

GOODYEAR (THAILAND) PUBLIC COMPANY LIMITED

**INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

30 JUNE 2020

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Goodyear (Thailand) Public Company Limited

I have reviewed the interim financial information of Goodyear (Thailand) Public Company Limited, which comprises the statement of financial position as at 30 June 2020, the statements of income, comprehensive income for the three-month and six-month periods then ended, the related statements of changes in equity and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Emphasis of matter

I draw attention to note 4.2 of the interim financial information, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. My conclusion is not modified in respect to this matter.

PricewaterhouseCoopers ABAS Ltd.

Chaisiri Ruangritchai

Certified Public Accountant (Thailand) No. 4526

Bangkok

7 August 2020

Goodyear (Thailand) Public Company Limited
Statement of Financial Position
As at 30 June 2020

		(Unaudited) 30 June 2020	(Audited) 31 December 2019
	Notes	Thousand Baht	Thousand Baht
Assets			
Current assets			
Cash and cash equivalents		946,964	354,072
Trade and other receivables, net	8	321,168	691,479
Inventories, net	9	1,075,924	971,073
Refundable value added tax within one year		65,355	148,009
Other current assets		5,916	5,891
Total current assets		2,415,327	2,170,524
Non-current assets			
Property, plant and equipment, net	10	3,994,867	4,038,433
Right-of-use assets, net	11	85,997	-
Computer software, net		1,124	294
Deferred tax assets, net		38,245	46,877
Refundable value added tax		36,417	36,613
Other non-current assets		11,734	9,561
Total non-current assets		4,168,384	4,131,778
Total assets		6,583,711	6,302,302

Director Director

The accompanying notes on pages 8 to 21 are an integral part of this interim financial information.

Goodyear (Thailand) Public Company Limited
Statement of Financial Position (continued)
As at 30 June 2020

		(Unaudited) 30 June 2020	(Audited) 31 December 2019
	Notes	Thousand Baht	Thousand Baht
Liabilities and equity			
Current liabilities			
Short-term loans from financial institutions	12	1,160,000	630,000
Trade and other payables	13	807,653	940,953
Current portion of lease liabilities, net	14	18,541	-
Current portion of long-term loans from a financial institution, net	15	167,968	124,571
Accrued withholding tax		6,170	18,674
Other current liabilities		4,145	4,734
Total current liabilities		2,164,477	1,718,932
Non-current liabilities			
Lease liabilities, net	14	67,304	-
Long-term loans from a financial institution, net	15	461,911	539,808
Employee benefit obligations		299,545	305,225
Total non-current liabilities		828,760	845,033
Total liabilities		2,993,237	2,563,965
Equity			
Share capital			
Authorised share capital			
7,400,000 ordinary shares			
at par value of Baht 10 each		74,000	74,000
Issued and fully paid-up share capital			
7,400,000 ordinary shares			
fully paid-up of Baht 10 each		74,000	74,000
Premium on share capital		92,000	92,000
Retained earnings			
Appropriated - Legal reserve		7,400	7,400
Unappropriated		3,417,074	3,564,937
Total equity		3,590,474	3,738,337
Total liabilities and equity		6,583,711	6,302,302

The accompanying notes on pages 8 to 21 are an integral part of this interim financial information.

Goodyear (Thailand) Public Company Limited

Statement of Income (Unaudited)

For the three-month and six-month periods ended 30 June 2020

	Notes	For the three-month period ended		For the six-month period ended	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Sales and related services	7	540,711	919,689	1,488,741	1,811,754
Cost of sales and related services		(578,174)	(845,544)	(1,342,118)	(1,593,021)
Gross profit (loss)		(37,463)	74,145	146,623	218,733
Selling expenses		(82,899)	(99,626)	(187,406)	(190,660)
Administrative expenses		(45,165)	(44,762)	(86,962)	(86,595)
Other income		2,960	2,908	2,511	7,879
Reversal of impairment losses					
on financial assets		4,078	-	4,980	-
Gain on exchange rate, net		2,630	6,478	14,065	9,558
Loss before					
finance costs and income tax		(155,859)	(60,857)	(106,189)	(41,085)
Finance costs		(12,757)	(13,137)	(23,948)	(23,685)
Loss before income tax		(168,616)	(73,994)	(130,137)	(64,770)
Income tax	16	(7,058)	15,733	(12,666)	13,771
Net loss for the period		(175,674)	(58,261)	(142,803)	(50,999)
Basic loss per share (Baht)					
Net loss for the period	17	(23.74)	(7.87)	(19.30)	(6.89)

The accompanying notes on pages 8 to 21 are an integral part of this interim financial information.

