December 31, 2019, respectively. The interest revenue received by the sub lease contract are ₩435,746 thousand and ₩471,834 thousand for the nine-month periods ended September 30, 2020 and 2019, respectively.

(In thousands of rupee)

	2020		2019	
	Current	Non-current	Current	Non-current
Trade receivables	Rs 8,371,371	-	10,052,990	6,309
Less: Allowance for doubtful accounts	(29,468)	-	(20,964)	(31)
Other receivables	442,536	6,700	448,204	6,824
Less: Allowance for doubtful accounts	(257,712)	(2,792)	(280,258)	(2,798)
Loans and others(*)	1,164,222	2,681,401	770,172	2,442,775
Less: Allowance for doubtful accounts	-	(22)	-	(23)
	Rs 9,690,949	2,685,287	10,970,144	2,453,056

(\*) The Loans and others listed above include Rs 220,323 thousand and Rs 254,706 thousand for sub lease receivables as of September 30, 2020 and December 31, 2019, respectively. The interest revenue received by the sub lease contract are Rs 27,489 thousand and Rs 29,766 thousand for the nine-month periods ended September 30, 2020 and 2019, respectively.

(2) Details of aging analysis of the trade and other receivables as of September 30, 2020 and December 31, 2019 are as follows:

(In thousands of won)

	2020		2019	
	Trade receivables	Others(*)	Trade receivables	Others(*)
Less than 90 days	₩ 104,855,157	62,966,734	124,619,361	53,501,544
Less than 180 days	9,714,688	607,614	15,540,796	57,067
Less than 270 days	5,224,204	193,153	17,528,017	30,610
Less than 365 days	6,462,758	71,574	674,780	1,568
More than 366 days	6,443,051	4,241,433	1,093,312	4,552,585
Total	₩ 132,699,858	68,080,508	159,456,266	58,143,374
Impaired receivables	₩ 467,110	4,129,760	332,804	4,487,248

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

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

For the nine-month periods ended September 30, 2020 and 2019

**7. Trade and Other Receivables, Continued**

(2) Details of aging analysis of the trade and other receivables as of September 30, 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	6,614,788	3,972,257	7,861,612	3,375,145
Less than 180 days		612,851	38,331	980,391	3,600
Less than 270 days		329,569	12,185	1,105,755	1,931
Less than 365 days		407,703	4,515	42,569	99
More than 366 days		406,460	267,571	68,972	287,200
Total	Rs	<u>8,371,371</u>	<u>4,294,859</u>	<u>10,059,299</u>	<u>3,667,975</u>
Impaired receivables	Rs	29,468	260,526	20,995	283,078

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

(3) Changes in allowance for trade and other receivables the nine-month periods ended September 30, 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	4,369,251
Bad debt expense		134,306	-	299,313	284,425
Reversal of allowance for bad debts		-	(15,275)	(1,257)	-
Write off		-	(342,213)	-	(492)
Ending balance	₩	<u>467,110</u>	<u>4,129,760</u>	<u>422,355</u>	<u>4,653,184</u>

(In thousands of rupee)

		2020		2019	
		Trade receivables	Others	Trade receivables	Others
Beginning balance	Rs	20,995	283,078	7,841	275,634
Bad debt expense		8,473	-	18,882	17,943
Reversal of allowance for bad debts		-	(964)	(79)	-
Write off		-	(21,588)	-	(31)
Ending balance	Rs	<u>29,468</u>	<u>260,526</u>	<u>26,644</u>	<u>293,546</u>



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

**For the nine-month periods ended September 30, 2020 and 2019**

**8. Inventories**

Details of inventories as of September 30, 2020 and December 31, 2019 are as follows:

*(In thousands of won and in thousands of rupee)*

	<b>Korean won</b>		<b>Indian rupee</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Merchandises	₩ 35,108,834	37,958,354	Rs 2,214,841	2,394,603
Finished goods	61,183,701	73,488,372	3,859,774	4,636,014
Work-in-process	23,171,320	22,869,812	1,461,763	1,442,742
Raw materials	31,109,637	34,184,282	1,962,551	2,156,516
Sub-materials	307,488	375,663	19,398	23,699
Supplies	3,272,784	3,270,070	206,463	206,292
Goods in transit	14,731,563	32,477,788	929,341	2,048,861
	₩ <u>168,885,327</u>	<u>204,624,341</u>	Rs <u>10,654,131</u>	<u>12,908,727</u>

The Company has measured inventories at the lower of cost or net realizable value. The loss on valuation of inventories amounted to ₩5,339,050 thousand (Rs 336,814 thousand) for the nine-month period ended September 30, 2020 and the loss on valuation of inventories amounted to ₩ 7,884,178 thousand (Rs 497,373 thousand) for the nine-month period ended September 30, 2019.

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

For the nine-month periods ended September 30, 2020 and 2019

9. Investments in Subsidiaries and a Joint venture

Details of investment in subsidiaries and a joint venture as of September 30, 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 336,754	18,762	18,762
	Ssangyong European Parts Center B.V.	Netherlands	100%	December	52,720	-	-
	Ssangyong Australia Pty Ltd.(*1)	Australia	100%	December	256,604	-	-
					<u>646,078</u>	<u>18,762</u>	<u>18,762</u>
Joint venture	SY Auto Capital Co., Ltd.(*2)	Korea	51%	December	643,467	643,467	643,467
					<u>Rs 1,289,545</u>	<u>662,229</u>	<u>662,229</u>

(\*1) The Company made additional investments of Rs 70,451 thousand during the previous year. Impairment loss on investments in subsidiaries of Rs 256,604 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.

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

For the nine-month periods ended September 30, 2020 and 2019

10. Other Assets

Details of other assets as of September 30, 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
<b>Other current assets</b>				
Advance payments	₩ 39,314,815	1,341,758	Rs 2,480,175	84,645
Prepaid expenses	8,394,136	7,107,472	529,544	448,375
Current tax assets	532,919	430,322	33,620	27,146
	₩ 48,241,870	8,879,552	Rs 3,043,339	560,166
<b>Other non-current assets</b>				
Other non-current assets	₩ 275,981	276,041	Rs 17,410	17,414

11. Property, Plant and Equipment

(1) Details of property, plant and equipment as of September 30, 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	₩ 402,580,149	(7,354)	-	-	402,572,795
Buildings	535,637,393	(3,604,504)	(235,861,377)	(156,914,544)	139,256,968
Structures	112,026,472	(54,434)	(67,992,348)	(31,207,526)	12,772,164
Machinery	1,300,450,375	(141,148)	(1,072,591,988)	(112,724,966)	114,992,273
Vehicles	6,653,509	(3,194)	(5,098,401)	(396,324)	1,155,590
Tools and molds	1,397,405,171	(77,110)	(977,696,367)	(196,452,347)	223,179,347
Equipment	65,661,071	(98,476)	(54,159,739)	(3,690,362)	7,712,494
Construction in progress	37,745,128	-	-	(2,271,275)	35,473,853
Machinery in transit	396,065	-	-	-	396,065
	₩ 3,858,555,333	(3,986,220)	(2,413,400,220)	(503,657,344)	937,511,549

(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

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

For the nine-month periods ended September 30, 2020 and 2019

**11. Property, Plant and Equipment, Continued**

(1) Details of property, plant and equipment as of September 30, 2020 and December 31, 2019 are as follows, continued:

(In thousands of rupee)

		<b>2020</b>				
		<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated depreciation</b>	<b>Accumulated impairment losses</b>	<b>Book value</b>
Land	Rs	25,396,769	(464)	-	-	25,396,305
Buildings		33,790,685	(227,390)	(14,879,315)	(9,898,954)	8,785,026
Structures		7,067,190	(3,434)	(4,289,297)	(1,968,727)	805,732
Machinery		82,038,912	(8,904)	(67,664,466)	(7,111,255)	7,254,287
Vehicles		419,737	(202)	(321,633)	(25,002)	72,900
Tools and molds		88,155,305	(4,864)	(61,677,975)	(12,393,196)	14,079,270
Equipment		4,142,228	(6,212)	(3,416,667)	(232,807)	486,542
Construction in progress		2,381,151	-	-	(143,283)	2,237,868
Machinery in transit		24,986	-	-	-	24,986
	Rs	<u>243,416,963</u>	<u>(251,470)</u>	<u>(152,249,353)</u>	<u>(31,773,224)</u>	<u>59,142,916</u>

(In thousands of rupee)

		<b>2019</b>				
		<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated depreciation</b>	<b>Accumulated impairment losses</b>	<b>Book value</b>
Land	Rs	29,949,935	(464)	-	-	29,949,471
Buildings		34,826,445	(232,224)	(15,131,850)	(9,915,645)	9,546,726
Structures		7,110,603	(4,387)	(4,257,494)	(1,877,383)	971,339
Machinery		82,440,146	(9,066)	(66,434,010)	(6,323,760)	9,673,310
Vehicles		523,906	(274)	(363,268)	(29,760)	130,604
Tools and molds		88,643,320	(5,726)	(57,539,480)	(10,841,619)	20,256,495
Equipment		4,390,916	(6,954)	(3,460,684)	(219,692)	703,586
Construction in progress		802,290	-	-	(44,148)	758,142
Machinery in transit		14,701	-	-	-	14,701
	Rs	<u>248,702,262</u>	<u>(259,095)</u>	<u>(147,186,786)</u>	<u>(29,252,007)</u>	<u>72,004,374</u>

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

For the nine-month periods ended September 30, 2020 and 2019

11. Property, Plant and Equipment, Continued

(2) Changes in property, plant and equipment for the nine-month periods ended September 30, 2020 and 2019 are as follows:

(In thousands of won)

