

Giti Tire Pte. Ltd. & Its Subsidiaries

Financial Statements

FY2015

(Unaudited Management Accounts)

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the 12 months period Dec 31, 2015

	Group
	<u>2015</u>
	RMB million
Revenue	19,467
Cost of sales	<u>(14,066)</u>
Gross profit	5,401
Other expenses	35
Selling and distribution expenses	(2,877)
Administrative expenses	(1,351)
Share of results of an associate	(42)
Finance costs	<u>(826)</u>
Profit before tax	340
Income tax expense	<u>(263)</u>
Profit for the year	<u><u>77</u></u>
 Profit for the year attributable to:	
Owner of the Company	56
Non-controlling interests	<u>21</u>
	<u><u>77</u></u>

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2015

Group
As at Dec 31
2015
RMB million

CURRENT ASSETS

Bank balances and cash	1,223
Restricted bank deposits	727
Trade and other receivables	4,117
Prepaid lease payments	44
Amount due from immediate holding company	395
Amounts due from related companies/parties	389
Inventories	3,475
Available-for-sale investments	169
	10,539

NON-CURRENT ASSETS

Property, plant and equipment	8,680
Investment properties	17
Prepaid lease payments	1,088
Intangible assets	60
Interest in an associate	233
Available-for-sale investments	144
Deferred tax assets	426
Amount due from immediate holding company	694
Deposits for purchase of property, plant and equipment	241
Other receivables	13
Amounts due from related party	648
	12,244

TOTAL ASSETS

22,783

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2015

Group
As at Dec 31
2015
RMB million

CURRENT LIABILITIES

Trade and other payables	5,319
Amounts due to related companies/parties	149
Derivative financial instruments	8
Tax payable	69
Borrowings - due within one year	4,347
	<u>9,892</u>

NON-CURRENT LIABILITIES

Trade and other payables	343
Borrowings - due after one year	5,696
Retirement benefit obligations	711
Deferred tax liabilities	137
	<u>6,887</u>

CAPITAL, RESERVES AND NON-CONTROLLING INTERESTS

Share capital	1,758
Reserves	2,207
Equity attributable to owner of the Company	3,965
Non-controlling interests	2,039
	<u>6,004</u>

TOTAL LIABILITIES AND EQUITY

<u>22,783</u>

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 12 months period Dec 31, 2015

	Group <u>2015</u> RMB million
Operating activities	
Profit before tax	340
Adjustments for:	
Amortisation of intangible assets	22
Depreciation of property, plant and equipment	1,015
Impairment recognised on (reversed) loss recognised on inventories	(1)
Impairment loss recognised on trade receivables	3
Impairment loss recognised on property, plant and equipment	11
Interest expense	826
Interest income	(74)
Dividend income from equity investments	(145)
Gain on disposal of property, plant and equipment	(4)
Loss from fair value adjustments on forward exchange contracts	20
Release of prepaid lease payments	43
Share of results of an associate	42
Income from government grants	(1)
Provision for post-employment benefits	94
Amortisation of goodwill	2
Income from available for sales investment	(6)
Gain from bargain purchase of investment in a subsidiary	(43)
Operating cash flows before movements in working capital	2,144
Inventories	767
Trade and other receivables	31
Amounts due from related companies	10
Trade and other payables	(518)
Amounts due to related companies	15
Cash generated from operations	2,449
Income taxes paid	(140)
Interest paid	(791)
Payment of post-employment benefits	(37)
Net cash from operating activities	1,481

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 12 months period Dec 31, 2015

	Group <u>2015</u> RMB million
Investing activities	
Payment for acquisition of property, plant and equipment	(1,469)
Deposits for acquisition of property, plant and equipment	(259)
Acquisition of intangible assets	(9)
Proceeds on disposal of property, plant and equipment	27
Acquisition of subsidiary	(52)
Proceeds on disposal of held for trading investment	31
Acquisition of available-for-sale investments	(138)
Proceeds from sale of available-for-sale investment	18
Prepaid lease payments made	(11)
Interest received	22
Government grants received	77
Deposit for purchase of land use right	(48)
Investment income from available-for-sale investments	6
Investment income from other investments	125
Net cash used in investing activities	<u>(1,680)</u>
Financing activities	
Restricted deposits	(177)
New borrowings raised	5,180
Repayment of borrowings	(5,007)
Dividends paid to non-controlling interest	(117)
Payment of finance lease obligation	(11)
Net cash used in financing activities	<u>(132)</u>
Net decrease in cash and cash equivalents	(331)
Cash and cash equivalents at beginning of the year	1,545
Effect of foreign exchange rate changes	9
Cash and cash equivalents at end of the year, represented by bank balances and cash	<u><u>1,223</u></u>