Goodyear (Thailand) Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month and six-month periods ended 30 June 2020

	For the three-month period ended		For the six-month period ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Net loss for the period	(175,674)	(58,261)	(142,803)	(50,999)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
- Remeasurements of post-employment benefit obligations, net of tax	709	-	709	-
Total comprehensive expense for the period	(174,965)	(58,261)	(142,094)	(50,999)

The accompanying notes on pages 8 to 21 are an integral part of this interim financial information.

Goodyear (Thailand) Public Company Limited
Statement of Changes in Equity (Unaudited)
For the six-month period ended 30 June 2020

		Issued and paid-up share capital	Premium on share capital	Retained earnings		Total equity
	Note	Thousand Baht	Thousand Baht	Appropriated - Legal reserve Thousand Baht	Unappropriated Thousand Baht	Thousand Baht
Beginning balance as at 1 January 2019		74,000	92,000	7,400	3,686,139	3,859,539
Changes in equity for the period						
Total comprehensive expenses for the period		-	-	-	(50,999)	(50,999)
Dividends paid		-	-	-	(37,000)	(37,000)
Ending balance as at 30 June 2019		74,000	92,000	7,400	3,598,140	3,771,540
Beginning balance as at 1 January 2020 - as reported		74,000	92,000	7,400	3,564,937	3,738,337
Impact of first-time adoption of new accounting standards	5	-	-	-	(5,769)	(5,769)
Beginning balance as at 1 January 2020 - restated		74,000	92,000	7,400	3,559,168	3,732,568
Changes in equity for the period						
Total comprehensive expenses for the period		-	-	-	(142,094)	(142,094)
Ending balance as at 30 June 2020		74,000	92,000	7,400	3,417,074	3,590,474

The accompanying notes on pages 8 to 21 are an integral part of this interim financial information.

Goodyear (Thailand) Public Company Limited
Statement of Cash Flows (Unaudited)
For the six-month period ended 30 June 2020

		30 June 2020	30 June 2019
	Notes	Thousand Baht	Thousand Baht
Cash flows generated from (used in) operating activities	20	286,969	(233,976)
Cash flows from investing activities			
Purchases of plant and equipment		(139,414)	(321,276)
Purchases of intangible assets		(958)	-
Proceeds from disposals of machine and equipment		17,975	2,621
Net cash used in investing activities		(122,397)	(318,655)
Cash flows from financing activities			
Interest paid		(25,197)	(23,354)
Cash payment for lease liabilities	14	(7,711)	-
Cash receipts from short-term loans from the financial institutions	12	3,580,000	582,000
Repayments for short-term loans from the financial institutions	12	(3,050,000)	-
Repayments for long-term loan from a financial institution	15	(41,524)	-
Payment of dividends to shareholders		-	(37,000)
Net cash receipts from financing activities		455,568	521,646
Net increase (decrease) in cash and cash equivalents		620,140	(30,985)
Cash and cash equivalents at the beginning of the period		354,072	198,978
Exchange loss on cash and cash equivalents		(27,248)	(3,017)
Cash and cash equivalents at the end of the period		946,964	164,976
Non-cash transactions			
Payable for purchases of plant and equipment	13	66,188	95,427

The accompanying notes on pages 8 to 21 are an integral part of this interim financial information.

1 General information

Goodyear (Thailand) Public Company Limited (“the Company”) is a public limited company, which is listed on the Stock Exchange of Thailand, and is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

50/9 Moo 3, Phaholyothin Road, K.M. 36, Klongnueng, Klongluang, Pathumthani 12120.

The Company is principally engaged in the manufacturing, distribution and sales of motor vehicle and aero tires for domestic and overseas markets.

This interim financial information was authorised for issue by the Board of Directors on 7 August 2020.

2 Significant events during the current period

After the outbreak of Coronavirus Disease (“COVID-19 outbreak”) in early 2020, the second quarter (“Q2”) results were affected significantly by the sharp drop in demand. Q2 revenue declined 41% versus Q2 2019 impacted by the Covid-19 pandemic with lower domestic and export sales. Aviation business performance in the second quarter was significantly impacted by COVID-19 government-imposed flight restrictions. The Company has temporarily closed the factory and stopped production process in the second quarter. The closure of the plant had a significant negative effect on the Company’s performance during that period. The Company has taken necessary measures to ensure the health and safety of its business and financial position, while continuing to serve and support the customers. The Company has taken swift actions to reduce expenses and investment levels, while at the same time, continuing to focus on its business strategic priorities.

3 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34, *Interim Financial Reporting* and other financial reporting requirement issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

An English-language version of the interim financial information has been prepared from the interim financial information that is issued in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai-language interim financial information shall prevail.

4 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019, except for the following:

- 4.1) the adoption of the new financial reporting standards and the changes in accounting policies as described in Note 5;
- 4.2) the following application of the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by the Federation of Accounting Professions (TFAC) for the reporting periods ending between 1 January 2020 and 31 December 2020.

