GM Isuzu Camiones Andinos del Ecuador - GMICA Ecuador Cía. Ltda.

Financial Statements for the Year Ended December 31, 2017 and Independent Auditors' Report

GM ISUZU CAMIONES ANDINOS DEL ECUADOR GMICA ECUADOR CIA. LTDA.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

Index | **Page**

Abbreviations:

IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IFRIC	International Financial Reporting Interpretations Committee
SRI	Internal Revenue Services
FV	Fair value
US$	U.S. dollars
VAT	Value Added Tax
GMICA	GM Isuzu Camiones Andinos del Ecuador
IESS	Ecuadorian Social Security Institute
GAAP	Generally Accepted Accounting Principles

Deloitte.
Ecuador

Deloitte & Touche
Av. Amazonas N3517
Telf: (593 2) 381 5100
Quito - Ecuador

Tulcán 803
Telf: (593 4) 370 0100
Guayaquil - Ecuador

www.deloitte.com/ec

INDEPENDENT AUDITOR'S REPORT

To the Partners and Board of Directors of
GM Isuzu Camiones Andinos del Ecuador GMICA Ecuador Cía. Ltda.:

Opinion

We have audited the accompanying financial statements of GM Isuzu Camiones Andinos del Ecuador GMICA Ecuador Cía. Ltda. which comprise the statement of financial position as at December 31, 2017, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of GM Isuzu Camiones Andinos del Ecuador GMICA Ecuador Cía. Ltda. as at December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of GM Isuzu Camiones Andinos del Ecuador GMICA Ecuador Cía. Ltda. in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the independence provisions of the Ecuadorian Superintendence of Companies, Securities and Insurance, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements

Management is responsible for the other information. The other information comprises the Annual Administrators' Report to the Board of Partners, but does not include the financial statements and our auditor's report thereon. We expect this information to be made available after the date of this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, after reading the Annual Administrators' Report to the Board of Partners, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance of the Company.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB), and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management and those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Translation of the financial statements into English has been made solely for the convenience of international readers.

Deloitte & Touche
Quito, March 8, 2018

GM ISUZU CAMIONES ANDINOS DEL ECUADOR GMICA ECUADOR CÍA. LTDA.

STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2017

ASSETS	Notes	31/12/17	31/12/16
		(in U.S. dollars)	
CURRENT ASSETS:			
Banks	4	530,006	1,342,714
Trade and other receivables	5	477,274	124,816
Current tax assets	7	86,142	101,263
Total current assets		1,093,422	1,568,793
NON-CURRENT ASSETS:			
Deferred tax assets and total non-current assets	7	51,878	64,552
TOTAL		1,145,300	1,633,345

See notes to financial statements

Tatsuya Yasuta
General Manager

LIABILITIES AND EQUITY	**Notes**	**31/12/17**	**31/12/16**
		(in U.S. dollars)	
CURRENT LIABILITIES:			
Trade and other payables	6	96,712	82,087
Current tax liabilities	7	109,747	1,528
Accrued liabilities	8	136,584	52,405
Other financial liabilities	11		1,000,000
Total current liabilities		343,043	1,136,020
NON-CURRENT LIABILITIES:			
Defined benefit obligations and total non-current liabilities	9	64,637	51,308
Total liabilities		407,680	1,187,328
EQUITY:	11		
Share capital		100,000	100,000
Legal reserve		20,000	20,000
Retained earnings:			
Distributable		598,501	306,898
No distributable		19,119	19,119
Total equity		737,620	446,017
TOTAL		1,145,300	1,633,345

Guillermo Arias
Finance Director

Paúl Vergara
Accountant

GM ISUZU CAMIONES ANDINOS DEL ECUADOR GMICA ECUADOR CÍA. LTDA.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	31/12/17	31/12/16
		(in U.S. dollars)	
Revenues from services	12,16,17	1,644,575	820,121
Financial income		16,601	40,763
Employee benefit expenses	14	(858,352)	(750,193)
Fee expenses	16	(185,516)	(247,488)
Administrative services	13,16	(110,730)	(110,730)
Travel expenses	15	(77,309)	(59,733)
Other administrative expenses	15	(51,177)	(79,828)
Other income, net		16,165	
PROFIT (LOSS) BEFORE INCOME TAX:		394,257	(387,088)
Less income tax expense:	7		
Current		(97,790)	(19,482)
Deferred		(12,675)	61,057
Total		(110,465)	41,575
PROFIT (LOSS) FOR THE YEAR		283,792	(345,513)
OTHER COMPREHENSIVE INCOME:			
Items that will not subsequently be classified to profit and loss:			
New measurements of defined benefit obligations and other comprehensive income for the year	9	7,811	(409)
PROFIT (LOSS) FOR THE YEAR AND COMPREHENSIVE INCOME FOR THE YEAR		291,603	(345,922)