		2020						
		Beginning balance	Acquisition	Disposal (*1)	Depreciation	Impairment (*2)	Others (*3)	Ending balance
Land	₩	474,747,900	-	(72,175,105)	-	-	-	402,572,795
Buildings		151,331,150	7,900	(4,421,220)	(7,753,862)	-	93,000	139,256,968
Structures		15,397,302	-	(102,562)	(1,055,288)	(1,467,288)	-	12,772,164
Machinery		153,337,727	26,568	(159,122)	(25,996,562)	(14,145,255)	1,928,917	114,992,273
Vehicles		2,070,289	3,806	(649,860)	(290,994)	-	22,349	1,155,590
Tools and molds		321,098,431	289,692	(177,768)	(75,105,990)	(28,911,604)	5,986,586	223,179,347
Equipment		11,152,985	269,004	(24,262)	(2,747,510)	(996,376)	58,653	7,712,494
Construction in progress		12,017,789	32,402,978	-	-	(1,648,990)	(7,297,924)	35,473,853
Machinery in transit		233,039	557,043	-	-	-	(394,017)	396,065
	₩	<u>1,141,386,612</u>	<u>33,556,991</u>	<u>(77,709,899)</u>	<u>(112,950,206)</u>	<u>(47,169,513)</u>	<u>397,564</u>	<u>937,511,549</u>

(\*1) The Company has sold the land, buildings, and structures located in Guro-dong, Guro-gu, Seoul, and Gamjeon-dong, Sasang-gu, Busan by ₩206,250 million (the book value were ₩76,699 million) and related gain on disposals is recognized as ₩108,146 million for the nine-month period ended September 30, 2020.

(\*2) 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.

(\*3) Capitalized borrowing costs in respect of construction in progress is ₩403,903 thousand and ₩22,348 thousand was transferred from inventory to vehicles for the nine-month period ended September 30, 2020. Meanwhile, the government grants of ₩28,688 thousand is adjusted in others.

(In thousands of won)

		2019					
		Beginning balance	Acquisition	Disposal	Depreciation	Others(*)	Ending balance
Land	₩	475,109,638	-	(361,738)	-	-	474,747,900
Buildings		169,644,693	51,982	-	(8,379,048)	1,248,416	162,566,043
Structures		17,372,729	101,859	(2,409)	(1,236,108)	238,914	16,474,985
Machinery		160,696,016	83,802	(261,920)	(29,204,610)	34,771,011	166,084,299
Vehicles		1,231,926	328,527	(427,366)	(430,757)	1,609,921	2,312,251
Tools and molds		276,953,283	9,221,403	(270,054)	(78,424,135)	155,549,991	363,030,488
Equipment		14,254,721	1,471,438	(29,194)	(3,943,404)	269,171	12,022,732
Construction in progress		110,625,296	98,860,571	-	-	(190,466,611)	19,019,256
Machinery in transit		1,318,137	491,293	-	-	(1,084,714)	724,716
	₩	<u>1,227,206,439</u>	<u>110,610,875</u>	<u>(1,352,681)</u>	<u>(121,618,062)</u>	<u>2,136,099</u>	<u>1,216,982,670</u>

(\*) Capitalized borrowing costs in respect of construction in progress is ₩672,872 thousand and ₩1,510,907 thousand was transferred from inventory to vehicles for the nine-month period ended September 30, 2019. Meanwhile, the government grants of ₩47,680 thousand is adjusted in others.

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

For the nine-month periods ended September 30, 2020 and 2019

11. Property, Plant and Equipment, Continued

(2) Changes in property, plant and equipment for the nine-month periods ended September 30, 2020 and 2019 are as follows, continued:

(In thousands of rupee)

		2020						
		Beginning balance	Acquisition	Disposal (*1)	Depreciation	Impairment (*2)	Others(*3)	Ending balance
Land	Rs	29,949,471	-	(4,553,166)	-	-	-	25,396,305
Buildings		9,546,726	498	(278,913)	(489,152)	-	5,867	8,785,026
Structures		971,339	-	(6,470)	(66,573)	(92,564)	-	805,732
Machinery		9,673,310	1,676	(10,038)	(1,639,993)	(892,353)	121,685	7,254,287
Vehicles		130,604	240	(40,995)	(18,358)	-	1,409	72,900
Tools and molds		20,256,495	18,275	(11,214)	(4,738,061)	(1,823,889)	377,664	14,079,270
Equipment		703,586	16,970	(1,531)	(173,327)	(62,856)	3,700	486,542
Construction in progress		758,142	2,044,142	-	-	(104,027)	(460,389)	2,237,868
Machinery in transit		14,701	35,141	-	-	-	(24,856)	24,986
	Rs	<u>72,004,374</u>	<u>2,116,942</u>	<u>(4,902,327)</u>	<u>(7,125,464)</u>	<u>(2,975,689)</u>	<u>25,080</u>	<u>59,142,916</u>

(\*1) The Company has sold the land, buildings, and structures located in Guro-dong, Guro-gu, Seoul, and Gamjeon-dong, Sasang-gu, Busan by Rs 13,011 million (the book value were Rs 4,839 million) and related gain on disposals is recognized as Rs 6,822 million for the nine-month period ended September 30, 2020.

(\*2) 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 2,976 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.

(\*3) Capitalized borrowing costs in respect of construction in progress is Rs 25,480 thousand and Rs 1,410 thousand was transferred from inventory to vehicles for the nine-month period ended September 30, 2020. Meanwhile, the government grants of Rs 1,810 thousand is adjusted in others.

(In thousands of rupee)

		2019					
		Beginning balance	Acquisition	Disposal	Depreciation	Others(*)	Ending balance
Land	Rs	29,972,292	-	(22,820)	-	-	29,949,472
Buildings		10,702,035	3,279	-	(528,592)	78,756	10,255,478
Structures		1,095,959	6,426	(152)	(77,980)	15,072	1,039,325
Machinery		10,137,508	5,287	(16,523)	(1,842,373)	2,193,529	10,477,428
Vehicles		77,716	20,725	(26,960)	(27,174)	101,562	145,869
Tools and molds		17,471,598	581,732	(17,036)	(4,947,387)	9,812,871	22,901,778
Equipment		899,259	92,826	(1,842)	(248,770)	16,981	758,454
Construction in progress		6,978,797	6,236,619	-	-	(12,015,586)	1,199,830
Machinery in transit		83,155	30,993	-	-	(68,429)	45,719
	Rs	<u>77,418,319</u>	<u>6,977,887</u>	<u>(85,333)</u>	<u>(7,672,276)</u>	<u>134,756</u>	<u>76,773,353</u>

(\*) Capitalized borrowing costs in respect of construction in progress is Rs 42,448 thousand and Rs 95,316 thousand was transferred from inventory to vehicles for the nine-month period ended September 30, 2019. Meanwhile, the government grants of Rs 3,008 thousand is adjusted in others.

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

**For the nine-month periods ended September 30, 2020 and 2019**

**11. Property, Plant and Equipment, Continued**

(3) Details of pledged assets provided as collateral for the borrowings as of September 30, 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	₩ 390,642,884		Rs 24,643,706	
Buildings and structures	107,498,877	384,423,192	6,781,567	24,251,337
Machinery and others	12,760		805	
	₩ <u>498,154,521</u>	<u>384,423,192</u>	Rs <u>31,426,078</u>	<u>24,251,337</u>

(4) Capitalized borrowing costs and capitalization interest rate for the nine-month periods ended September 30, 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(*)	₩ 2,353,240	2,721,054	Rs 148,454	171,658
Capitalization interest rate	2.94%	3.56%	2.94%	3.56%

(\*) Capitalized borrowing costs for intangible assets are ₩1,949,337 thousand (Rs 122,974 thousand) and ₩2,048,182 thousand (Rs 129,210 thousand) for the nine-month periods ended September 30, 2020 and 2019, respectively.

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

For the nine-month periods ended September 30, 2020 and 2019

12. Intangible Assets

(1) Details of intangible assets as of September 30, 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	-	(325,127,161)	(32,860,505)	152,292,310
Patents		5,031,792	(9,343)	(3,909,321)	(175,697)	937,431
Other intangible assets		164,506,125	(80,000)	(36,118,648)	(16,292,751)	112,014,726
	₩	<u>679,817,893</u>	<u>(89,343)</u>	<u>(365,155,130)</u>	<u>(49,328,953)</u>	<u>265,244,467</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	32,191,012	-	(20,510,647)	(2,073,005)	9,607,360
Patents		317,431	(589)	(246,620)	(11,084)	59,138
Other intangible assets		10,377,869	(5,047)	(2,278,545)	(1,027,828)	7,066,449
	Rs	<u>42,886,312</u>	<u>(5,636)</u>	<u>(23,035,812)</u>	<u>(3,111,917)</u>	<u>16,732,947</u>

(In thousands of rupee)

		2019				
		Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment losses	Book value
Development cost	Rs	32,191,012	-	(17,369,316)	(815,604)	14,006,092
Patents		305,883	(589)	(222,407)	(9,860)	73,027
Other intangible assets		8,211,759	-	(2,141,532)	(412,850)	5,657,377
	Rs	<u>40,708,654</u>	<u>(589)</u>	<u>(19,733,255)</u>	<u>(1,238,314)</u>	<u>19,736,496</u>



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

For the nine-month periods ended September 30, 2020 and 2019

12. Intangible Assets, Continued

(2) Changes in intangible assets for the nine-month periods ended September 30, 2020 and 2019 are as follows:

(In thousands of won)