Reversal of deferred tax assets

The Company has chosen to exclude information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Company writes down the carrying amount of the deferred tax assets when it’s not probable that the future taxable profit will be available for utilising the deductible temporary differences.

Impairment of assets

The Company has chosen to exclude information related to COVID-19 as an indication of the impairment of assets.

5 Adoption of new financial reporting standards and changes in accounting policies

5.1 Impact from the adoption of new financial reporting standards

The Company has adopted financial reporting standards relating to financial instruments (TAS 32 *Financial Instruments: Presentation*, TFRS 7 *Financial Instruments: Disclosures* and TFRS 9 *Financial instruments*) and leases standards (TFRS 16) since 1 January 2020. The Company recognised the cumulative effect of the implementation of the said financial reporting standards as a retrospective adjustment since 1 January 2020 and did not restate comparatives for the 2019 reporting period, as permitted in the standards. The adjustments and reclassification from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standards (TFRS 16).

	(Unaudited)			
	As at 31 December 2019 Previously reported Million Baht	TAS 32 and TFRS 9 Reclassification and adjustments Million Baht	TFRS 16 Reclassification and adjustments Million Baht	As at 1 January 2020 Restated Million Baht
Current assets				
Trade and other receivables, net	692	(7)	-	685
Non-current assets				
Right-of-use assets, net	-	-	13	13
Deferred tax assets, net	47	1	-	48
Total assets	6,302	(6)	13	6,309
Current liabilities				
Current portion of lease liabilities, net	-	-	9	9
Current portion of long-term loans from a financial institution, net	-	124	-	124
Non-current liabilities				
Lease liabilities, net	-	-	4	4
Long-term loans from a financial institution, net	664	(124)	-	540
Total liabilities	2,564	-	13	2,577
Equity				
Unappropriated retained earnings	3,565	(6)	-	3,559
Total equity	3,738	(6)	-	3,732

The change has no significant impact on segment disclosures.

The adjustments above consist of the following:

- Adjustment of impairments on trade and other receivables through retained earnings
- Recognition of right-of-use assets and lease liabilities; and
- Adjustment of deferred tax assets/liabilities resulted from the above adjustments.

a) Impact from the adoption of financial reporting standards relating to financial instruments (TAS 32 and TFRS 9)

The Company has adopted the new financial reporting standards relating to financial instruments from 1 January 2020 by applying the modified retrospective approach by recognising impacts on 1 January 2020 to brought forward retained earnings. The adoption of the new financial reporting standards on financial instruments mainly affects the Company's accounting treatment on impairment of financial assets.

Impairment

The new requirements on the impairment losses lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. As of 1 January 2020, there was an increase in impairment loss of Baht 6 million (net of income tax) due to the application of the simplified approach for trade receivables. The transition adjustment will be recognised as an adjustment to the opening balance of retained earnings.

b) Impact from the adoption of financial reporting standards relating to leases (TFRS 16)

On adoption of TFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17, *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 4.44% per annum.

	(Unaudited) Million Baht
Operating lease commitments disclosed as at 31 December 2019	21
<u>Less:</u> Contracts reassessed as service agreements	(2)
<u>Less:</u> Short-term leases recognised on a straight-line basis as expenses	(3)
<u>Less:</u> Low value leases recognised on a straight-line basis as expenses	(8)
<u>Add:</u> Purchase or extension options reasonably certain to be exercised	6
	14
<u>Less:</u> Discounted using the lessee's incremental borrowing rate as at 1 January 2020	(1)
Lease liabilities recognised as at 1 January 2020	13
Of which are:	
Current lease liabilities	9
Non-current lease liabilities	4
	13

The recognised right-of-use assets relate to the following types of assets:

As at	(Unaudited) 1 January 2020 Million Baht
Buildings and building improvement	9
Vehicles	4
Total right-of-use assets	13

In applying TFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard with the leases existing before 1 January 2020:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the leases.

5.2 Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases

a) Financial instruments

From 1 January 2020, the Company classifies its financial assets as follows:

- those to be measured subsequently at fair value either through profit or loss (FVPL) or through other comprehensive income (FVOCI), and
- those to be measured at amortised cost.

The Company initially recognises a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except financial assets that are measured at FVPL whose transaction costs are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

As at 30 June 2020, the Company's financial assets are measured with amortised cost. These assets are held for collection of contractual cash flows that represent solely payments of principal and interest (SPPI). The Company's financial liabilities are measured with amortised cost.

For impairment assessment of financial assets, from 1 January 2020, the Company assesses expected credit loss on a forward-looking basis for its trade receivables carried at amortised cost. The Company applies the simplified approach in determining its expected credit loss.

b) Leases

The Company leases various housings, equipment and vehicles. Rental contracts are typically made for fixed periods of 1 year to 5 years but may have extension options.

