

Giti Tire Pte. Ltd. & Its Subsidiaries

Financial Statements

2H2016

(Unaudited Management Accounts)

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the 12 months period Dec 31, 2016

	Group
	RMB million
Revenue	20,104
Cost of sales	<u>(14,493)</u>
Gross profit	5,611
Other income	226
Selling and distribution expenses	(2,627)
Administrative expenses	(1,462)
Share of results of an associate	(41)
Finance costs	<u>(909)</u>
Profit before tax	798
Income tax expense	<u>(634)</u>
Profit for the year	<u><u>164</u></u>
Profit (Loss) for the year attributable to:	
Owner of the Company	(136)
Non-controlling interests	<u>300</u>
	<u><u>164</u></u>

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2016

	Group RMB million
ASSETS	
Current assets	
Bank balances and cash	1,368
Restricted bank deposits	729
Trade and other receivables	4,525
Prepaid lease payments	49
Amount due from immediate holding company	397
Amounts due from related companies/parties	462
Inventories	3,978
Available-for-sale investments	200
Assets classified as held for sale	1
Derivative financial instruments	1
Total current assets	<u>11,710</u>
Non-current assets	
Property, plant and equipment	10,091
Investment properties	110
Prepaid lease payments	1,166
Intangible assets	62
Interest in an associate	202
Available-for-sale investments	18
Deferred tax assets	521
Amount due from immediate holding company	788
Deposits for purchase of property, plant and equipment	323
Other receivables	12
Amounts due from related party	677
Total non-current assets	<u>13,970</u>
Total assets	<u><u>25,680</u></u>

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2016

	Group RMB million
LIABILITIES AND EQUITY	
Current liabilities	
Trade and other payables	6,838
Amounts due to related companies/parties	217
Tax payable	152
Borrowings - due within one year	4,422
Total current liabilities	<u>11,629</u>
Non-current liabilities	
Trade and other payables	363
Borrowings - due after one year	6,462
Retirement benefit obligations	945
Deferred tax liabilities	149
Total non-current liabilities	<u>7,919</u>
Capital, reserves and non-controlling interests	
Share capital	1,758
Reserves	2,129
Equity attributable to owner of the Company	3,887
Non-controlling interests	2,245
Total equity	<u>6,132</u>
Total liabilities and equity	<u><u>25,680</u></u>

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 12 months period Dec 31, 2016

	Group RMB million
Operating activities	
Profit before tax	798
Adjustments for:	
Amortisation of intangible assets	9
Depreciation of property, plant and equipment	1,082
Depreciation of investment properties	2
Impairment loss recognised on (reversed):	
Inventories	15
Trade receivables	8
Property, plant and equipment	11
Interest expense	909
Interest income	(91)
(Gain) Loss on disposal of property, plant and equipment	(7)
(Gain) Loss from fair value adjustments on forward exchange contracts	(9)
Release of prepaid lease payments	46
Share of results of an associate	41
Income from government grants	(4)
Income from available-for-sales investments	(10)
Provision for post-employment benefits	100
(Gain) Loss from disposal of available-for-sale investment	(101)
Operating cash flows before movements in working capital	2,799
Inventories	(569)
Trade and other receivables	(278)
Amounts due from related companies	(77)
Trade and other payables	1,212
Amounts due to related companies	70
Cash generated from operations	3,157
Income taxes paid	(263)
Interest paid	(850)
Payment of post-employment benefits	(35)
Net cash from operating activities	2,009

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 12 months period Dec 31, 2016

	Group RMB million
Investing activities	
Payment for acquisition of property, plant and equipment	(2,003)
Deposits for acquisition of property, plant and equipment	(315)
Acquisition of intangible assets	(11)
Proceeds on disposal of property, plant and equipment	80
Acquisition of available-for-sale investments	(38)
Proceeds from sale of available-for-sale investments	249
Prepaid lease payments	(33)
Interest received	28
Placement of deposit for purchase of investment	(21)
Acquisition of investment property	(7)
Investment income received from available-for-sale investments	37
Government grants received	37
Net cash used in investing activities	(1,997)
Financing activities	
Restricted deposits	(2)
New borrowings raised	8,426
Repayment of borrowings	(8,183)
Payment of finance lease payables	(24)
Dividends paid to non-controlling interest	(185)
Acquisition of non-controlling interests in a subsidiary	(4)
Net cash used in financing activities	28
Net decrease in cash and cash equivalents	40
Cash and cash equivalents at beginning of the year	1,223
Effect of foreign exchange rate changes	105
Cash and cash equivalents at end of the year, represented by bank balances and cash	1,368