		2020					
		Beginning balance	Acquisition	Amortization	Impairment(*1)	Others(*2)	Ending balance
<b>Internally created intangible assets:</b>							
Development cost	₩	222,019,365	-	(49,795,209)	(19,931,846)	-	152,292,310
Other intangible assets		82,875,485	32,007,327	-	(9,312,504)	1,949,337	107,519,645
		<u>304,894,850</u>	<u>32,007,327</u>	<u>(49,795,209)</u>	<u>(29,244,350)</u>	<u>1,949,337</u>	<u>259,811,955</u>
<b>Individually acquired intangible assets:</b>							
Patents		1,157,589	183,050	(383,807)	(19,401)	-	937,431
Other intangible assets		6,803,160	379,712	(2,171,884)	(435,907)	(80,000)	4,495,081
		7,960,749	562,762	(2,555,691)	(455,308)	(80,000)	5,432,512
	₩	<u>312,855,599</u>	<u>32,570,089</u>	<u>(52,350,900)</u>	<u>(29,699,658)</u>	<u>1,869,337</u>	<u>265,244,467</u>

(In thousands of won)

		2019							
		Beginning balance	Acquisition	Disposal	Amortization	Impairment	Transfer	Others(*2)	Ending balance
<b>Internally created intangible assets:</b>									
Development cost	₩	163,025,002	-	-	(68,560,587)	-	165,094,961	-	259,559,376
Other intangible assets		181,843,818	57,542,193	-	-	-	(165,094,961)	2,048,182	76,339,232
		<u>344,868,820</u>	<u>57,542,193</u>	<u>-</u>	<u>(68,560,587)</u>	<u>-</u>	<u>-</u>	<u>2,048,182</u>	<u>335,898,608</u>
<b>Individually acquired intangible assets:</b>									
Patents		1,334,224	373,487	-	(470,408)	(38,739)	-	-	1,198,564
Other intangible assets		7,556,918	2,404,695	(112,138)	(2,500,762)	-	-	-	7,348,713
		8,891,142	2,778,182	(112,138)	(2,971,170)	(38,739)	-	-	8,547,277
	₩	<u>353,759,962</u>	<u>60,320,375</u>	<u>(112,138)</u>	<u>(71,531,757)</u>	<u>(38,739)</u>	<u>-</u>	<u>2,048,182</u>	<u>344,445,885</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 ₩29,700 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 ₩1,949,337 thousand and ₩2,048,182 thousand for the nine-month periods ended September 30, 2020 and 2019. Meanwhile, ₩80,000 thousand of government grants used for asset acquisition was adjusted by others.

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

For the nine-month periods ended September 30, 2020 and 2019

12. Intangible Assets, Continued

(2) Changes in intangible assets for the nine-month periods ended September 30, 2020 and 2019 are as follows, continued:

(In thousands of rupee)

		2020					
		Beginning balance	Acquisition	Amortization	Impairment(*1)	Others(*2)	Ending balance
<b>Internally created intangible assets:</b>							
Development cost	Rs	14,006,092	-	(3,141,331)	(1,257,401)	-	9,607,360
Other intangible assets		5,228,200	2,019,182	-	(587,479)	122,974	6,782,877
		<u>19,234,292</u>	<u>2,019,182</u>	<u>(3,141,331)</u>	<u>(1,844,880)</u>	<u>122,974</u>	<u>16,390,237</u>
<b>Individually acquired intangible assets:</b>							
Patents		73,027	11,548	(24,213)	(1,224)	-	59,138
Other intangible assets		429,177	23,954	(137,013)	(27,499)	(5,047)	283,572
		<u>502,204</u>	<u>35,502</u>	<u>(161,226)</u>	<u>(28,723)</u>	<u>(5,047)</u>	<u>342,710</u>
	Rs	<u>19,736,496</u>	<u>2,054,684</u>	<u>(3,302,557)</u>	<u>(1,873,603)</u>	<u>117,927</u>	<u>16,732,947</u>

(In thousands of rupee)

		2019							
		Beginning balance	Acquisition	Disposal	Amortization	Impairment	Transfer	Others(*2)	Ending balance
<b>Internally created intangible assets:</b>									
Development cost	Rs	10,284,432	-	-	(4,325,144)	-	10,415,016	-	16,374,304
Other intangible assets		11,471,617	3,630,049	-	-	-	(10,415,016)	129,210	4,815,860
		<u>21,756,049</u>	<u>3,630,049</u>	<u>-</u>	<u>(4,325,144)</u>	<u>-</u>	<u>-</u>	<u>129,210</u>	<u>21,190,164</u>
<b>Individually acquired intangible assets:</b>									
Patents		84,170	23,561	-	(29,676)	(2,444)	-	-	75,611
Other intangible assets		476,728	151,700	(7,074)	(157,760)	-	-	-	463,594
		<u>560,898</u>	<u>175,261</u>	<u>(7,074)</u>	<u>(187,436)</u>	<u>(2,444)</u>	<u>-</u>	<u>-</u>	<u>539,205</u>
	Rs	<u>22,316,947</u>	<u>3,805,310</u>	<u>(7,074)</u>	<u>(4,512,580)</u>	<u>(2,444)</u>	<u>-</u>	<u>129,210</u>	<u>21,729,369</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 1,874 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 122,974 thousand and Rs 129,210 thousand for the nine-month periods ended September 30, 2020 and 2019. Meanwhile, Rs 5,047 thousand of government grants used for asset acquisition was adjusted by others.

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

**For the nine-month periods ended September 30, 2020 and 2019**

**12. Intangible Assets, Continued**

(3) Details of capitalized development costs as of September 30, 2020 are as follows.

*(In thousands of won and in thousands of rupee)*

	<u>Project name</u>	<u>Korean won</u>	<u>Indian rupee</u>	<u>Remaining amortization period(*1)</u>
Development costs	RV(*2)	₩ 132,825,766	Rs 8,379,313	1~4 years
	Power train and others	19,466,544	1,228,047	1~4 years
Other intangible assets	RV(*3)	107,519,645	6,782,877	-
		₩ <u>259,811,955</u>	Rs <u>16,390,237</u>	

(\*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 September 30, 2020.

(\*3) On-going development project for vehicles as of September 30, 2020 to respond to consumer needs and market conditions.

(4) Details of expenditures for research and developments for the nine-month periods ended September 30, 2020 and 2019 are as follows:

*(In thousands of won and in thousands of rupee)*

	<u>Korean won</u>		<u>Indian rupee</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Capitalization of intangible assets	₩ 33,956,664	59,590,375	Rs 2,142,156	3,759,259
Manufacturing costs	68,385,790	79,602,026	4,314,118	5,021,694
Selling and administrative expenses	10,739,147	9,159,747	677,479	577,843
	₩ <u>113,081,601</u>	<u>148,352,148</u>	Rs <u>7,133,753</u>	<u>9,358,796</u>

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

**For the nine-month periods ended September 30, 2020 and 2019**

**13. Lease**

(1) Changes in right-of-use assets for the nine-month period ended September 30, 2020 are as follows:

(In thousands of won)

		<b>Beginning balance</b>	<b>Increase(*)</b>	<b>Depreciation</b>	<b>Other</b>	<b>Ending balance</b>
Land and building	₩	919,239	11,244,847	(1,689,404)	-	10,474,682
Vehicle		3,575,908	76,613	(1,378,027)	(3,072)	2,271,422
Equipment		1,356,007	415,757	(556,995)	-	1,214,769
Total	₩	<u>5,851,154</u>	<u>11,737,217</u>	<u>(3,624,426)</u>	<u>(3,072)</u>	<u>13,960,873</u>

(In thousands of rupee)

		<b>Beginning balance</b>	<b>Increase(*)</b>	<b>Depreciation</b>	<b>Other</b>	<b>Ending balance</b>
Land and building	Rs	57,990	709,381	(106,576)	-	660,795
Vehicle		225,586	4,833	(86,933)	(193)	143,293
Equipment		85,544	26,228	(35,138)	-	76,634
Total	Rs	<u>369,120</u>	<u>740,442</u>	<u>(228,647)</u>	<u>(193)</u>	<u>880,722</u>

(\*) According to the contract of the lease transaction for the Guro AS center ₩10,927 million (Rs 689 million) has increased during the nine-month period ended September 30, 2020.

(2) Details of lease liabilities as of September 30, 2020 are as follows:

(In thousands of won)

		<b>Within a year</b>	<b>Over 1 year</b>
Lease liabilities(*)	₩	5,033,689	13,271,409

(In thousands of rupee)

		<b>Within a year</b>	<b>Over 1 year</b>
Lease liabilities(*)	Rs	317,550	837,227

(\*) The total amount of lease liabilities paid in the current term is ₩6,659,168 thousand (Rs 420,094 thousand) and interests expenses is ₩360,004 thousand (Rs 22,711 thousand) during the nine-month period ended September 30, 2020.