See notes to financial statements

Tatsuya Yasuta
General Manager

Guillermo Arias
Finance Director

Paúl Vergara
Accountant

GM ISUZU CAMIONES ANDINOS DEL ECUADOR GMICA ECUADOR CÍA. LTDA.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Share capital	Legal reserve	... Retained earnings ... Distributable	Non-distributable	Total
			... (in U.S. dollars) ...		
Balances at December 31, 2015	100,000	20,000	1,652,820	19,119	1,791,939
Profit for the year			(345,513)		(345,513)
Dividends declared			(1,000,000)		(1,000,000)
Other comprehensive income for the year			(409)		(409)
Balances at December 31, 2016	100,000	20,000	306,898	19,119	446,017
Profit for the year			283,792		283,792
Other comprehensive income for the year			7,811		7,811
Balances at December 31, 2017	100,000	20,000	598,501	19,119	737,620

See notes to financial statements

Tatsuya Yasuta	Guillermo Arias	Paúl Vergara
General Manager	Finance Director	Accountant

GM ISUZU CAMIONES ANDINOS DEL ECUADOR GMICA ECUADOR CÍA. LTDA.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	31/12/17	31/12/16
	(in U.S. dollars)	
CASH FLOWS FROM (IN) OPERATING ACTIVITIES:		
Receipts from customers	1,296,217	1,009,033
Payments to suppliers and employees	(1,098,557)	(1,261,420)
Income tax	(26,969)	(16,415)
Interest earned	16,601	40,763
Net cash generated by (used in) operating activities	187,292	(228,039)
CASH FLOW IN FINANCING ACTIVITIES		
Dividends paid and total cash used in financing activities	(1,000,000)	
BANKS:		
Decrease for the year	(812,708)	(228,039)
Beginning balances	1,342,714	1,570,753
ENDING BALANCES	530,006	1,342,714
NON-CASH TRANSACTIONS:		
Declared dividends no paid		1,000,000

See notes to financial statements

Tatsuya Yasuta	Guillermo Arias	Paúl Vergara
General Manager	Finance Director	Accountant

1. GENERAL INFORMATION

GM Isuzu Camiones Andinos del Ecuador GMICA Ecuador Cía. Ltda. is a jointly controlled entity constituted in Ecuador on June 13, 2008 by GM LAAM Holdings LLC (USA) and Isuzu Motores Limited (Japan) and its principal activity is the provision of marketing and consulting services to its related company General Motors del Ecuador S.A. to enable the latter to market Isuzu trucks in Ecuador under the Chevrolet brand, together with the respective parts and accessories. The Company's income is derived exclusively from the service provided to General Motors del Ecuador S.A., the Company's sole client.

The Company's final controller is General Motors Company (Detroit, USA) and Isuzu Motors Ltd. (Tokyo, Japan).

Information included in these financial statements is the responsibility of Company management.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 ***Statement of compliance*** - The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

2.2 ***Functional currency*** - The functional currency of the Company is the United States of America dollar (U.S. dollar), the legal tender in circulation in Ecuador.

2.3 ***Basis of preparation*** - The financial statements have been prepared on a historical cost basis, as explained in the accounting policies set out below. The historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at the valuation date, regardless of whether that price is directly observable or estimated using another valuation technique.

2.4 ***Banks*** - Constitute cash deposits in a bank account.

2.5 ***Taxes*** - The income tax expense represents the total of current tax payable plus deferred tax.

2.5.1 ***Current tax*** - The tax currently payable is based on taxable profit for the year. Taxable profit differs from reported profit because of items of income or expense that are taxable or deductible that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates approved at the end of each reporting period.

2.5.2 ***Deferred taxes*** - Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that the Company will have taxable profits available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized.

The Company offsets deferred tax assets against deferred tax liabilities when, and only when, there is a legally enforceable right to set off from the taxation authority amounts recognized in these items, and when they relate to income taxes levied and the Company intends to settle its current tax assets and liabilities on a net basis.

2.6 ***Current and deferred taxes*** - Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to a transaction or event that is recognized outside profit or loss, either in profit and loss or directly in equity, in which case the tax is also recognized outside profit or loss, or where they arise from the initial accounting for a business combination.

