

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS
FOR THE YEAR FROM 1 JANUARY 2025 TO 31 DECEMBER 2025
IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION AND ITS ENGLISH
TRANSLATION, THE CHINESE VERSION WILL PREVAIL



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AUDITOR'S REPORT

KPMG Huazhen Hu Shen Zi No. 2602004

To the board of directors of Shanghai Jaguar Land Rover Automotive Service Co., Ltd.,

I. Opinion

We have audited the attached financial statements (from Page 1 to Page 18) of Shanghai Jaguar Land Rover Automotive Service Co., Ltd. (hereinafter referred to as "the Company"), which comprise the company balance sheets as at 31 December 2025, and the company's income statements and cash flow statements 2025, and the notes to the financial statements.

In our opinion, the attached financial statements have been properly prepared in compliance with the Accounting Standards for Business Enterprises (hereinafter referred to as "Accounting Standards for Business Enterprises") issued by Ministry of Finance of the People's Republic of China, and present fairly, in all material respects, the financial position of the Company as of 31 December 2025, and the company's results of operations and cash flows 2025.

II. Basis for Opinion

We conducted our audit in accordance with Auditing Standards for CPAs of China (hereinafter referred to as "Auditing Standards"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements by CPAs section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of China and *Independence Standard for Certified Public Accountants in China No. 1 - Independence Requirements for Financial Statement Audit and Review Business*, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Responsibility of the Management Layer and Governance Layer for the Financial Statements

Management layer is responsible for preparing the financial statements in accordance with Accounting Standards for Business Enterprises to achieve fair presentation of the financial statements, and designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

AUDITOR'S REPORT (Cont.)

KPMG Huazhen Hu Shen Zi No. 2602004

III. Responsibility of the Management Layer and Governance Layer for the Financial Statements (Cont.)

In preparing the financial statements, the management layer is responsible for assessing the ability to continue as a going concern of the Company, disclosing matters related to going concern (where applicable) and using the going concern assumption unless the Company either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The governance layer is responsible for overseeing the financial reporting process of the Company.

IV. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also carry out the following tasks:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management layer.
- (4) Conclude on the appropriateness of the management layer's use of the going concern assumption. Meanwhile, based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



AUDITOR'S REPORT (Cont.)

KPMG Huazhen Hu Shen Zi No. 2602004

IV. Auditor's Responsibilities for the Audit of the Financial Statements (Cont.)

- (5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the governance layer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Huazhen LLP (SGP)
Shanghai Branch

Chinese Certified Public Accountant

Feng Yijia

Shanghai, China

Tang Yunfan

Date:

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Balance sheet as at 31 December 2025

(Expressed in RMB Yuan)

	Note	<u>2025</u>	<u>2024</u>
Assets			
Current assets			
Accounts receivable	5	31,103,660.15	17,459,950.13
Other receivables	6	71,660.22	12,607.29
Payments in advance		71,060.01	-
Inventories	7	44,668,189.98	42,011,767.92
Deferred expenses		494,671.08	495,850.34
Other current assets	8	<u>4,172,741.83</u>	<u>2,985,629.54</u>
Total current assets		<u>80,581,983.27</u>	<u>62,965,805.22</u>
Fixed assets			
Original carrying amount of fixed assets		3,124,158.88	3,124,158.88
Less: Accumulated depreciation		<u>(3,124,158.88)</u>	<u>(3,124,158.88)</u>
Net carrying amount of fixed assets	9	-	-
Long-term deferred expenses	10	<u>840,968.18</u>	<u>1,321,521.26</u>
Total assets		<u>81,422,951.45</u>	<u>64,287,326.48</u>

The notes on pages 8 to 18 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Balance sheet as at 31 December 2025 (continued)

(Expressed in RMB Yuan)

	Note	<u>2025</u>	<u>2024</u>
Liabilities and owner's equities			
Current liabilities			
Short-term loans	11	62,091,768.24	43,032,199.63
Accounts payable		7,253,187.90	10,295,342.91
Receipts in advance		13,052,285.81	17,745,570.59
Taxes payable	4(c)	2,421,411.68	-
Other levies payable		13,884.11	36,209.94
Other payables	12	26,191.91	177,395.37
Accrued expenses		<u>2,959,014.16</u>	<u>1,878,818.22</u>
Total current liabilities		<u>87,817,743.81</u>	<u>73,165,536.66</u>
Total liabilities		<u>87,817,743.81</u>	<u>73,165,536.66</u>

The notes on pages 8 to 18 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Balance sheet as at 31 December 2025 (continued)

