



## **Geely UK Limited & Subsidiaries Tax Strategy and Policies**

### **Background**

Geely UK Limited (the "Company") is a wholly owned by Zhejiang Geely Holding Group Co. Ltd ("Geely") which is incorporated in the People's Republic of China. By virtue of the size of the Geely organisation, Geely UK Limited and its subsidiaries (the "Group") is obliged to publish its unified tax strategy in compliance with paragraph 16(2) of schedule 19 of the Finance Act 2016.

The Group is obliged to publish its Tax Strategy before the end of each financial period. For the Company and its principal subsidiary (LEVC) this means before the end of the accounting period for the twelve months to 31 December 2018.

The Board of Directors of Geely UK Limited (the "Board") review and approve the Group's Tax Strategy and management's adherence to it on an annual basis. The Board considers it meets the requirement of Finance Act 2016, Schedule 19, paragraph 16(2) for the accounting period to 31 December 2018.

### **Geely UK Limited Group**

Listed below are the active companies within the Group:

<b>Company Name</b>	<b>Financial period</b>	<b>Company no.</b>	<b>UTR</b>
Geely UK Limited	12 months to 31 Dec 2018	08336808	623 55423 21863
London EV Company Limited	12 months to 31 Dec 2018	08357576	623 22189 28561
Emerald Automotive Design Limited	12 months to 31 Dec 2018	07058968	623 91785 24138
LTC GB Limited*	12 months to 31 Dec 2018	1910512	660 66643 15433

\* Incorporated in the British Virgin Islands on 1 April 2016, it has been determined that the company is centrally managed and controlled from the UK and is therefore within the charge to UK corporation tax.

### **Our Tax Strategy**

Our Tax Strategy and policies require that we fully comply with the letter and spirit of UK tax law. The Group's business activities are subject to various taxes, including corporate tax, employment tax and property taxes. Employees' taxes and indirect taxes such as VAT are also collected and paid. These taxes contribute to the societies where we operate.

We aim for certainty on the tax positions and our policy is not to make interpretations of tax law that are opposed to its original spirit.

To support us in ensuring that we have interpreted tax law and its spirit correctly, we seek advice from large accounting firms, legal firms and/or tax counsel as appropriate.

In certain merger and acquisition transactions and in its dealings with Chinese companies, whether these are with related Geely undertakings or with Chinese vendors forming part of the Group's supply chain, oversight is provided to the Group by Geely's tax department from Hangzhou, China to ensure, for example, that transactions between Geely group companies are carried out on an arm's length basis in accordance with prevailing OECD principles.

### **Relationship with HM Revenue & Customs**

An important part of our tax strategy and policies is the maintenance and development of a strong, proactive working relationship with HM Revenue & Customs ("HMRC").

We are transparent with HMRC and, in cases of interpretation or complexity, work with them on a real-time basis to determine the amount of tax due.

We make timely and accurate tax returns that reflect our fiscal obligations to Government.



### **Attitude towards tax planning**

We recognise that tax is by its very nature complex and often uncertain.

We do not undertake aggressive tax planning and are committed to ensuring that tax reflects the underlying economic substance of the transactions the business enters into.

All transactions are driven by their commercial rationale rather than being shaped only to deliver a tax advantaged result.

### **Approach to risk management and governance**

Tax is part of the Finance function of the UK Group and is the ultimate responsibility of the Director of Finance.

Tax strategy and policies are reviewed on an on-going basis by the Board of Directors of each company in the Group. Tax strategy and policy issues are assessed on a case by case basis by the Director of Finance.

Day to day responsibility for the conduct of the Group's tax affairs is delegated to a dedicated and highly qualified team of professionals, whose primary purpose is to ensure we meet our compliance obligations in every jurisdiction in which we operate.