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

**For the nine-month periods ended September 30, 2020 and 2019**

**13. Lease, Continued**

(3) Expenses from lease contracts with low cost and short-term contract for the nine-month period ended September 30, 2020 are as the following:

<i>(In thousands of won)</i>	<b>Exemption of lease recognition</b>	<b>Expenses</b>
Office equipment	Low cost	₩ 689,382
	Short term	11,110
Building	Short term	22,500

<i>(In thousands of rupee)</i>	<b>Exemption of lease recognition</b>	<b>Expenses</b>
Office equipment	Low cost	Rs 43,490
	Short term	701
Building	Short term	1,419

(4) The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

<i>(In thousands of won and in thousands of rupee)</i>	<b>2020</b>	
	<b>Korean won</b>	<b>Indian rupee</b>
<b>Sub lease</b>		
Less than 1 year	₩ 2,686,155	Rs 169,456
1 year to 2 years	890,580	56,182
Lease to be received	3,576,735	225,638
Unrealized interests	(84,260)	(5,316)
Net investment in the lease	3,492,475	220,322
Interests from sublease for this period	116,178	7,329

(5) Sales and lease back

The Company has been liquidating the land and buildings of the factory in Guro-dong, Guro-gu, Seoul to enhance asset efficiency and financial stability for the nine-month periods ended September 30, 2020. The main terms of sales and lease back transactions are as the following:

	<b>Main terms</b>
Type	Sales and lease back
Counterparty	PIA Guro-station PFV Co., Ltd.
Transaction amount	₩180 Billion (Rs 11 Billion)
Underlying assets	Factory land and building in Guro-dong, Guro-gu, Seoul

The details of the company's recognition for the nine-month periods ended September 30, 2020 due to sales and lease back transactions are as the following:

- Right-of-use asset: ₩10,927 million (Rs 689 million) increased.
- Lease liabilities: ₩10,733 million (Rs 677 million) increased.
- Property, plant and equipment: ₩60,834 million (Rs 3,838 million) decreased.
- Gains on disposal of PPE: ₩97,761 million (Rs 6,167 million) increased.
- Lease deposit: ₩10,800 million (Rs 681 million) increased.

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

**For the nine-month periods ended September 30, 2020 and 2019**

**14. Borrowings**

(1) Details of short-term borrowings as of September 30, 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 1,261,700	1,261,700
Korea Development Bank	Facility fund(*)	CD+1.57	70,000,000	70,000,000	4,415,950	4,415,950
Woori Bank	Operating fund(*)	CD+2.00	15,000,000	17,500,000	946,275	1,103,987
Kookmin Bank	Operating fund(*)	CD+2.00	-	10,000,000	-	630,850
JP Morgan	Operating fund(*)	CD+2.00	40,000,000	-	2,523,400	-
BNP PARIBAS	Overdraft	CD+2.00	15,000,000	30,000,000	946,275	1,892,550
JP Morgan	Overdraft	CD+2.00	29,999,982	-	1,892,549	-
BOA	Overdraft	CD+2.00	29,999,882	-	1,892,542	-
Citi Bank and others	Banker's usance	0.30 ~0.80	4,138,164	106,606,448	261,056	6,725,268
			₩ 224,138,028	254,106,448	Rs 14,139,747	16,030,305

(\*) Current portion of long-term borrowing

(2) Details of long-term borrowing as of September 30, 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 10,724,450	10,724,450
Woori Bank	Operating fund	CD+2.00	25,000,000	35,000,000	1,577,125	2,207,975
Kookmin Bank	Facility fund	CD+2.00	-	11,250,000	-	709,706
JP Morgan	Facilities fund	CD+2.00	40,000,000	40,000,000	2,523,400	2,523,400
Mahindra & Mahindra Ltd.(*)		3.00	40,000,000	-	2,523,400	-
Less: Current portion			(125,000,000)	(97,500,000)	(7,885,625)	(6,150,787)
			₩ 150,000,000	158,750,000	Rs 9,462,750	10,014,744

(\*) The Company has the right to request conversion to equity within the borrowing period and Mahindra & Mahindra Ltd. cannot reject without reasonable reasons.

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

For the nine-month periods ended September 30, 2020 and 2019

**14. Borrowings, Continued**

(3) Details of pledged assets as collateral for borrowings as of September 30, 2020 are as follows:

*(In thousands of won)*

<u>Creditor</u>	<u>Pledged assets</u>		<u>Borrowings amount</u>	<u>Maximum credit amount</u>
Korea Development Bank	Land, buildings, structures and machinery	₩	190,000,000	300,000,000
Woori Bank	Land and buildings		25,000,000	48,000,000
		₩	<u>215,000,000</u>	<u>348,000,000</u>

*(In thousands of rupee)*

<u>Creditor</u>	<u>Pledged assets</u>		<u>Borrowings amount</u>	<u>Maximum credit amount</u>
Korea Development Bank	Land, buildings, structures and machinery	Rs	11,986,150	18,925,500
Woori Bank	Land and buildings		1,577,125	3,028,080
		Rs	<u>13,563,275</u>	<u>21,953,580</u>

**15. Other Financial Liabilities**

Details of other financial liabilities as of September 30, 2020 and December 31, 2019 are as follows:

*(In thousands of won and in thousands of rupee)*

	<u>Korean won</u>		<u>Indian rupee</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accrued expenses	₩ 51,115,599	39,427,815	Rs 3,224,628	2,487,304

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

For the nine-month periods ended September 30, 2020 and 2019

**16. 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 nine-month periods ended September 30, 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	8,108,394	8,518,878
Increase	24,768,073	22,600,524		1,562,494	1,425,754
Decrease	(31,774,127)	(28,436,744)		(2,004,471)	(1,793,932)
Ending balance	₩ 121,525,198	129,201,867	Rs	7,666,417	8,150,700
Current	₩ 52,693,829	49,983,151	Rs	3,324,190	3,153,187
Non-current	68,831,369	79,218,716		4,342,227	4,997,513

**17. Other Liabilities**

Details of other liabilities as of September 30, 2020 and December 31, 2019 are as follows:

(In thousands of won)

	2020		2019	
	Current	Non-current	Current	Non-current
Advances from customers	₩ 5,285,745	-	3,734,946	-
Deposits received	571,022	-	580,505	-
Withholdings	17,603,647	-	17,435,070	-
Unearned revenue	3,627,844	16,467,397	3,784,720	15,862,475
Refund liability(*)	4,046,238	-	-	-
	₩ 31,134,496	16,467,397	25,535,241	15,862,475

(In thousands of rupee)

	2020		2019	
	Current	Non-current	Current	Non-current
Advances from customers	Rs 333,451	-	235,619	-
Deposits received	36,023	-	36,621	-
Withholdings	1,110,526	-	1,099,892	-
Unearned revenue	228,863	1,038,846	238,759	1,000,684
Refund liability(*)	255,257	-	-	-
	Rs 1,964,120	1,038,846	1,610,891	1,000,684

(\*) The Company estimates the amount of returnable sales and records the expected future return as a refund liability.



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

For the nine-month periods ended September 30, 2020 and 2019

18. Employee Benefits

(1) Details of defined benefit liabilities as of September 30, 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	₩ 385,291,061	357,109,529	Rs 24,306,086	22,528,255
Fair value of plan assets	(936,308)	(954,268)	(59,067)	(60,200)
	<u>₩ 384,354,753</u>	<u>356,155,261</u>	<u>Rs 24,247,019</u>	<u>22,468,055</u>

(2) Changes in defined benefit liabilities for the nine-month periods ended September 30, 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	30,261,504	-	30,261,504
Interest expense (income)	6,080,778	(16,201)	6,064,577
Sub-total	<u>393,451,811</u>	<u>(970,469)</u>	<u>392,481,342</u>
Re-measurement factors:			
Re-measurements of plan assets	-	2,337	2,337
Sub-total	<u>-</u>	<u>2,337</u>	<u>2,337</u>
Benefit paid by plan	(31,824)	31,824	-
Benefit paid directly	(8,128,926)	-	(8,128,926)
Ending balance	<u>₩ 385,291,061</u>	<u>(936,308)</u>	<u>384,354,753</u>

(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	29,791,649	-	29,791,649
Interest expense (income)	6,443,094	(19,738)	6,423,356
Sub-total	<u>366,429,860</u>	<u>(1,033,389)</u>	<u>365,396,471</u>
Re-measurement factors:			
Re-measurements of plan assets	-	5,201	5,201
Sub-total	<u>-</u>	<u>5,201</u>	<u>5,201</u>
Benefit paid by plan	(70,952)	70,952	-
Benefit paid directly	(18,747,413)	-	(18,747,413)
Ending balance	<u>₩ 347,611,495</u>	<u>(957,236)</u>	<u>346,654,259</u>

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

For the nine-month periods ended September 30, 2020 and 2019

**18. Employee Benefits, Continued**

(2) Changes in defined benefit obligation for the nine-month periods ended September 30, 2020 and 2019 are as follows, continued:

(In thousands of rupee)

Details	2020		
	PV of defined benefit obligation	Plan assets	Total
Beginning balance	Rs 22,528,254	(60,200)	22,468,054
Current service cost	1,909,047	-	1,909,047
Interest expense (income)	383,606	(1,022)	382,584
Sub-total	24,820,907	(61,222)	24,759,685
Re-measurement factors:			
Re-measurements of plan assets	-	147	147
Sub-total	-	147	147
Benefit paid by plan	(2,008)	2,008	-
Benefit paid directly	(512,813)	-	(512,813)
Ending balance	Rs 24,306,086	(59,067)	24,247,019

(In thousands of rupee)

Details	2019		
	PV of defined benefit obligation	Plan assets	Total
Beginning balance	Rs 20,830,359	(63,946)	20,766,413
Current service cost	1,879,406	-	1,879,406
Interest expense (income)	406,463	(1,245)	405,218
Sub-total	23,116,228	(65,191)	23,051,037
Re-measurement factors:			
Re-measurements of plan assets	-	328	328
Sub-total	-	328	328
Benefit paid by plan	(4,476)	4,476	-
Benefit paid directly	(1,182,681)	-	(1,182,681)
Ending balance	Rs 21,929,071	(60,387)	21,868,684

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

**For the nine-month periods ended September 30, 2020 and 2019**

**18. Employee Benefits, Continued**

(3) The components of plan assets as of September 30, 2020 and December 31, 2019 are as follows:

*(In thousands of won and in thousands of rupee)*

	<b>Korean won</b>		<b>Indian rupee</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Insurance contracts	₩ 936,308	954,268	Rs 59,067	60,200

(4) Actuarial assumptions used related to plans as of September 30, 2020 and December 31, 2019 are as follows:

	<b>2020</b>	<b>2019</b>
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.