(Expressed in RMB Yuan)

	Note	<u>2025</u>	<u>2024</u>
Liabilities and owner's equities (cont.)			
Owner's equities			
Paid-in capital	13	16,000,000.00	16,000,000.00
Accumulated losses		<u>(22,394,792.36)</u>	<u>(24,878,210.18)</u>
Total owner's equities		<u>(6,394,792.36)</u>	<u>(8,878,210.18)</u>
Total liabilities and owner's equities		<u>81,422,951.45</u>	<u>64,287,326.48</u>

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

_____ Pan Qing Legal representative (Signature and stamp)	_____ Tim Howard The person in charge of the accounting affairs (Signature and stamp)	_____ Fu Rong The head of the accounting department (Signature and stamp)	(Company stamp)
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Date:

The notes on pages 8 to 18 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Income statement

for the year 2025

(Expressed in RMB Yuan)

	Note	<u>2025</u>	<u>2024</u>
Revenues from principal activities	14	33,289,705.71	18,187,180.85
Less: Cost of sales from principal activities		(28,313,433.33)	(17,725,098.34)
Business taxes and surcharges from principal activities	4(a)	<u>(2,519,018.61)</u>	<u>(35,375.48)</u>
Profit from principal activities		2,457,253.77	426,707.03
Add: Profit from other activities		15,660,048.08	11,775,907.33
Less: Operating expenses		(4,652,762.45)	(375,116.08)
General and administrative expenses	15	(6,437,716.35)	(8,212,808.68)
Financial expenses	16	<u>(1,685,478.59)</u>	<u>(1,769,482.29)</u>
Operating profit		5,341,344.46	1,845,207.31
Add: Non-operating income		9,881.39	25,763.59
Less: Non-operating expenses		<u>(394,045.43)</u>	<u>(190,504.70)</u>
Total profit		4,957,180.42	1,680,466.20
Less: Income tax	4(b)	<u>(2,473,762.60)</u>	-
Net profits		2,483,417.82	1,680,466.20
Add: Accumulated losses at the beginning of the year		<u>(24,878,210.18)</u>	<u>(26,558,676.38)</u>
Accumulated losses carried forward		<u><u>(22,394,792.36)</u></u>	<u><u>(24,878,210.18)</u></u>

The notes on pages 8 to 18 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Cash flow statement

for the year 2025

(Expressed in RMB Yuan)

	Note to the cash flow statement	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		36,942,119.83	8,780,090.63
Received tax refund		-	-
Cash received relating to other operating activities		<u>9,881.39</u>	<u>20,245.24</u>
Sub-total of cash inflows		<u>36,952,001.22</u>	<u>8,800,335.87</u>
Cash paid for purchasing goods and receiving services		(45,608,643.84)	(116,802.00)
Cash paid to and for employees		(1,671,279.29)	(1,731,407.30)
Cash paid for all types of taxes		(4,174,815.30)	(5,200,525.33)
Cash paid relating to other operating activities		<u>(2,890,517.77)</u>	<u>(9,553,815.52)</u>
Sub-total of cash outflows		<u>(54,345,256.20)</u>	<u>(16,602,550.15)</u>
Net cash flow from operating activities	i	<u>(17,393,254.98)</u>	<u>(7,802,214.28)</u>

The notes on pages 8 to 18 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Cash flow statement

for the year 2025 (continued)

(Expressed in RMB Yuan)

	Notes to the cash flow statement	<u>2025</u>	<u>2024</u>
Cash flows from investing activities:			
Net cash received from disposal of fixed assets		-	-
Sub-total of cash inflows		-	-
Net cash inflow from investing activities		-	-
Cash flows from financing activities:			
Cash received from borrowings		102,619,131.92	29,278,868.99
Sub-total of cash inflows		102,619,131.92	29,278,868.99
Cash repayments of borrowings		(83,559,563.31)	(19,709,489.68)
Cash paid for interest expenses		(1,571,993.99)	(1,667,136.83)
Cash paid relating to other financing activities		(94,319.64)	(100,028.20)
Sub-total of cash outflows		(85,225,876.94)	(21,476,654.71)
Net cash flow from financing activities		17,393,254.98	7,802,214.28
Net decrease in cash and cash equivalents		-	-

The notes on pages 8 to 18 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Cash flow statement
for the year 2025 (continued)
(Expressed in RMB Yuan)