2.7 ***Employee benefits***

2.7.1 ***Defined benefits: Retirement and severance*** - Cost of defined benefits (retirement and severance) is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period by an independent expert.

Present and past service costs are recognized in profit and loss for the year, as well as the financing interest generated on the defined benefit obligation.

The new measurements, which include actuarial gains and losses, are recognized in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Recognition of actuarial gains and losses in other comprehensive income is recognized immediately in accumulated earnings and is not reclassified to profit or loss for the period.

2.7.2 ***Employee profit-sharing*** - The Company recognizes a liability and an expense for employee profit-sharing. This benefit is calculated based on 15% of net income in accordance with current legislation.

2.8 Leases - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating leases are charged to profit or loss on a straight-line basis over the term of the corresponding lease.

2.9 Revenues recognition - Revenue is measured at the fair value of the consideration received or receivable, taking into account the amount of any returns, rebates and other similar commercial allowances that the Company may grant.

2.9.1 Rendering of services - Is recognized by reference to the stage of completion of the contract using the accrual basis, based on the economic substance of the agreement (provided that it is probable that the economic benefits will flow to the entity and these benefits can be measured reliably).

2.9.2 Interest income - Interest income is recorded on a time basis with respect to outstanding capital and the applicable effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or a shorter period is appropriate, to the net carrying amount of the financial asset or liability on the initial recognition.

2.10 Costs and expenses - Costs and expenses are recorded at historical cost. Costs and expenses are recognized as incurred, regardless of the date on which payment was made, and are recorded in the period closest in which such were known.

2.11 Offsetting balances and transactions - As a general rule neither assets and liabilities nor income and expenses are offset in the financial statements, except in those cases in which compensation is required or permitted under a standard and such presentation reflects the essence of the transaction.

Income and expenses originating in transactions that, contractually or by statute, provide for the possibility of offset and that the Company has the intention of settling for their net amount or realizing the assets and proceeding to pay the liability simultaneously are presented net in profit and loss.

2.12 Financial instruments - Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and liabilities designated at fair value through profit results) are added or deducted from the fair value of financial assets or liabilities, where appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of assets or financial liabilities designated at fair value with changes in results are recognized immediately in profit or loss.

2.13 Financial assets - Financial assets are classified into the following categories: financial assets "at fair value through profit or loss", "investments held-to-maturity", "financial assets available for sale" and "loans and accounts receivable". The classification depends on the nature and purpose of the financial assets and is determined at initial recognition. All regular purchases or sales of financial assets are recognized and derecognized on the date of the transaction. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

2.13.1 ***Effective interest rate method*** - The effective interest rate method is used to calculate the amortized cost of a financial instrument and to allocate the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts the cash flows receivable or payable (including all fees and points paid or received that form part of the effective interest rate, transaction costs and other premiums or discounts) estimated over the expected life of the financial instrument (or, where appropriate), in a shorter period to the net carrying amount on initial recognition.

Revenue is recognized using the effective interest method for debt instruments other than financial assets classified at fair value through profit and loss.

2.13.2 ***Accounts receivable*** – Are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Accounts receivable are measured at amortized cost using the effective interest rate method, less any impairment.

2.13.3 ***Impairment of financial assets at amortized cost*** - Financial assets, other than those designated at fair value through profit and loss, are assessed for impairment at the end of each reporting period. A financial asset is impaired when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the estimated future cash flows of the financial asset have been affected.

For all other financial assets, objective evidence of impairment may include:

- Significant financial difficulty of the issuer or obligor; or
- A breach of contract, such as a default or delinquency in interest or principal payments; or
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for that financial asset because of financial difficulties

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on payments.

For financial assets carried at cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar asset. This impairment loss will not be reversed in the following periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an available-for-sale financial asset is considered impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

For financial assets measured at cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed through profit and loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

2.13.4 ***Derecognition of financial assets*** - The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers substantially all the risks and rewards of ownership of the financial asset. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset as well as any collateralized borrowing for the proceeds received.

In total derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received and receivable as well as the cumulative effect that had been recognized in other comprehensive income and accumulated in equity are recognized in profit or loss.

In the case of partial derecognition of a financial asset (i.e., when the Company retains an option to repurchase a portion of a transferred asset), the Company distributes the previous carrying amount of the financial asset between the portion it continues recognizing under continuing interest, and the portion that will no longer be recognized based on the relative fair value of those portions on the date of transfer. The difference between the carrying amount allocated to the portion that will no longer be recognized and the sum of the consideration received for the portion that will no longer be recognized and any cumulative gain or loss allocated that would have been recognized in other comprehensive income is recognized in the income statement. The cumulative gain or loss that had been recognized in other comprehensive income is distributed between the portion that continues being recognized and the portion that will no longer be recognized based on the relative fair values of both portions.