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

**For the nine-month periods ended September 30, 2020 and 2019**

**19. Commitments and Contingencies**

Details of commitments and contingencies as of September 30, 2020 are as follows:

- (1) The Company carries product liability insurance for all products that it sells.
- (2) As of September 30, 2020, the Company has agreements with Korea Development Bank and others for various borrowings, trading finance and others with limit of ~~₩~~370,000 million (Rs 23,341 million) and USD 8 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 September 30, 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 September 30, 2020, 3 claims as a plaintiff were filled with the claim amount of ~~₩~~4,630 million (Rs 292 million) and 8 claims as a defendant were filled with the claims of ~~₩~~1,061 million (Rs 67 million). The provision amounting to ~~₩~~8,092 million (Rs 510 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.
- (5) The Company concluded a contract to dispose of the Guro A/S Center to PIA Guro-station PFV Co., Ltd. for the nine-month period ended September 30, 2020 and concluded a lease contract to lease back the center for two years (an additional extension within one year). According to the terms of the lease contract, if the lessor intends to dispose of the underlying assets (Guro A/S Center) to a third party before the expiration of the lease period, the company has been granted the right of preemption the center at a fixed amount (~~₩~~270 billion (Rs 17 billion)).

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

**For the nine-month periods ended September 30, 2020 and 2019**

**20. Capital Stock**

The Company's capital stock as of September 30, 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	315	315
Capital stock	₩ 749,200,010	749,200,010 Rs	47,263,283	47,263,283

**21. Other Capital Surplus and Retained Earnings**

Details of other capital surplus and retained earnings as of September 30, 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	199,955	199,955
Gain on capital reduction	74,061,697	74,061,697	4,672,182	4,672,182
Debt to be swapped for equity	931,508	931,508	58,764	58,764
	₩ 78,162,820	78,162,820 Rs	4,930,901	4,930,901

**22. Other Equity**

(1) Details of the Company's other equity as of September 30, 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	₩ -	- Rs	-	-

(2) Changes in the Company's gains (losses) on valuation of derivatives for the nine-month periods ended September 30, 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	-	6,498
Gains on valuation of derivatives	130,390	84,750	8,226	5,346
Reclassified to net income (losses)	(130,390)	(103,000)	(8,226)	(6,498)
Ending balance	₩ -	84,750 Rs	-	5,346

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

**For the nine-month periods ended September 30, 2020 and 2019**

**23. Accumulated deficit**

(1) Details of deficit as of September 30, 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	₩ (726,064,239)	(421,823,237)	Rs (45,803,762)	(26,610,719)

(2) Changes in deficit for the nine-month periods ended September 30, 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 (26,610,719)	(5,203,443)
Loss for the period	(304,238,665)	(186,179,792)	(19,192,896)	(11,745,152)
Defined benefit plan re-measurement	(2,337)	(5,201)	(147)	(328)
Ending balance	₩ (726,064,239)	(268,668,038)	Rs (45,803,762)	(16,948,923)

**24. 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 September 30, 2020.

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

**For the nine-month periods ended September 30, 2020 and 2019**

**25. Nature of Expenses**

Details of nature of expenses for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

*(In thousands of won)*

	2020		2019	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Changes in inventories	₩ (1,171,014)	14,852,682	30,448,471	(37,281,965)
Raw materials consumed and purchase of merchandise	525,128,063	1,485,795,018	569,084,528	1,921,748,068
Employee benefits	110,944,187	330,843,770	140,732,229	417,329,073
Depreciation	34,807,847	112,950,206	42,711,796	121,618,062
Amortization	16,209,573	52,350,900	25,765,662	71,531,757
Others	115,870,792	359,464,597	131,292,160	396,039,832
	₩ <u>801,789,448</u>	<u>2,356,257,173</u>	<u>940,034,846</u>	<u>2,890,984,827</u>

*(In thousands of Rupee)*

	2020		2019	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Changes in inventories	Rs (73,874)	936,981	1,920,842	(2,351,933)
Raw materials consumed and purchase of merchandise	33,127,704	93,731,379	35,900,697	121,233,477
Employee benefits	6,998,914	20,871,279	8,878,092	26,327,205
Depreciation	2,195,853	7,125,464	2,694,474	7,672,275
Amortization	1,022,581	3,302,557	1,625,427	4,512,581
Others	7,309,709	22,676,824	8,282,566	24,984,173
	Rs <u>50,580,887</u>	<u>148,644,484</u>	<u>59,302,098</u>	<u>182,377,778</u>

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

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

**For the nine-month periods ended September 30, 2020 and 2019**

**26. Selling, General and Administrative Expenses**

(1) Details of selling expenses for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

*(In thousands of won)*

	<b>2020</b>		<b>2019</b>	
	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine-month period</b>
Warranty expenses	₩ 11,574,716	37,216,617	14,120,625	40,307,052
Commissions	47,314,744	147,418,002	55,823,912	173,939,787
Advertising	3,221,188	10,299,204	4,843,535	14,713,764
Export expenses	1,562,927	4,461,923	1,764,490	8,398,817
Others	4,054,805	11,414,137	5,710,380	21,681,258
	<u>₩ 67,728,380</u>	<u>210,809,883</u>	<u>82,262,942</u>	<u>259,040,678</u>

*(In thousands of Rupee)*

	<b>2020</b>		<b>2019</b>	
	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine-month period</b>
Warranty expenses	Rs 730,191	2,347,810	890,800	2,542,770
Commissions	2,984,851	9,299,865	3,521,652	10,972,992
Advertising	203,209	649,725	305,554	928,218
Export expenses	98,597	281,481	111,313	529,839
Others	255,797	720,061	360,239	1,367,762
	<u>Rs 4,272,645</u>	<u>13,298,942</u>	<u>5,189,558</u>	<u>16,341,581</u>



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

For the nine-month periods ended September 30, 2020 and 2019

**26. Selling, General and Administrative Expenses, Continued**

(2) Details of general and administrative expenses for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

(In thousands of won)

	2020		2019	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Salaries	₩ 10,385,047	31,396,628	13,715,243	40,759,411
Retirement benefit costs	1,561,003	4,688,994	1,528,632	4,570,800
Employee welfare	2,182,805	6,873,561	4,053,758	10,329,687
Rent expense	2,453,556	7,334,582	2,464,054	7,535,897
Service fees	3,629,781	12,312,053	4,976,484	21,651,470
Depreciation	4,795,514	17,680,240	6,977,472	22,037,053
R&D expenses	2,464,015	10,739,147	2,603,292	9,159,747
Amortization	770,271	2,555,691	1,019,365	2,971,171
Bad debt expense	261,182	134,306	27,576	298,056
Others	7,684,447	23,641,622	8,312,588	25,598,773
	₩ <u>36,187,621</u>	<u>117,356,824</u>	<u>45,678,464</u>	<u>144,912,065</u>

(In thousands of rupee)

	2020		2019	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Salaries	Rs 655,141	1,980,656	865,226	2,571,307
Retirement benefit costs	98,476	295,805	96,434	288,349
Employee welfare	137,702	433,618	255,731	651,648
Rent expense	154,783	462,702	155,445	475,402
Service fees	228,985	776,706	313,941	1,365,883
Depreciation	302,525	1,115,358	440,174	1,390,208
R&D expenses	155,442	677,479	164,228	577,843
Amortization	48,592	161,226	64,307	187,436
Bad debt expense	16,477	8,473	1,740	18,803
Others	484,773	1,491,432	524,400	1,614,899
	Rs <u>2,282,896</u>	<u>7,403,455</u>	<u>2,881,626</u>	<u>9,141,778</u>

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

**For the nine-month periods ended September 30, 2020 and 2019**

**27. Other Income and Expenses**

(1) Details of other income for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

(In thousands of won)

	2020		2019	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Foreign exchange transaction gain	₩ 1,249,191	3,239,585	2,086,321	4,306,670
Foreign exchange translation gain	392,099	1,757,787	(332,188)	799,148
Gain on disposal of property, plant and equipment	75,860	110,921,201	216,804	875,699
Others	3,142,913	8,542,880	1,878,285	6,685,467
	₩ <u>4,860,063</u>	<u>124,461,453</u>	<u>3,849,222</u>	<u>12,666,984</u>

(In thousands of rupee)

	2020		2019	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Foreign exchange transaction gain	Rs 78,805	204,369	131,616	271,686
Foreign exchange translation gain	24,736	110,890	(20,956)	50,414
Gain on disposal of property, plant and equipment	4,786	6,997,464	13,677	55,244
Others	198,270	538,928	118,491	421,753
	Rs <u>306,597</u>	<u>7,851,651</u>	<u>242,828</u>	<u>799,097</u>

(2) Details of other expenses for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

(In thousands of won)

	2020		2019	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Foreign exchange transaction loss	₩ 1,284,186	4,900,792	1,778,077	4,721,854
Foreign exchange translation loss	153,015	538,208	113,422	463,052
Loss on disposal of property, plant and equipment	93,100	2,878,328	249,811	597,716
Impairment losses on property, plant and equipment	-	47,169,513	-	-
Impairment loss on intangible assets	4,121	29,699,658	-	-
Loss on disposal of trade receivables	11,251	56,354	12,388	68,532
Others	10,703,214	25,560,590	607,312	2,145,964
	₩ <u>12,248,887</u>	<u>110,803,443</u>	<u>2,761,010</u>	<u>7,997,118</u>

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

For the nine-month periods ended September 30, 2020 and 2019

**27. Other Income and Expenses, Continued**

(2) Details of other expenses for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows, continued:

(In thousands of rupee)

		2020		2019	
		Three-month period	Nine-month period	Three-month period	Nine-month period
Foreign exchange transaction loss	Rs	81,013	309,166	112,170	297,878
Foreign exchange translation loss		9,653	33,953	7,155	29,212
Loss on disposal of property, plant and equipment		5,873	181,579	15,759	37,707
Impairment losses on property, plant and equipment		-	2,975,689	-	-
Impairment loss on intangible assets		260	1,873,603	-	-
Loss on disposal of trade receivables		710	3,555	782	4,323
Others		675,212	1,612,490	38,312	135,378
	Rs	<u>772,721</u>	<u>6,990,035</u>	<u>174,178</u>	<u>504,498</u>

**28. Finance Income and Costs**

(1) Details of finance income for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

(In thousands of won)

		2020		2019	
		Three-month period	Nine-month period	Three-month period	Nine-month period
Interest income	₩	487,432	1,621,487	745,851	3,095,236
Dividend income		5,000	11,000	-	11,000
Foreign exchange transaction gain		496,456	1,624,276	741,198	3,642,900
Foreign exchange translation gain		(316,420)	-	199,479	647,924
Realized gain of financial derivatives		-	-	112,668	499,898
Unrealized gain of financial derivatives		-	-	(35,642)	1,831
	₩	<u>672,468</u>	<u>3,256,763</u>	<u>1,763,554</u>	<u>7,898,789</u>

(In thousands of rupee)

		2020		2019	
		Three-month period	Nine-month period	Three-month period	Nine-month period
Interest income	Rs	30,750	102,292	47,052	195,263
Dividend income		315	694	-	694
Foreign exchange transaction gain		31,319	102,467	46,758	229,812
Foreign exchange translation gain		(19,961)	-	12,584	40,874
Realized gain of financial derivatives		-	-	7,108	31,536
Unrealized gain of financial derivatives		-	-	(2,248)	116
	Rs	<u>42,423</u>	<u>205,453</u>	<u>111,254</u>	<u>498,295</u>

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

For the nine-month periods ended September 30, 2020 and 2019

**28. Finance Income and Costs, Continued**

(2) Details of finance costs for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

(In thousands of won)

	2020		2019	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Interest expense	₩ 1,967,880	6,957,743	1,714,328	3,038,803
Foreign exchange transaction loss	1,780,254	7,852,829	6,250,105	11,324,060
Foreign exchange translation loss	(1,068,245)	126,583	(1,370,559)	3,265,471
Realized loss of financial derivatives	-	-	73,061	214,649
Unrealized loss of financial derivatives	-	-	(150,234)	464
	₩ <u>2,679,889</u>	<u>14,937,155</u>	<u>6,516,701</u>	<u>17,843,447</u>

(In thousands of rupee)

	2020		2019	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Interest expense	Rs 124,144	438,929	108,148	191,703
Foreign exchange transaction loss	112,307	495,396	394,288	714,379
Foreign exchange translation loss	(67,390)	7,986	(86,462)	206,002
Realized loss of financial derivatives	-	-	4,609	13,541
Unrealized loss of financial derivatives	-	-	(9,477)	29
	Rs <u>169,061</u>	<u>942,311</u>	<u>411,106</u>	<u>1,125,654</u>

(3) Details of the Company's financial net profit or loss for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

(In thousands of won)

	2020		2019	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Amortised cost of financial assets and financial liabilities	₩ (2,007,421)	(11,691,392)	(4,907,347)	(10,242,274)
Financial assets measured at FVTPL	-	11,000	-	11,000
Derivatives financial assets/liabilities	-	-	154,200	286,616
	₩ <u>(2,007,421)</u>	<u>(11,680,392)</u>	<u>(4,753,147)</u>	<u>(9,944,658)</u>

(In thousands of rupee)

	2020		2019	
	Three-month period	Nine-month period	Three-month period	Nine-month period
Amortised cost of financial assets and financial liabilities	Rs (126,638)	(737,552)	(309,580)	(646,134)
Financial assets measured at FVTPL	-	694	-	694
Derivatives financial assets/liabilities	-	-	9,728	18,081
	Rs <u>(126,638)</u>	<u>(736,858)</u>	<u>(299,852)</u>	<u>(627,359)</u>

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

**For the nine-month periods ended September 30, 2020 and 2019**

**29. Losses per Share**

(1) Basic losses per share for the three-month and nine-month periods ended September 30, 2020 and 2019 are calculated as follows:

*(In thousands of won, except per share information)*

	<b>2020</b>		<b>2019</b>	
	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine-month period</b>
Loss for the period	₩ (101,742,397)	(304,238,665)	(108,399,705)	(186,179,792)
Loss contributed to common stocks	(101,742,397)	(304,238,665)	(108,399,705)	(186,179,792)
Weighted average number of common shares(in shares)	149,840,002	149,840,002	149,840,002	148,845,805
Basic losses per share(*) (In won)	₩ (679)	(2,030)	(723)	(1,251)

*(In thousands of rupee, except per share information)*

	<b>2020</b>		<b>2019</b>	
	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine-month period</b>
Loss for the period	Rs (6,418,419)	(19,192,896)	(6,838,395)	(11,745,152)
Loss contributed to common stocks	(6,418,419)	(19,192,896)	(6,838,395)	(11,745,152)
Weighted average number of common shares(in shares)	149,840,002	149,840,002	149,840,002	148,845,805
Basic losses per share(*) (In rupee)	Rs (43)	(128)	(46)	(79)

(\*) Diluted earnings (losses) per share are not calculated for the three-month and nine-month periods ended September 30, 2020 and 2019, because there are no dilutive shares as of September 30, 2020 and 2019.

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

**For the nine-month periods ended September 30, 2020 and 2019**

**29. Losses per Share, Continued**

(2) Weighted average number of common shares outstanding for the nine-month periods ended September 30, 2020 and 2019 are calculated as follows:

*(In shares)*

		<b>2020</b>		
	<b>Outstanding period</b>	<b>Common shares issued</b>	<b>Weighted-average</b>	<b>Common shares outstanding</b>
Beginning	2020-01-01~2020-09-30	149,840,002	274/274	149,840,002

*(In shares)*

		<b>2019</b>		
	<b>Outstanding period</b>	<b>Common shares issued</b>	<b>Weighted-average</b>	<b>Common shares outstanding</b>
Beginning	2019-01-01~2019-09-30	137,949,396	273/273	137,949,396
Issuing(*)	2019-01-01~2019-09-30	1,033,976	273/273	1,033,976
Issuing	2019-01-26~2019-09-30	10,856,630	248/273	9,862,433
				148,845,805

(\*) 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.

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

For the nine-month periods ended September 30, 2020 and 2019

30. Cash Flows

(1) Details of cash flows from operating activities for the nine-month periods ended September 30, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

	Korean won		Indian rupee	
	2020	2019	2020	2019
<b>Loss for the period</b>	₩ (304,238,665)	(186,179,792)	Rs (19,192,896)	(11,745,152)
<b>Adjustments for:</b>				
Retirement benefit costs	36,326,081	36,366,501	2,291,631	2,294,181
Depreciation	112,950,206	121,618,062	7,125,464	7,672,275
Amortization	52,350,900	71,531,757	3,302,557	4,512,581
Impairment losses on property, plant and equipment	47,169,513	-	2,975,689	-
Impairment loss on intangible assets	29,699,658	38,739	1,873,603	2,444
Losses on disposal of trade receivables	56,354	68,532	3,555	4,323
Foreign exchange translation gain and loss, net	(1,092,996)	2,281,451	(68,952)	143,925
Losses (Gains) on disposal of property, plant and equipment	(108,042,933)	(277,983)	(6,815,889)	(17,536)
Interest expense and income, net	5,336,256	(73,225)	336,638	(4,619)
Dividends income	(11,000)	(11,000)	(694)	(694)
Unrealized gain and loss of financial derivatives, net	-	(1,367)	-	(86)
Losses on valuation of inventories	5,339,050	7,884,178	336,814	497,373
Increase in provision of warranty for sale	24,768,073	23,514,703	1,562,494	1,483,425
Others	27,913,270	3,170,615	1,760,908	200,018
	<u>232,762,432</u>	<u>266,110,963</u>	<u>14,683,818</u>	<u>16,787,610</u>
<b>Changes in assets and liabilities</b>				
Trade receivables	27,412,818	(11,110,867)	1,729,338	(700,929)
Other receivables	(204,511)	825,281	(12,902)	52,063
Inventories	30,377,615	(56,675,846)	1,916,372	(3,575,396)
Trade payables	(76,973,200)	(120,115,701)	(4,855,854)	(7,577,499)
Other payables	19,207,348	(11,559,803)	1,211,695	(729,250)
Accrued expenses	11,531,175	(2,312,554)	727,444	(145,887)
Usage of provision of warranty for sale	(31,774,127)	(28,436,744)	(2,004,471)	(1,793,932)
Payment of retirement benefits	(8,128,926)	(18,747,413)	(512,813)	(1,182,681)
Others	(39,274,785)	649,352	(2,477,650)	40,964
	<u>(67,826,593)</u>	<u>(247,484,295)</u>	<u>(4,278,841)</u>	<u>(15,612,547)</u>
<b>Net cash used in operating activities</b>	₩ <u>(139,302,826)</u>	<u>(167,553,124)</u>	Rs <u>(8,787,919)</u>	<u>(10,570,089)</u>

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

For the nine-month periods ended September 30, 2020 and 2019

30. Cash Flows, Continued

(2) Significant non-cash activities for the nine-month periods ended September 30, 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	₩ (2,601,637)	(5,677,085)	Rs (164,124)	(358,139)