Notes to the cash flow statement

	<u>2025</u>	<u>2024</u>
i Reconciliation of net profit to cash flows from operating activities:		
Net profit	2,483,417.82	1,680,466.20
Add: Accrued provision for diminution in value of inventories	5,881,575.71	7,754,904.43
Amortisation of long-term deferred expenses	480,553.08	480,553.08
Decrease in deferred expenses	1,179.26	0.04
Increase / (Decrease) in accrued expenses	1,080,195.94	(6,005,914.31)
Financial expenses	1,666,313.63	1,767,165.03
Increase / (Decrease) in inventories	(8,537,997.77)	7,153,148.03
Increase in operating receivables	(14,960,935.25)	(11,649,154.66)
Decrease in operating payables	<u>(5,487,557.40)</u>	<u>(8,983,382.12)</u>
Net cash (outflow)/inflow from operating activities	<u>(17,393,254.98)</u>	<u>(7,802,214.28)</u>

The notes on pages 8 to 18 form part of these financial statements.

Shanghai Jaguar Land Rover Automotive Service Co., Ltd.

Notes to the financial statements

(Expressed in RMB Yuan)

1 Company status

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

2 Basis of preparation

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

As at 31 December 2025, the Company's current liabilities exceeded its current assets by RMB 7,235,760.54 and total liabilities exceeded its total assets by RMB 6,394,792.36. Notwithstanding the above, these financial statements have been prepared on a going concern basis as the Company's parent company, Jaguar Land Rover Investment (China) Co., Ltd., has undertaken to provide such continuing financial assistance to the Company as may be necessary to maintain the Company as a going concern for at least 12 months since 31 December 2025. Accordingly, it is appropriate to prepare the financial statements on a going concern basis.

3 Significant accounting policies

(a) Accounting year

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

(b) Basis of preparation and measurement basis

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

(c) Functional currency

The Company's functional currency is the RMB.

(d) Translation of foreign currencies

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

(e) Cash equivalents

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

(f) Provision for bad and doubtful debts

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

(g) Inventories

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

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

Any excess of the cost over the net realisable value of each item of inventories is recognised as a provision for diminution in the value of inventories. Net realisable value

is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale and relevant taxes.

(h) Fixed assets

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

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

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

(i) Operating lease charges

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

(j) Long-term deferred expenses

Long-term deferred expense is amortized on a straight-line basis over the period of benefit. Long-term deferred expense is amortized over the following periods:

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

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

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

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

If there is an indication that there has been a change in the factors used to determine the provision for impairment in prior years and as a result the estimated recoverable amount is greater than the carrying amount of the asset, the impairment loss recognised in prior years is reversed. Reversals of impairment losses are recognised in the income statement. An impairment loss is reversed only to the extent of the asset's

carrying amount that would have been determined had no impairment loss been recognised in prior years.

(l) Income tax

Income tax is recognised using the tax payable method. Income tax for the year is provided at the applicable tax rate on taxable income.

(m) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligations and a reliable estimate can be made.

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

(n) Revenue recognition

When it is probable that the economic benefits will flow to the Company and the revenue and costs can be measured reliably, revenue is recognised in the income statement according to the following methods:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of the ownership of goods have been transferred to the buyers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(ii) Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue from the rendering of services is recognised in the income statement by reference to the stage of completion of the transaction based on the services performed to date as a percentage of the total services to be performed. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the costs incurred that are expected to be recoverable.

(o) Borrowing costs

Borrowing cost is recognised as financial expenses in the income statement when incurred.

(p) Retirement benefits

Pursuant to the relevant laws and regulations in the PRC, the Company has joined a defined contribution retirement plan for the employees arranged by a governmental organisation. The Company makes contributions to the retirement scheme at the applicable rates based on the employees' salaries. The contributions are capitalised into cost of assets or charged to the income statement on an accrual basis. After the

payment of the contributions under the retirement plan, the Company does not have any other obligations in this respect.

(q) Related parties

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

4 Taxation and surcharges

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

Tax name	Tax basis and applicable rate
VAT	Output VAT is 13% of product sales and 6% of taxable services revenue, based on tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable.
Consumption tax	According to the tax law, each ultra-luxury car with retail price of 0.9 million yuan (excluding VAT) and above will be levied 10% consumption tax in the retail link
Urban maintenance and construction tax	Shanghai Branch shall pay 5% of the paid-in VAT and consumption tax, while Huzhou Branch and Changshu Branch shall pay 5% and 7% of the paid-in VAT, respectively.
Education fee surcharge	Shanghai Branch shall pay 3% of the paid-in VAT and consumption tax, while Huzhou Branch and Changshu Branch shall pay 3% of the paid-in VAT.
Regional education fee surcharge	Shanghai Branch shall pay 2% of the paid-in VAT and consumption tax, while Huzhou Branch and Changshu Branch shall pay 2% of the paid-in VAT.