2.14 ***Financial liabilities and equity instruments issued by the Company*** - Debt and equity instruments are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the date of the financial position.

2.14.1 ***Classification as debt or equity*** - Debt and equity instruments are classified as financial liabilities or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

2.14.2 ***Equity instruments*** - An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.3 ***Financial liabilities*** - Financial liabilities are classified at fair value through changes in profit and loss or other financial liabilities.

2.14.4 ***Other financial liabilities*** - Other financial liabilities (including loans and trade accounts payable and others) are subsequently measured at amortized cost using the effective interest method.

The effective interest rate method is used to calculate the amortized cost of a financial asset and liability and to allocate the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts the cash flows receivable or payable (including all fees and points paid or received that form part of the effective interest rate, transaction costs and other premiums or discounts) estimated over the expected life of the financial liability (or, where appropriate), in a shorter period to the net carrying amount on initial recognition.

2.14.5 ***Derecognition of financial liabilities*** - The Company derecognizes a financial liability if, and only if, its contractual obligations are extinguished, canceled or fulfilled. The difference between the carrying amount and the consideration paid and payable is recognized in profit and loss for the year.

2.15 Application of new and revised International Financial Reporting Standards with mandatory application in the current year

During the year, the Company has applied the following IFRS amendments issued by the International Accounting Standards Board (IASB), and which are of mandatory application as of January 1, 2017 or subsequently.

Amendments to IAS 12 Recognition of deferred tax assets for unrealized losses

The Company has applied these amendments for the first time in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilize a deductible temporary difference.

The application of these amendments has had no impact on the Company's financial statements as Company Management already assesses the sufficiency of future taxable profits in a way that is consistent with these amendments.

2.16 New and revised standards issued with material effect on the financial statements

The Company has not applied the following new and revised International Financial Reporting Standards (IFRS) that have been issued but are not yet effective.

IFRS	Title	Effective from
IFRS 9	Financial instruments	January 1, 2018
IFRS 15	Revenue from contracts with customers	January 1, 2017
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

IFRS 9 Financial instruments

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. This standard was modified in October 2010 and now includes requirements for the classification and measurement of financial liabilities, as well as their derecognition in the financial statements, and in November 2013 included new requirements for general hedge accounting. In July 2015, a revised version of IFRS 9 was issued, principally to include the following:

- Impairment requirements for financial assets and,
- Limited amendments to classification and measurement requirements by introducing a measurement category of "fair value

Key requirements of IFRS 9:

- All financial assets classified within the scope of IAS 39 - Financial instruments, are subsequently recognized at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is, not held for trading or includes a contingent consideration recognized by the buyer in a business combination under IFRS 3) in other comprehensive income, with only dividend income generally recognized in profit or loss for the period.

- When measuring financial liabilities designated at fair value through profit or loss, IFRS 9 requires the amount generated by the change in fair value of the financial liability that is attributable to changes in the credit risk of the referred liability to be presented in other comprehensive income, unless recognition of the effects of changes in the liability's credit risk in other comprehensive income generates an accounting mismatch in profit or loss for the period. Changes in fair value attributable to credit risk of a financial liability are not subsequently reclassified in profit or loss. Under IAS 39, the entire amount of the change in fair value of financial liabilities designated at fair value through profit or loss is presented in the statement of profit and loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

- IFRS 9 retains the three types of hedge accounting mechanisms currently available in IAS 39. IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Based on an analysis of the Company's financial assets and liabilities at December 31, 2017, and taking into account the facts and circumstances that exist as of that date, Company Management has assessed the impact of IFRS 9 on the financial statements of the Company as follows:

Classification and measurement

- Accounts receivable recorded at amortized cost as described in note 5 are maintained within a business model whose purpose is to obtain contractual cash flows that are only payments of outstanding capital. Consequently, these financial assets will continue to be measured at amortized cost in application of IFRS 9;

- All other financial assets and liabilities will continue to be measured on the same basis as currently adopted in accordance with IAS 39.

Impairment

Financial assets measured at amortized cost will be subject to the impairment assessment in accordance with IFRS 9.

The Company expects to apply the simplified approach to recognize expected credit losses for the entire term of the asset for its trade accounts receivable, as required or permitted under IFRS 9.