(3) Adjustment of liabilities from financing activities

Changes in liabilities from financial activities for the nine-month period ended September 30, 2020 is as follows:

(In thousands of won)

	Beginning balance	Increase	Decrease	Liquidity	Others	Ending balance
Banker's usance(*)	₩ 106,606,448	-	(102,594,867)	-	126,583	4,138,164
Short-term borrowings	147,500,000	117,000,113	(93,250,249)	48,750,000	-	219,999,864
Long-term borrowings	158,750,000	40,000,000	-	(48,750,000)	-	150,000,000
Lease liabilities	9,992,220	-	(6,659,168)	-	14,972,046	18,305,098
	₩ 422,848,668	157,000,113	(202,504,284)	-	15,098,629	392,443,126

(In thousands of rupee)

	Beginning balance	Increase	Decrease	Liquidity	Others	Ending balance
Banker's usance(*)	Rs 6,725,268	-	(6,472,197)	-	7,985	261,056
Short-term borrowings	9,305,037	7,380,952	(5,882,692)	3,075,394	-	13,878,691
Long-term borrowings	10,014,744	2,523,400	-	(3,075,394)	-	9,462,750
Lease liabilities	630,359	-	(420,094)	-	944,512	1,154,777
	Rs 26,675,408	9,904,352	(12,774,983)	-	952,497	24,757,274

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



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

For the nine-month periods ended September 30, 2020 and 2019

**30. Cash Flows, Continued**

(3) Adjustment of liabilities from financing activities, continued

Changes in liabilities from financial activities for the nine-month period ended September 30, 2019 is as follows:

(In thousands of won)

	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Liquidity</u>	<u>Others</u>	<u>Ending balance</u>
Banker's usance(*)	₩ 143,227,545	-	(12,572,995)	-	2,617,547	133,272,097
Short-term borrowings	35,000,000	40,000,000	(6,250,000)	101,250,000	-	170,000,000
Long-term borrowings	75,000,000	170,000,000	-	(101,250,000)	-	143,750,000
Lease liabilities	-	-	(6,711,170)	-	16,742,030	10,030,860
	<u>₩ 253,227,545</u>	<u>210,000,000</u>	<u>(25,534,165)</u>	<u>-</u>	<u>19,359,577</u>	<u>457,052,957</u>

(In thousands of rupee)

	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Liquidity</u>	<u>Others</u>	<u>Ending balance</u>
Banker's usance(*)	Rs 9,035,510	-	(793,168)	-	165,128	8,407,470
Short-term borrowings	2,207,975	2,523,400	(394,281)	6,387,356	-	10,724,450
Long-term borrowings	4,731,375	10,724,450	-	(6,387,356)	-	9,068,469
Lease liabilities	-	-	(423,374)	-	1,056,171	632,797
	<u>Rs 15,974,860</u>	<u>13,247,850</u>	<u>(1,610,823)</u>	<u>-</u>	<u>1,221,299</u>	<u>28,833,186</u>

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

**31. 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 nine-month periods ended September 30, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

<u>Sales region</u>	<u>Korean won</u>		<u>Indian rupee</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Republic of Korea	₩ 1,755,297,413	2,207,456,405	Rs 110,732,937	139,257,387
Europe	123,611,952	238,029,124	7,798,060	15,016,067
Asia Pacific	88,111,066	143,684,533	5,558,487	9,064,339
Others	83,020,460	120,909,765	5,237,346	7,627,593
	<u>₩ 2,050,040,891</u>	<u>2,710,079,827</u>	<u>Rs 129,326,830</u>	<u>170,965,386</u>

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.

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

**For the nine-month periods ended September 30, 2020 and 2019**

**31. Segment Information, Continued**

(3) Information of sales of goods and service for the nine-month periods ended September 30, 2020 and 2019 are as follows:

*(In thousands of won and in thousands of rupee)*

	<b>Korean won</b>		<b>Indian rupee</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Automobile	₩ 1,750,568,741	2,334,900,495	Rs 110,434,629	147,297,198
Merchandise and parts	235,716,733	298,828,936	14,870,190	18,851,623
Others	63,755,417	76,350,396	4,022,011	4,816,565
	<u>₩ 2,050,040,891</u>	<u>2,710,079,827</u>	<u>Rs 129,326,830</u>	<u>170,965,386</u>

(4) Balance of contracts as of September 30, 2020 and December 31, 2019 are as follows:

*(In thousands of won and in thousands of rupee)*

	<b>Korean won</b>		<b>Indian rupee</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Receivables from contracts with customers	₩ 132,232,748	159,123,462	Rs 8,341,903	10,038,304
Contract liabilities	25,380,986	23,382,142	1,601,160	1,475,062

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

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

**For the nine-month periods ended September 30, 2020 and 2019**

**32. Transactions and Balances with Related Parties**

(1) Details of related parties as of September 30, 2020 are as follows:

<b>Relationship</b>	<b>Company</b>
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 nine-month periods ended September 30, 2020 and 2019 are as follows:

*(In thousands of won)*

<b>Relationship</b>	<b>Company</b>	<b>Description</b>	<b>2020</b>	<b>2019</b>
Parent	Mahindra & Mahindra Ltd.	Sales	₩ 23,020,485	30,871,844
		Purchases	5,562,697	-
		Other expenses	698,303	582,265
Subsidiaries	Ssangyong European Parts Center B.V.	Sales	7,812,200	11,756,106
		Sales	22,106,268	32,020,774
		Other income	18,536	-
Subsidiaries	Ssangyong Australia Pty Ltd	Other expenses	302,125	294,257
		Other income	570,929	1,770,207
Joint venture	SY Auto Capital Co., Ltd.	Other expenses	56,257,171	22,676,284
		Sales	970,609	40,935,292
Others	Mahindra Vehicle Manufacturing Ltd. and others	Other expenses	3,345,088	721,517

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

**For the nine-month periods ended September 30, 2020 and 2019**

**32. Transactions and Balances with Related Parties, Continued**

(2) Transactions with related parties for the nine-month periods ended September 30, 2020 and 2019 are as follows, continued:

*(In thousands of rupee)*

<b>Relationship</b>	<b>Company</b>	<b>Description</b>	<b>2020</b>	<b>2019</b>
Parent	Mahindra & Mahindra Ltd.	Sales	Rs 1,452,247	1,947,550
		Purchases	350,923	-
		Other expenses	44,052	36,732
Subsidiaries	Ssangyong European Parts Center B.V.	Sales	492,833	741,634
		Sales	1,394,574	2,020,031
		Other income	1,169	-
Joint venture	Ssangyong Motor (Shanghai) Co.Ltd.	Other expenses	19,060	18,563
		Other income	36,017	111,674
		Other expenses	3,548,984	1,430,533
Others	Mahindra Vehicle Manufacturing Ltd. and others	Sales	61,231	2,582,403
		Other expenses	211,025	45,517

(3) Account balances with related parties as of September 30, 2020 and December 31, 2019 are as follows:

*(In thousands of won)*

<b>Relationship</b>	<b>Company</b>	<b>Description</b>	<b>2020</b>	<b>2019</b>
Parent	Mahindra & Mahindra Ltd.	Trade receivables	₩ 2,981,983	454,892
		Other receivables	248,076	50,954
		Trade payables	2,427,408	486,641
		Other payables	2,795,811	811,771
		Borrowings	40,000,000	-
Subsidiaries	Ssangyong European Parts Center B.V.	Trade receivables	15,387,190	14,013,743
		Other payables	22,664	22,867
		Trade receivables	26,102,089	25,253,968
		Other payables	218,637	6,631
Others	Ssangyong Motor (Shanghai) Co.Ltd.	Other receivables	-	413,275
		Other payables	90,867	91,077
		Trade receivables	24,921	208,034
		Other receivables	102,733	-
Others	Mahindra Vehicle Manufacturing Ltd. and others	Other receivables	102,733	-
		Other payables	3,484,937	2,646,646

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

For the nine-month periods ended September 30, 2020 and 2019

**32. Transactions and Balances with Related Parties, Continued**

(3) Account balances with related parties as of September 30, 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	188,118	28,697
		Other receivables	15,650	3,214
		Trade payables	153,133	30,700
		Other payables	176,374	51,211
		Borrowings	2,523,400	-
		Ssangyong European Parts Center B.V.	Trade receivables	970,701
Subsidiaries	Ssangyong Australia Pty Ltd.	Other payables	1,430	1,443
		Trade receivables	1,646,650	1,593,147
		Other payables	13,793	418
		Other receivables	-	26,071
Others	Mahindra Vehicle Manufacturing Ltd. and others	Other payables	5,732	5,746
		Trade receivables	1,572	13,124
		Other receivables	6,481	-
		Other payables	219,847	166,964

Allowance for receivables from related parties was recognized ₩374,872 thousand (Rs 23,649 thousand) as of September 30, 2020 and ₩594,752 thousand (Rs 37,520 thousand) as of December 31, 2019 respectively.