The statutory tax rates of the education surtax and the local education surtax for our company are 3% and 2%, respectively. The statutory tax rate of the urban maintenance and construction tax for Shanghai and Huzhou branches is 5%, and the statutory tax rate of the urban maintenance and construction tax for Changshu branch is 7%. According to the relevant provisions of the *Announcement on Further Implementing the Tax Relief Policy for "Six Taxes and Two Fees" for Small Meager-profit Enterprises* (MOF and SAT Announcement [2022] No. 10), the urban maintenance and construction tax, the education surtax and the local education surtax will be levied at a reduced tax rate of 50% for small meager-profit enterprises. The execution period of the announcement is from 1 January 2022 to 31 December 2024. After completing the corporate income tax final settlement for the year 2023 in May 2024, the Company determined that it does not qualify as a small and micro enterprise. As of the 1st day of

the month following the completion of the final settlement, the Company will no longer be entitled to the above-mentioned tax reduction and exemption policies.

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

(b) Income tax

Income tax in the income statement represents:

	<u>2025</u>	<u>2024</u>
Provision for income tax for the year	<u>2,473,762.60</u>	<u>-</u>

The statutory income tax rate of the Company is 25%.

(c) Taxes payable

	<u>2025</u>	<u>2024</u>
Enterprise income tax payable	2,418,064.95	-
Withholding individual income tax	<u>3,346.73</u>	<u>-</u>
Total	<u>2,421,411.68</u>	<u>-</u>

5 Accounts receivable

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

	<u>2025</u>			<u>2024</u>		
	<u>Amount</u>	<u>Percentage of total</u>	<u>Bad debt provision</u>	<u>Amount</u>	<u>Percentage of total</u>	<u>Bad debt provision</u>
Within 1 year	<u>31,103,660.15</u>	<u>100.00%</u>	<u>-</u>	<u>17,459,950.13</u>	<u>100.00%</u>	<u>-</u>
Total	<u>31,103,660.15</u>	<u>100.00%</u>	<u>-</u>	<u>17,459,950.13</u>	<u>100.00%</u>	<u>-</u>

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

6 Other receivables

Other receivables by customer type:

	<u>2025</u>	<u>2024</u>
Amounts due from related parties	-	7,431.18
Amounts due from others	<u>71,660.22</u>	<u>5,176.11</u>
Total	<u><u>71,660.22</u></u>	<u><u>12,607.29</u></u>

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

	<u>2025</u>			<u>2024</u>		
	Amount	Percentage of total	Bad debt provision	Amount	Percentage of total	Bad debt provision
Within 1 year	66,660.22	93.02%	-	7,607.29	60.34%	-
1 to 2 years	-	-	-	-	-	-
2to 3 years	-	-	-	-	-	-
Above 3 years	<u>5,000.00</u>	<u>6.98%</u>	-	<u>5,000.00</u>	<u>39.66%</u>	-
Total	<u><u>71,660.22</u></u>	<u><u>100.00%</u></u>	-	<u><u>12,607.29</u></u>	<u><u>100.00%</u></u>	-

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

7 Inventories

	<u>2025</u>	<u>2024</u>
Merchandise	72,425,398.43	65,438,668.19
Less: Provision for diminution in value of inventories	<u>(27,757,208.45)</u>	<u>(23,426,900.27)</u>
Total	<u><u>44,668,189.98</u></u>	<u><u>42,011,767.92</u></u>

Provision for diminution in value of inventories:

	<u>2025</u>	<u>2024</u>
	<u>Merchandise on hand</u>	<u>Merchandise on hand</u>
Beginning balance	(23,426,900.27)	(19,341,955.62)
Accrual for current year	(5,881,575.71)	(7,754,904.43)
Write-off for the current year	1,551,267.53	3,669,959.78
	(27,757,208.45)	(23,426,900.27)
Ending balance	(27,757,208.45)	(23,426,900.27)

8 Other current assets

	<u>2025</u>	<u>2024</u>
VAT input tax to be deducted	4,172,741.83	2,896,300.11
Prepaid income tax	-	89,329.43
Total	4,172,741.83	2,985,629.54