In general, Management expects that application of the expected credit loss model of IFRS 9 will not lead to significant changes in its impairment recognition model since its financial assets are not exposed to losses.

IFRS 15 Revenue from contract with customers

In May 2015, IFRS 15 was issued which establishes a comprehensive and detailed model for entities to use in accounting for and recognizing revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of contractually established goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract with a customer.
Step 2: Identity the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In April 2016, the IASB issued "Clarifications to IFRS 15" in relation to identifying performance obligations, guidance on principal versus agent as well as an application guide for licenses.

The Company recognizes revenues only for the provision of marketing and advisory services to its related company for the marketing of Chevrolet brand trucks, as well as their parts and accessories. Management has verifies that these performance obligations are satisfied over time and that the method currently used to measure progress in relation to full compliance with performance obligations will continue to be appropriate under IFRS 15.

Management expects that application of IFRS will have no significant impact on the Company's financial position and/or results.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 refer to situations where there is a sale or contribution of assets between an investor and its associate or joint venture. The amendments specifically establish that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture accounted by the method of equity share, be recognized in the income of the parent company only to the extent of the unrelated investors' interests in the associate or joint venture. Likewise, gains or losses resulting from the remediation of investments withheld in any former subsidiary (converted into an associate or joint venture accounted by the equity method) at fair value be recognized under the income of the former parent company to the extent of the interests of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments to IFRS 10 and IAS 28 have been deferred to an unspecified date. However, early application is permitted. Company Management does not expect future application of these amendments to have a significant impact on the amounts recognized in the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires that Management make certain estimates and establish various assumptions inherent to the entity's economic activity with the purpose of determining the valuation and presentation of certain items forming part of the financial statements. In Management's opinion, such estimates and assumptions were based on the best information available at the time, but actual results could differ from those estimates.

The following critical accounting estimates and judgments have been used by Company management in the process of applying accounting criteria:

3.1 ***Provisions for defined benefit obligations*** - The present value of employee benefit provisions depends on various factors that are determined using an actuarial calculation based on various assumptions. The assumptions used to determine the present value of these obligations include a discount rate. Any change in assumptions impacts the carrying amount of these benefits.

The actuary contracted by the Company to perform the actuarial calculation uses the discount rate, the mortality rate and the turnover rate at the end of each year as reported by Company management. The discount rate is the interest rate to be used to determine the present value of estimated expected future cash flows that will be required to comply with the benefit obligation, which is determined by reference to market yields, at the end of the year, corresponding to high quality corporate bonds in the currency in which the profits will be paid.

3.2 Deferred Income Tax **-** The Company has estimated its deferred income tax on the basis that all differences between the carrying amount and the tax base of assets and liabilities will revert in the future.

4. BANKS

Comprise cash deposits in a checking account of a local bank, generating interest at an average annual rate of 3%. During 2017, interest income on checking balance accounts totals US$16,601.

5. TRADE AND OTHER RECEIVABLES

	31/12/17	31/12/16
Related company	461,062	112,704
Other accounts receivable	16,212	12,112
Total	477,274	124,816

Related company **-** At December 31, 2017, comprises invoices pending collection from General Motors del Ecuador S.A. for marketing and advisory services for the marketing of Chevrolet brand trucks, as well as their parts and accessories, for US$344,400. Also includes a target compliance bonus of US$116,663 (See noted 16 and 17).

The credit period granted to the related party is 30 days. At December 31, 2017, there are no accounts past-due.

6. TRADE AND OTHER PAYABLES

	31/12/17	31/12/16
Related company	68,942	63,013
Local suppliers	1,889	4,685
Other accounts payable	25,881	14,389
Total	96,712	82,087

Related company **-** Comprises principally invoices pending payment for administrative and marketing services provided by GM Isuzu Camiones Andinos de Colombia Ltda. to the Company for U$43,524, as well as invoices pending payment to General Motors del Ecuador S.A. for administrative and leasing services related to the office premises (See Notes 16 and 17).

