

Giti Tire Pte. Ltd. & Its Subsidiaries

Financial Statements

1H2016

(Unaudited Management Accounts)

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the 6 months period Jun 30, 2016

	Group
	RMB million
Revenue	9,396
Cost of sales	<u>(6,738)</u>
Gross profit	2,658
Other income	190
Selling and distribution expenses	(1,282)
Administrative expenses	(682)
Share of results of an associate	(32)
Finance costs	<u>(444)</u>
Profit before tax	408
Income tax expense	<u>(166)</u>
Profit for the year	<u><u>242</u></u>
Profit for the year attributable to:	
Owner of the Company	79
Non-controlling interests	<u>163</u>
	<u><u>242</u></u>

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2016

	Group RMB million
ASSETS	
Current assets	
Bank balances and cash	1,723
Restricted bank deposits	577
Trade and other receivables	4,026
Prepaid lease payments	47
Amount due from immediate holding company	396
Amounts due from related companies/parties	622
Inventories	3,599
Available-for-sale investments	181
Total current assets	<u>11,171</u>
Non-current assets	
Property, plant and equipment	9,311
Investment properties	16
Prepaid lease payments	1,127
Intangible assets	60
Interest in an associate	205
Available-for-sale investments	47
Deferred tax assets	513
Amount due from immediate holding company	736
Deposits for purchase of property, plant and equipment	249
Other receivables	12
Amounts due from related party	669
Total non-current assets	<u>12,945</u>
Total assets	<u><u>24,116</u></u>

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2016

	Group RMB million
LIABILITIES AND EQUITY	
Current liabilities	
Trade and other payables	5,498
Amounts due to related companies/parties	191
Derivative financial instruments	4
Tax payable	168
Borrowings - due within one year	3,498
Total current liabilities	<u>9,359</u>
Non-current liabilities	
Trade and other payables	362
Borrowings - due after one year	7,212
Retirement benefit obligations	899
Deferred tax liabilities	149
Total non-current liabilities	<u>8,622</u>
Capital, reserves and non-controlling interests	
Share capital	1,758
Reserves	<u>2,310</u>
Equity attributable to owner of the Company	4,068
Non-controlling interests	<u>2,067</u>
Total equity	<u>6,135</u>
Total liabilities and equity	<u><u>24,116</u></u>

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months period Jun 30, 2016

	Group RMB million
Operating activities	
Profit before tax	408
Adjustments for:	
Amortisation of intangible assets	4
Depreciation of property, plant and equipment	527
Impairment loss (reversed) on inventories	(2)
Impairment loss recognised on trade receivables	5
Impairment loss recognised on property, plant and equipment	3
Interest expense	444
Interest income	(47)
Dividend income from equity investments	(8)
Gain on disposal of property, plant and equipment	(5)
Gain from fair value adjustments on forward exchange contracts	(5)
Release of prepaid lease payments	25
Share of results of an associate	32
Income from government grants	(1)
Provision for post-employment benefits	35
Gain from disposal of available-for-sales investment	(94)
Operating cash flows before movements in working capital	1,321
Inventories	(141)
Trade and other receivables	82
Amounts due from related companies	(57)
Trade and other payables	(33)
Amounts due to related companies	46
Cash generated from operations	1,218
Income taxes paid	(61)
Interest paid	(408)
Payment of post-employment benefits	(6)
Net cash from operating activities	743

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months period Jun 30, 2016

	Group RMB million
Investing activities	
Payment for acquisition of property, plant and equipment	(651)
Deposits for acquisition of property, plant and equipment	(160)
Proceeds on disposal of property, plant and equipment	39
Acquisition of available-for-sale investments	(28)
Proceeds from sale of available-for-sale investment	116
Prepaid lease payments made	(2)
Interest received	12
Government grants received	32
Net cash used in investing activities	(642)
Financing activities	
Restricted deposits	150
New borrowings raised	5,287
Repayment of borrowings	(4,846)
Dividends paid to non-controlling interest	(177)
Payment of finance lease obligation	(11)
Net cash used in financing activities	403
Net decrease in cash and cash equivalents	504
Cash and cash equivalents at beginning of the year	1,223
Effect of foreign exchange rate changes	(4)
Cash and cash equivalents at end of the year, represented by bank balances and cash	1,723