9 Fixed assets

	<u>Leasehold improvement</u>	<u>Total</u>
Cost		
Beginning balance	3,124,158.88	3,124,158.88
Decrease for current year	-	-
Ending balance	3,124,158.88	3,124,158.88
Accumulated depreciation		
Beginning balance	(3,124,158.88)	(3,124,158.88)
Accrued depreciation for current year	-	-
Decrease for current year	-	-
Ending balance	(3,124,158.88)	(3,124,158.88)
Net carrying amount		
Ending balance	-	-
Beginning balance	-	-

10 Long-term deferred expenses

	<u>Huzhou Experience Center Land Lease</u>
Beginning balance	1,321,521.26
Decrease for current year	
- Amortisation	(480,553.08)
Ending balance	<u>840,968.18</u>

11 Short-term loans

	<u>2025</u>			<u>2024</u>		
	<u>Principal</u>	<u>Interest rate</u> <u>(p.a.)</u>	<u>Credit /secured</u> <u>/pledged/guaranteed</u>	<u>Principal</u>	<u>Interest rate</u> <u>(p.a.)</u>	<u>Credit/secured</u> <u>/pledged/guaranteed</u>
Cash pool loans from related parties	<u>62,091,768.24</u>	2.8%	Credit	<u>43,032,199.63</u>	4%	Credit

12 Other payables

	<u>2025</u>	<u>2024</u>
Service fee payable to related parties	26,191.91	27,395.37
Others	-	150,000.00
Total	<u>26,191.91</u>	<u>177,395.37</u>

13 Paid-in capital

Registered capital and paid-in capital

	<u>2025 and 2024</u>	
	<u>Amount</u> RMB	<u>%</u>
Jaguar Land Rover (China) Investment Co., Ltd.	<u>16,000,000.00</u>	<u>100%</u>

The above capital contributed by the investor has been verified by capital verification report Hu Ling Fang Kuai Shi Bao Zi (2014) No. SY0016 issued by Shanghai Linfang Certified Public Accountant Co., Ltd.

14 Revenues from principal activities

	<u>2025</u>	<u>2024</u>
Sale of goods	28,273,726.56	10,090,435.81
Rendering of services	<u>5,015,979.15</u>	<u>8,096,745.04</u>
Total	<u><u>33,289,705.71</u></u>	<u><u>18,187,180.85</u></u>

15 General and administrative expenses

	<u>2025</u>	<u>2024</u>
Inventory impairment losses	5,881,575.71	7,754,904.43
Software lease usage fee	222,262.47	105,079.07
Others	<u>333,878.17</u>	<u>352,825.18</u>
Total	<u><u>6,437,716.35</u></u>	<u><u>8,212,808.68</u></u>

16 Financial expenses

	<u>2025</u>	<u>2024</u>
Interest expenses incurred	1,571,993.98	1,667,136.83
Other financial expenses	<u>113,484.61</u>	<u>102,345.46</u>
Total	<u><u>1,685,478.59</u></u>	<u><u>1,769,482.29</u></u>

17 Related party relationships and transactions

(a) Related party with controlling relationship

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

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

	<u>Relationship with the Company</u>
Jaguar Land Rover Limited	Fellow subsidiary
Chery Jaguar Land Rover Automotive Co., Ltd	JV of parent company
Chery Jaguar Land Rover Automotive Sales Co., Ltd	Subsidiary of JV of parent company

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

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

	<u>2025</u>	<u>2024</u>
Salary income of appointed employees	-	451,875.64
Salary expenses of appointed employees	-	0.06
Purchase of goods	26,878,991.50	90,156.35
Test drive experience service revenue	1,025,900.01	4,980,006.89
Vehicle lease service income	9,833,050.61	10,980,844.20
Revenue from brand promotion services	3,851,611.11	859,675.58
Brand promotion consulting service expenses	32,850,956.64	9,105,661.92
Acquisition of designated loans	102,619,131.92	29,278,868.99
Repayment of designated loans	83,559,563.31	19,709,489.68
Interest expenses	1,571,993.98	1,667,136.83

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

	<u>2025</u>	<u>2024</u>
Accounts receivable	5,318,236.95	5,861,216.56
Other receivables	-	7,431.18
Accounts payable	7,253,187.90	10,295,342.91
Receipts in advance	7,804,244.76	17,637,295.37
Other payables	26,191.91	27,395.37
Advance payments	71,060.01	-
Short-term borrowings	62,091,768.24	43,032,199.63

18 Operating lease commitments

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

	<u>2025</u>	<u>2024</u>
Within 1 year	158,250.00	158,250.00
1 to 2 years	3,249,944.24	633,000.00
2 to 3 years	-	3,249,944.24
Total	<u>3,408,194.24</u>	<u>4,041,194.24</u>