7. TAXES

7.1 Current year assets and liabilities - A summary of assets and liabilities for current taxes is as follows:

	31/12/17	31/12/16
Current tax assets:		
Value Added Tax (VAT) credit	85,376	100,498
Income tax credit	766	765
Total	86,142	101,263
Current tax liabilities:		
Income tax payable	70,823	
Value Added Tax - VAT	13,690	
Withholdings at source - VAT	6,696	
Income tax withholdings at source	18,538	1,528
Total	109,747	1,528

7.2 Tax Reconciliation - current income tax - A reconciliation between profit according to the financial statements and the current income tax expense is as follows:

	Year ended 31/12/16	31/12/15
Profit (loss) according to the financial statements before income tax	394,257	(387,088)
Non-deductible expenses	104,958	93,671
Tax loss carryforward **(2)**	(108,050)	
Taxable income (tax loss)	391,165	(293,417)
Income tax	97,790	
Prepayment calculation	12,474	19,482
Income tax for the year **(1)**	97,790	19,482
Deferred income tax for the year	12,675	(61,057)
Effective tax rate	28.02%	

(1) In accordance with local legislation, income tax is 22% on distributed income. However, the tax rate increases to 25% on the proportion of the taxable amount corresponding to the direct or indirect participation of partners, shareholders, beneficiaries or similar who are resident in tax havens or low-tax jurisdictions. If such participation exceeds 50%, the applicable rate is 25%. The rate is reduced by 10 percentage points on earnings subject to reinvestment.

(2) Under current legislation, tax losses may be offset with taxable income obtained during the following five (5) tax periods without the offset exceeding 25% of taxable income in any one year. At December 31, 2017, the tax loss balance to be amortized totals US$185,000.

Non-deductible Expenses - At December 31, 2017, include principally administrative and marketing services paid to related companies for US$67,013.

Income tax returns have not been reviewed by the tax authorities and the years 2013 through 2017 are open to review.

7.3 Movement in the provision (tax credit) for income tax - Movements in the provision (tax credit) for income tax were as follows:

	Year ended 31/12/17	31/12/17
Balances, beginning of year	(765)	(3,832)
Provision for the year	97,790	19,482
Payments made	(26,969)	(16,415)
Balances, end of year	70,056	(765)

Payments Made - Comprise withholdings at source and the tax liability arising in the previous year.

7.4 Deferred tax balances - Movements for deferred tax assets were as follows:

	Balances at beginning of year	Recognized in profit and loss	Balances at end of year
	... (in U.S. dollars) ...		
Deferred tax assets in relation to:			
Year 2017			
Tax loss	64,552	(12,674)	51,878
Year 2016			
Tax loss		64,552	64,552
Provision for retirement	3,495	(3,495)	
Total	3,495	61,057	64,552

7.5 Tax aspects

On December 29, 2017, the Law to reactivate the economy, strengthen dollarization and modernize financial management was enacted. The most important aspects of which are as follows:

- Severance and retirement payments not included in provisions declared in previous years (deductible or otherwise) shall be considered as deductible for income tax calculation purposes.

- The income tax rate for companies is increased to 25%. Companies with shareholders, partners, principles, constituents, beneficiaries or similar as residents or that established in tax havens or in low-tax jurisdictions, as well as companies failing to comply with the requirement to report on their shareholders, partners, principle, constituents, beneficiaries or similar shall be subject to 3 additional percentage points. It must be shown that the beneficial owner is not a nominal or formal holder under a specific legal regime.

- VAT on cash purchases exceeding US$1,000 (previously US$5,000) is not be deductible for income tax purposes.

- The list of administrators, legal representatives and partners or shareholders, which must be submitted to annually to the Superintendence of Companies, must include both the legal owners and the effective beneficiaries, in compliance with international standards governing transparency in tax matters and the fight against illicit activities.

8. ACCRUED LIABILITIES

	31/12/17	31/12/16
Employee profit-sharing	69,575	
Social benefits	67,009	52,405
Total	136,584	52,405

8.1 ***Employee profit-sharing*** - In accordance with current legislation, workers are entitled to a 15% share in a company's profits applicable to accounting for pre-tax profits. Movements in the provision for employee profit-sharing were as follows:

	Year ended	
	31/12/17	31/12/16
Balances, beginning of year		24,130
Provision for the year	69,575	
Payments made		(24,130)
Balances, end of year	69,575	-

8.2 ***Social Benefits*** **-** Comprise principally provisions for vacations to be taken by Company employees for US$50,940.

9. DEFINED BENEFIT OBLIGATIONS

	31/12/17	31/12/16
Retirement	40,363	37,102
Severance	24,274	14,206
Total	64,637	51,308

9.1 ***Retirement*** - In accordance with the Ecuadorian Labor Code, employees with twenty-five or more years' continuous or interrupted service are entitled to receive pensions from their employers without prejudicing their right as affiliates to receive pensions from the Ecuadorian Social Security Institute.