(4) Capital transactions with related parties for the nine-month periods ended September 30, 2020 and 2019 are as follows:

(In thousands of won and in thousands of rupee)

Relationship	Company	Description	Korean won		Indian rupee	
			2020	2019	2020	2019
Parent	Mahindra & Mahindra Ltd.	Loan	₩ 40,000,000	-	Rs 2,523,400	-
		Issuing capital stock	-	49,706,372	-	3,135,727
Subsidiary	Ssangyong Australia Pty Ltd.	Equity contribution	-	1,116,761	-	70,451

(5) Executive compensation of the Company for the nine-month periods ended September 30, 2020 and 2019, are as follows:

(In thousands of won and in thousands of rupee)

		Korean won		Rs	Indian rupee	
		2020	2019		2020	2019
Short-term employee benefits	₩	3,383,958	5,798,334		213,477	365,788
Retirement benefits		293,284	430,157		18,502	27,136

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

**For the nine-month periods ended September 30, 2020 and 2019**

**33. 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 September 30, 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)	₩ 1,589,334,360	1,611,305,412		100,263,158	101,649,202
Equity (B)	101,298,591	405,539,593		6,390,422	25,583,465
Debt-to-equity ratio (A/B)	1,568.96%	397.32%		1,568.96%	397.32%

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

For the nine-month periods ended September 30, 2020 and 2019

**33. Financial Instruments, Continued**

(2) Details of financial assets and liabilities by category as of September 30, 2020 and December 31, 2019 are as follows:

1) Financial assets

(In thousands of won)

	<b>2020</b>			
	<b>Amortized cost</b>	<b>Measured at FVTPL</b>	<b>Total</b>	<b>Fair value</b>
Cash and cash equivalents	₩ 49,267,977	-	49,267,977	49,267,977
Long-term financial instruments	4,000	-	4,000	4,000
Trade and other receivables	195,245,914	-	195,245,914	195,245,914
Non-current financial assets	-	560,000	560,000	560,000
	<u>₩ 244,517,891</u>	<u>560,000</u>	<u>245,077,891</u>	<u>245,077,891</u>

(In thousands of won)

	<b>2019</b>			
	<b>Amortized cost</b>	<b>Measured at FVTPL</b>	<b>Total</b>	<b>Fair value</b>
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
	<u>₩ 331,616,800</u>	<u>560,000</u>	<u>332,176,800</u>	<u>332,176,800</u>

(In thousands of rupee)

	<b>2020</b>			
	<b>Amortized cost</b>	<b>Measured at FVTPL</b>	<b>Total</b>	<b>Fair value</b>
Cash and cash equivalents	Rs 3,108,070	-	3,108,070	3,108,070
Long-term financial instruments	252	-	252	252
Trade and other receivables	12,317,089	-	12,317,089	12,317,089
Non-current financial assets	-	35,328	35,328	35,328
	<u>Rs 15,425,411</u>	<u>35,328</u>	<u>15,460,739</u>	<u>15,460,739</u>

(In thousands of rupee)

	<b>2019</b>			
	<b>Amortized cost</b>	<b>Measured at FVTPL</b>	<b>Total</b>	<b>Fair value</b>
Cash and cash equivalents	Rs 7,515,361	-	7,515,361	7,515,361
Long-term financial instruments	252	-	252	252
Trade and other receivables	13,404,433	-	13,404,433	13,404,433
Non-current financial assets	-	35,328	35,328	35,328
	<u>Rs 20,920,046</u>	<u>35,328</u>	<u>20,955,374</u>	<u>20,955,374</u>

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

For the nine-month periods ended September 30, 2020 and 2019

33. Financial Instruments, Continued

(2) Details of financial assets and liabilities by category as of September 30, 2020 and December 31, 2019 are as follows, continued:

2) Financial liabilities

(In thousands of won)

	<b>2020</b>			
	<b>Financial liability measured at amortized cost</b>	<b>Financial liabilities at FVTPL</b>	<b>Total</b>	<b>Fair value</b>
Trade and other payables	₩ 557,603,269	-	557,603,269	557,603,269
Borrowings	374,138,028	-	374,138,028	374,138,028
Lease liabilities	18,305,098	-	18,305,098	18,305,098
	<u>₩ 950,046,395</u>	<u>-</u>	<u>950,046,395</u>	<u>950,046,395</u>

(In thousands of won)

	<b>2019</b>			
	<b>Financial liability measured at amortized cost</b>	<b>Financial liabilities at FVTPL</b>	<b>Total</b>	<b>Fair value</b>
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
	<u>₩ 1,020,462,812</u>	<u>-</u>	<u>1,020,462,812</u>	<u>1,020,462,812</u>

(In thousands of rupee)

	<b>2020</b>			
	<b>Financial liability measured at amortized cost</b>	<b>Financial liabilities at FVTPL</b>	<b>Total</b>	<b>Fair value</b>
Trade and other payables	Rs 35,176,402	-	35,176,402	35,176,402
Borrowings	23,602,498	-	23,602,498	23,602,498
Lease liabilities	1,154,777	-	1,154,777	1,154,777
	<u>Rs 59,933,677</u>	<u>-</u>	<u>59,933,677</u>	<u>59,933,677</u>

(In thousands of rupee)

	<b>2019</b>			
	<b>Financial liability measured at amortized cost</b>	<b>Financial liabilities at FVTPL</b>	<b>Total</b>	<b>Fair value</b>
Trade and other payables	Rs 37,700,488	-	37,700,488	37,700,488
Borrowings	26,045,049	-	26,045,049	26,045,049
Lease liabilities	630,359	-	630,359	630,359
	<u>Rs 64,375,896</u>	<u>-</u>	<u>64,375,896</u>	<u>64,375,896</u>



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

**For the nine-month periods ended September 30, 2020 and 2019**

**33. 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 September 30, 2020.

*(In thousands of won and in thousands of rupee)*

Currency	Korean won		Indian rupee	
	10% increase	10% decrease	10% increase	10% decrease
USD	₩ 274,533	(274,533) Rs	17,319	(17,319)
EUR	2,257,002	(2,257,002)	142,383	(142,383)
JPY	(2,365,373)	2,365,373	(149,220)	149,220
Others	2,742,124	(2,742,124)	172,987	(172,987)
	₩ 2,908,286	(2,908,286) Rs	183,469	(183,469)

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 ₩1,236,164 thousand (Rs 77,983 thousand) for the nine-month period ended September 30, 2020, due to floating rate debt's interest rate risk.

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

**For the nine-month periods ended September 30, 2020 and 2019**

**33. 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 September 30, 2020 and December 31, 2019 are as follows:

*(In thousands of won and in thousands of rupee)*

	<b>Korean won</b>		<b>Indian rupee</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Trade and other receivables	₩ 195,245,914	212,482,093	Rs 12,317,089	13,404,433

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

For the nine-month periods ended September 30, 2020 and 2019

**33. 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 September 30, 2020 and December 31, 2019 are as follows:

(In thousands of won)

		2020		
		Within a year	Over 1 year	Total
Trade payables	₩	399,602,575	-	399,602,575
Other payables		155,907,640	-	155,907,640
Short-term borrowings(*)		225,722,869	-	225,722,869
Lease liabilities(*)		5,749,494	13,295,860	19,045,354
Other payables		1,367,513	-	1,367,513
Long-term borrowings(*)		-	159,140,407	159,140,407
Long-term other payables		-	725,541	725,541
	₩	<u>788,350,091</u>	<u>173,161,808</u>	<u>961,511,899</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.

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

For the nine-month periods ended September 30, 2020 and 2019

**33. Financial Instruments, Continued**

(3) Financial risk management, continued

3) Liquidity risk, continued

(In thousands of rupee)

		<b>2020</b>		
		<b>Within a year</b>	<b>Over 1 year</b>	<b>Total</b>
Trade payables	Rs	25,208,928	-	25,208,928
Other payables		9,835,433	-	9,835,433
Short-term borrowings(*)		14,239,727	-	14,239,727
Lease liabilities(*)		362,707	838,769	1,201,476
Other payables		86,270	-	86,270
Long-term borrowings(*)		-	10,039,373	10,039,373
Long-term other payables		-	45,771	45,771
	Rs	<u>49,733,065</u>	<u>10,923,913</u>	<u>60,656,978</u>

(In thousands of rupee)

		<b>2019</b>		
		<b>Within a year</b>	<b>Over 1 year</b>	<b>Total</b>
Trade payables	Rs	30,095,009	-	30,095,009
Other payables		7,474,968	-	7,474,968
Short-term borrowings(*)		16,174,971	-	16,174,971
Lease liabilities(*)		404,687	251,185	655,872
Other payables		76,994	-	76,994
Long-term borrowings(*)		-	10,825,637	10,825,637
Long-term other payables		-	53,518	53,518
	Rs	<u>54,226,629</u>	<u>11,130,340</u>	<u>65,356,969</u>

(\*) Including expected interest expenses.

Details of commitments for borrowings as of September 30, 2020 and December 31, 2019 are as follows:

(In thousands of won and in thousands of rupee)

		<b>Korean won</b>		<b>Indian rupee</b>	
		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Limitation of commitments for borrowings	Used	₩ 369,999,864	306,250,000	Rs 23,341,441	19,319,781
	Unused	136	117,000,000	9	7,380,945
		<u>₩ 370,000,000</u>	<u>423,250,000</u>	<u>Rs 23,341,450</u>	<u>26,700,726</u>

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

**For the nine-month periods ended September 30, 2020 and 2019**

**33. Financial Instruments, Continued**

(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.

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)

No financial instruments are measured at fair value after initial recognition as of September 30, 2020 and December 31, 2019.

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

**For the nine-month periods ended September 30, 2020 and 2019**

**34. Going concern assumption**

The Company's separate interim 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 ₩306,216 million (Rs 19,318 million) and net losses of ₩304,239 million (Rs 19,193 million) as of the end of the reporting period. In addition, the Company's current liabilities exceed its current assets by ₩520,629 million (Rs 32,844 million) as of the end of the reporting period. 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.

In circumstances where material uncertainty on the ability to continue as a going concern, which is the basis for preparation of the separate interim financial statements, the Company has commenced a capital reorganization plan necessary for debt repayment and other fund demands, business improvement plan necessary for achieving stable operating income.

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 normal course of business. The separate interim financial statements do not include any adjustments that might result from the outcome of this uncertainty.