

Giti Tire Pte. Ltd. & Its Subsidiaries

Financial Statements

1H2017

(Unaudited Management Accounts)

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the 6 months period Jun 30, 2017

	Group
	RMB million
Revenue	10,611
Cost of sales	<u>(8,131)</u>
Gross profit	2,480
Other income	130
Selling and distribution expenses	(1,225)
Administrative expenses	(733)
Share of results of an associate	8
Finance costs	<u>(498)</u>
Profit before tax	162
Income tax expense	<u>(88)</u>
Profit for the year	<u><u>74</u></u>
Profit for the year attributable to:	
Owner of the Company	22
Non-controlling interests	<u>52</u>
	<u><u>74</u></u>

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2017

	Group RMB million
ASSETS	
Current assets	
Bank balances and cash	1,361
Restricted bank deposits	1,287
Trade and other receivables	4,355
Prepaid lease payments	49
Amount due from immediate holding company	396
Amounts due from related companies/parties	467
Inventories	5,287
Available-for-sale investments	200
Total current assets	<u>13,402</u>
Non-current assets	
Property, plant and equipment	10,308
Investment properties	134
Prepaid lease payments	1,288
Intangible assets	61
Interest in an associate	208
Available-for-sale investments	21
Deferred tax assets	567
Amount due from immediate holding company	793
Deposits for purchase of property, plant and equipment	485
Other receivables	12
Amounts due from related parties	673
Total non-current assets	<u>14,550</u>
Total assets	<u><u>27,952</u></u>

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2017

	Group RMB million
LIABILITIES AND EQUITY	
Current liabilities	
Trade and other payables	6,742
Amounts due to related companies/parties	185
Tax payable	44
Borrowings - due within one year	8,143
Total current liabilities	<u>15,114</u>
Non-current liabilities	
Trade and other payables	347
Borrowings - due after one year	5,169
Retirement benefit obligations	1,102
Deferred tax liabilities	152
Total non-current liabilities	<u>6,770</u>
Capital, reserves and non-controlling interests	
Share capital	1,758
Reserves	2,086
Equity attributable to owner of the Company	3,844
Non-controlling interests	2,224
Total equity	<u>6,068</u>
Total liabilities and equity	<u><u>27,952</u></u>

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months period Jun 30, 2017

	Group RMB million
Operating activities	
Profit before tax	162
Adjustments for:	
Amortisation of intangible assets	5
Depreciation of property, plant and equipment	482
Impairment loss recognised on (reversed) inventories	27
Impairment loss recognised on (reversed) trade receivables	(5)
Impairment loss recognised on (reversed) property, plant and equipment	1
Interest expense	498
Interest income	(51)
(Gain) Loss on disposal of property, plant and equipment	(2)
(Gain) Loss from fair value adjustments on forward exchange contracts	1
Release of prepaid lease payments	24
Share of results of an associate	(8)
Income from government grants	(1)
Provision for post-employment benefits	77
Operating cash flows before movements in working capital	1,210
Inventories	(1,291)
Trade and other receivables	135
Amounts due from related companies	2
Trade and other payables	193
Amounts due to related companies	(32)
Cash generated from operations	217
Income taxes paid	(468)
Interest paid	(463)
Payment of post-employment benefits	(21)
Net cash from operating activities	(735)

GITI TIRE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months period Jun 30, 2017

	Group RMB million
Investing activities	
Payment for acquisition of property, plant and equipment	(877)
Deposits for acquisition of property, plant and equipment	(201)
Acquisition of investment properties	(46)
Proceeds on disposal of property, plant and equipment	10
Placement of deposit for purchase of investment	(28)
Acquisition of a subsidiary	(81)
Prepaid lease payments	(7)
Interest received	17
Net cash used in investing activities	(1,213)
Financing activities	
Restricted deposits	(616)
New borrowings raised	6,661
Repayment of borrowings	(4,050)
Dividends paid to non-controlling interest	(92)
Payment of finance lease payables	(12)
Net cash used in financing activities	1,891
Net decrease in cash and cash equivalents	(57)
Cash and cash equivalents at beginning of the year	1,426
Effect of foreign exchange rate changes	(8)
Cash and cash equivalents at end of the year, represented by bank balances and cash	1,361