Movements in the present value of the retirement obligation were as follows:

	Year ended	
	31/12/17	31/12/16
Balances, beginning of year	37,102	23,439
Cost of the services for current period	16,369	9,141
Cost of interest	1,536	1,022
Effect of early reductions and settlements	(3,155)	
Actuarial losses (gains)	(11,489)	3,500
Balances, end of year	40,363	37,102

9.2 ***Severance*** - In accordance with the Labor Code, when an employee's labor contract is terminated either by the employee of the employer, the Company shall pay an amount equivalent to 25% of their last monthly salary for each year of service.

Movements in the present value of the severance obligation were as follows:

	Year ended	
	31/12/17	31/12/16
Balances, beginning of year	14,206	11,619
Cost of the services for current period	6,463	6,427
Cost of interest	588	507
Actuarial losses (gains)	6,833	(3,091)
Benefits paid	(3,816)	(1,256)
Balances, end of year	24,274	14,206

The actuarial calculations for the present value of the accrued defined benefits were performed at December 31, 2017 and 2016 by an independent actuary. The present value of defined benefit obligations and the service cost were calculated using the projected credit unit method. Under this method pension benefits must be attributed to the employee's period of service and based on the plan formula so that the same benefit amount is attributed to each year of service based on an actuarial hypothesis to calculate the present value of the referred benefits. This hypothesis reflects the value in money over time, the salary increase and the probability of paying a pension.

The significant actuarial assumptions used to determine the defined benefit obligations are the discount rate, expected salary increases and mortality. The sensitivity analysis included below has been developed based on reasonably expected changes that may occur at the end of the reference period for the respective assumptions.

If the discount rate varies by 0.5 points (more or less), the defined benefit obligation would be decrease by US$1,009 (increase by US$1,113).

If the expected rises in salaries increase or decrease by 0.5%, the retirement would increase by US$1,204 (decrease by US$1,105).

The sensitivity analysis presented above may not be representative of a real change in the defined benefit obligation, since it is unlikely that any change in the assumptions would occur in isolation from others (some of the assumptions may be correlated).

Note that the present value of the defined benefit obligation included in the sensitivity analysis is calculated using the projected unit credit method, the same used in the calculation of the defined benefit obligation recognized in the statement of financial position. There were no changes in the methods and hypothesis used to prepare the sensitivity analysis with respect to prior years.

The principal assumptions used for the actuarial calculations are as follows:

	31/12/17 %	31/12/16 %
Discount rate	4.02	4.14
Expected salary increase rate	1.50	3.00

The amounts recognized in profit and loss for the referred defined benefit plans are as follows:

	31/12/17	31/12/16
Current cost of service	22,832	15,568
Interest on obligation	2,124	1,529
Total	24,956	17,097

The company recorded actuarial losses originated by defined benefits for US$7,811.

10. FINANCIAL INSTRUMENTS

10.1 Financial risk management - During the normal course of its business and financing activities, the Company is exposed to different types of financial risks that may significantly affect, to a greater or lesser extent, the economic value of its cash flows and activities and, consequently, its income.

The following is a definition of the principal risks faced by the Company, their nature and a description of the mitigation measures currently used by the Company when required.

10.1.1 ***Credit risk*** - Credit risk refers to the risk that one of the parties will default on its contractual obligations resulting in financial loss to the Company. This risk is mitigated since the Company's sole client is its related company General Motors del Ecuador S.A., an entity recognized for its financial solvency in the Ecuadorian automotive industry. The Company only undertakes transactions with entities with the same of better credit rating.

10.1.2 ***Liquidity risk*** - The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecasts of real and actual cash flows and matching the maturity profiles of financial assets and liabilities.

10.2 ***Categories of financial instruments*** - Details of financial assets and liabilities held by the Company are as follows:

	31/12/17	31/12/16
Financial assets:		
Amortized cost:		
Banks (Note 4)	530,006	1,342,714
Trade and other receivable, excluding other accounts receivable (Note 5)	461,062	112,704
Total	991,068	1,455,418
Financial liabilities:		
Amortized cost:		
Trade and other payables (Note 6)	96,712	82,087
Other financial liabilities		1,000,000
Total financial liabilities	96,712	1,082,087

10.3 ***Fair value of financial instruments*** - Company Management believes that the carrying amount of its financial assets and liabilities, recognized at amortized cost in the financial statements, approximates to fair value.

11. EQUITY

11.1 ***Share capital*** - Authorized share capital comprises 100,000 shares with a nominal value of US$1.00 each.

11.2 ***Legal reserve*** - The Companies' Law requires that at least 5% of annual income be appropriated as a legal reserve until such reaches a minimum of 20% of share capital. This reserve is not available for payment of dividends but may be capitalized in its entirety.

