

Giti Tire Pte. Ltd. & Its Subsidiaries

Financial Statements

1H2015

Giti Tire Pte. Ltd. & Its Subsidiaries

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the 6 months period Jun 30, 2015

Unaudited Management Accounts

	Group
	<u>1H2015</u>
	RMB millions
Revenue	9,512
Cost of sales	<u>(6,915)</u>
Gross profit	2,597
Other expenses	(112)
Selling and distribution expenses	(1,406)
Administrative expenses	(600)
Share of results of an associate	(13)
Finance costs	<u>(426)</u>
Profit before tax	40
Income tax expense	<u>(90)</u>
Loss for the year	<u><u>(50)</u></u>
Loss for the year attributable to:	
Owner of the Company	(12)
Non-controlling interests	<u>(38)</u>
	<u><u>(50)</u></u>

Giti Tire Pte. Ltd. & Its Subsidiaries

Consolidated Statements of Financial Position

As at Jun 30, 2015

Unaudited Management Accounts

Group
As at Jun 30
2015
RMB millions

ASSETS

CURRENT ASSETS

Bank balances and cash	1,345
Restricted bank deposits	765
Trade and other receivables	3,575
Prepaid lease payments	43
Amount due from immediate holding company	394
Amounts due from related companies/parties	335
Inventories	3,866
Available-for-sale investments	41
Derivative financial instruments	14
Total current assets	10,378

NON-CURRENT ASSETS

Property, plant and equipment	8,190
Investment properties	18
Prepaid lease payments	1,069
Goodwill	2
Intangible assets	63
Interest in an associate	246
Available-for-sale investments	209
Deferred tax assets	471
Amount due from immediate holding company	636
Deposits for purchase of property, plant and equipment	137
Other receivables - non-current	7
Amounts due from related party	640
Total non-current assets	11,688

Total assets

22,066

Giti Tire Pte. Ltd. & Its Subsidiaries**Consolidated Statements of Financial Position**

As at Jun 30, 2015

Unaudited Management Accounts

Group
As at Jun 30
2015
RMB millions

LIABILITIES AND EQUITY**CURRENT LIABILITIES**

Trade and other payables	5,305
Amounts due to related companies/parties	155
Tax payable	93
Borrowings - due within one year	3,519
Total current liabilities	9,072

Non-current liabilities

Trade and other payables	252
Borrowings - due after one year	6,394
Retirement benefit obligations	594
Deferred tax liabilities	129
Total non-current liabilities	7,369

Capital, reserves and non-controlling interests

Share capital	1,758
Reserves	2,105
Equity attributable to owner of the Company	3,863
Non-controlling interests	1,762
Total equity	5,625

Total liabilities and equity	22,066
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Giti Tire Pte. Ltd. & Its Subsidiaries

Consolidated Statement of Cash Flows

For the 6 months period Jun 30, 2015

Unaudited Management Accounts

Group

2015

RMB millions

Operating cash flows before movements in working capital

Profit before tax	40
Adjustments for:	
Amortisation of intangible assets	4
Depreciation of property, plant and equipment	493
Impairment loss (reversed) on inventories	(23)
Impairment loss recognised on trade receivables	1
Impairment loss recognised on property, plant and equipment	8
Interest expense	427
Interest income	(37)
Investment income from other investment	(1)
Gain on disposal of property, plant and equipment	(1)
Gain from fair value adjustments on forward exchange contracts	(2)
Release of prepaid lease payments	22
Share of results of an associate	13
Provision for post-employment benefits	40
Operating cash flows before movements in working capital	984

Decrease in inventories	216
Decrease in trade and other receivables	292
Increase in amounts due from related companies	(22)
Decrease in trade and other payable	(466)
Increase in amounts due to related companies	16
Cash generated from operations	1,020
Income taxes paid	(11)
Interest paid	(382)
Payment of post-employment benefits	(16)
Net cash from operating activities	611

Giti Tire Pte. Ltd. & Its Subsidiaries

Consolidated Statement of Cash Flows

For the 6 months period Jun 30, 2015

Unaudited Management Accounts

Group

2015

RMB millions

Investing activities

Payment for acquisition of property, plant and equipment	(568)
Deposits for acquisition of property, plant and equipment	(164)
Proceeds on disposal of property, plant and equipment	8
Dividends received from other investment	1
Proceeds from sale of held-for-trading investment	31
Proceeds from sale of available-for-sale investment	19
Acquisition of available-for-sale investments	(40)
Interest received	12
Government grants received	7
Net cash used in investing activities	<u>(694)</u>

Financing activities

Restricted deposits	(230)
New borrowings raised	3,161
Repayment of borrowings	(2,952)
Dividends paid to non-controlling interest	(106)
Net cash used in financing activities	<u>(127)</u>

Net (decrease) increase in cash and cash equivalents	(210)
Cash and cash equivalents at beginning of the year	1,545
Effect of foreign exchange rate changes	10
Cash and cash equivalents at end of the year, represented by bank balances and cash	<u>1,345</u>