11.3 Retained earnings - A summary of retained earnings is as follows:

	31/12/17	31/12/16
Retained earnings - distributable	598,501	306,898
Retained earnings - non-distributable:		
Accumulated earnings from first-time adoption of IFRS	19,119	19,119
Total	617,620	326,017

The following balances arise from first-time application of IFRS and previous GAAP balances. In accordance with a Resolution issued by the Superintendence of Companies on October 14, 2011, such balances may be used as follows:

Accumulated earnings from first-time adoption of IFRS - Include amounts resulting from adjustments arising from first-time adoption of IFRS. The credit balance may only be capitalized for the part that exceeds the value of accumulated losses and those of the last concluded financial year, if any; used to absorb losses; or returned in the event of the liquidation of the company.

11.4 Dividends - In September 2016, the Extraordinary Shareholders' Meeting approved distribution of dividends for US$1 million corresponding to profits from year 2015 and previous years. This dividend was paid in July and August 2017.

As from year 2010, dividends distributed to individual stockholders resident in Ecuador and to legal entities domiciled in tax havens or low-tax jurisdictions are subject to income tax withholdings at source.

12. REVENUE FROM SERVICES

	Year ended	
	31/12/17	31/12/16
Revenue from Marketing Fee commissions **(1)**	1,527,836	777,007
Revenue from Mark Up commissions **(2)**	116,739	43,114
Total	1,644,575	820,121

(1) Represent a service commission, calculated in accordance with monthly sales of trucks, their parts and accessories, undertaken by the related company General Motors del Ecuador S.A.

(2) Represent an annual commission, calculated when various sales targets established for the period are met.

13. FEE EXPENSES

Represent fees paid to overseas GMICA executives whose functions are performed at regional level. The fees are allocated at unit level based on the sales volumes of each country and other variables that are updated on an annual basis.

14. EMPLOYEE BENEFIT EXPENSES

	Year ended 31/12/17	31/12/16
Wages and salaries	569,223	545,499
IESS (social security) contributions	118,281	106,310
Social and defined benefits	76,317	73,750
Employee profit-sharing	69,575	
Indemnities		7,537
Defined benefits	24,956	17,097
Total	858,352	750,193

15. TRAVEL EXPENSES AND OTHER ADMINISTRATIVE SERVICES

	Year ended 31/12/17	31/12/16
Travel and lodgings	66,294	47,760
Insurance and taxes	24,536	30,286
Food and training	11,076	37,314
Others	26,580	24,201
Total	128,486	139,561

16. RELATED PARTY TRANSACTIONS

	Year ended 31/12/17	31/12/16
Revenue from marketing services (See Note 17)	1,644,575	820,121
Professional fees	185,516	110,730
Administrative service (See Note 17)	110,730	247,488

The following balances are pending payment at the end of the reporting period:

	Balances owed by related parties		Balances owed to related parties	
	31/12/17	31/12/16	31/12/17	31/12/16
General Motors del Ecuador S.A.	461,062	112,704	1,599	63,013
Ómnibus B.B. Transportes S.A.			23,819	
GM Isuzu Camiones Andinos de Colombia Ltda.			43,524	
Total	461,062	112,704	68,942	63,013

17. COMMITMENTS

Services Contract - On September 11, 2008, the Company signed a contract with General Motors del Ecuador S.A. for the provision of services and assistance with respect to the marketing, promotion, advertising and distribution of commissions and Isuzu parts under the Chevrolet brand. In 2011, this contract was renewed up to December 31, 2018.

Administrative Services Contract - On September 11, 2008, the Company signed a contract with General Motors del Ecuador S.A. for the provision of administrative services with respect to leasing offices, systems, office equipment, vehicles for personnel, human resources services, information services, information and legal services among others. This contract expires on July 31, 2018.

18. EVENTS AFTER THE REPORTING PERIOD

Between December 31, 2017 and the issue date of the financial statements (March 8, 2018) no events occurred that, in the opinion of the Company's Management, could have an important effect on the attached financial statements.

19. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year ended December 31, 2017 were approved by Company Management on March 8, 2018 and will be presented to the Partners and the Board of Directors for approval. In the opinion of Company Management, the financial statements will be approved by the Board of Directors without any modification.

50 años

Deloitte.

Ecuador

Av. Amazonas N3517
Edificio Xerox
Telf: (593 2) 381 5100
Quito - Ecuador

Tulcán 803
Edificio El Contemporáneo
Telf: (593 4) 370 0100
Guayaquil - Ecuador

www.deloitte.com/ec