Before 2020 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor, if any) were charged to the statement of income on a straight-line basis over the period of the lease.

From 1 January 2020, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payment), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise computer equipment and small items of office furniture.

6 Estimates

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

7 Segment and revenue information

The Company operates in the business segments, which are ground tires and aero tires. The Company has manufacturing facilities in Thailand. The Company reports its segment information as distribution market in domestic and overseas markets. Export sales are made to related parties and domestic sales are made to third parties. Management believes that no material difference exists in assessing the Company's past performance and in making informed judgments about the Company if either the business segments or the geographical segments are presented. Therefore, the Company is reporting geographical segments information based on location of its market, as a single reporting format. Segments information is reported to Managing Director for the purpose of assessment of operating performance by considering from profit before income tax expense.

	(Unaudited)		
	Domestic sales	Export sales	Total
	Million Baht	Million Baht	Million Baht
For the six-month period ended 30 June 2020			
Sales and related services	609	880	1,489
Segment gross profit	66	81	147
Unallocated (expenses)/other income, net			(290)
Loss before income tax expense			(143)
Timing of revenue recognition			
At a point in time	609	880	1,489
For the six-month period ended 30 June 2019			
Sales and related services	660	1,152	1,812
Segment gross profit	94	125	219
Unallocated (expenses)/other income, net			(284)
Loss before income tax expense			(65)
Timing of revenue recognition			
At a point in time	660	1,152	1,812

Major customers

During the six-month period ended 30 June 2020, the Company had revenue from two major customers which are related parties of Baht 526 million or 35% of the Company's revenues (30 June 2019: Baht 685 million or 38% of the Company's revenues).

8 Trade and other receivables, net

As at	(Unaudited)	(Audited)
	30 June 2020	31 December 2019
	Million Baht	Million Baht
Trade receivables - third parties	169	220
<u>Less</u> Loss allowance for trade receivables	(18)	(16)
Trade receivables - third parties, net	151	204
Trade receivables - related parties (Note 18)	125	343
Amounts due from related parties (Note 18)	26	119
Prepayments	10	6
Advances	6	6
Other receivables	3	13
Total trade and other receivables, net	321	691

Outstanding trade receivables - third parties can be analysed as follows:

As at	(Unaudited)	(Audited)
	30 June 2020	31 December 2019
	Million Baht	Million Baht
Not yet due	139	184
Overdue:		
Up to 3 months	13	18
3 - 12 months	13	4
Over 12 months	4	14
	169	220
<u>Less</u> Loss allowance for trade receivables	(18)	(16)
Trade receivables - third parties, net	151	204

Outstanding trade receivables - related parties can be analysed as follows:

As at	(Unaudited)	(Audited)
	30 June 2020	31 December 2019
	Million Baht	Million Baht
Not yet due	106	321
Overdue up to 3 months	19	22
Trade receivables - related parties	125	343

9 Inventories, net

As at	(Unaudited)	(Audited)
	30 June 2020 Million Baht	31 December 2019 Million Baht
Raw materials	257	196
Work in progress	47	72
Finished goods	522	405
Spare parts	191	222
Goods in transits	88	108
	1,105	1,003
<u>Less</u> Allowance for obsolescence - slow moving	(27)	(29)
Allowance for cost of inventory in excess of net realisable value	(2)	(3)
Total inventories, net	1,076	971

10 Property, plant and equipment, net

For the six-month period ended 30 June 2020	Million Baht
Opening net book amount (Audited)	4,038
Additions	138
Disposals, net	(18)
Write-offs, net	(1)
Impairment loss	(5)
Depreciation	(157)
Closing net book amount (Unaudited)	3,995

11 Right-of-use assets, net

As at	(Unaudited)	(Audited)
	30 June 2020 Million Baht	31 December 2019 Million Baht
Buildings and building improvements	82	-
Vehicles	4	-
Total right-of-use assets	86	-

Depreciation charge of right-of-use assets for building and building improvements and vehicles for the six-month period ended 30 June 2020 was Baht 7 million.

12 Short-term loans from financial institutions

The movements of short-term loans from financial institutions during the period can be analysed as follows:

For the six-month period ended 30 June 2020	Million Baht
Opening balance (Audited)	630
Additions	3,580
Repayments	(3,050)
Closing balance (Unaudited)	1,160

As at 30 June 2020, short-term loans from financial institutions bears interest rate between 2.33% per annum and 2.48% per annum (as at 31 December 2019: 2.58% per annum). The outstanding principal and interests are due for payable in July 2020. There is no collateral for the short-term loans from financial institutions.

13 Trade and other payables

As at	(Unaudited) 30 June 2020 Million Baht	(Audited) 31 December 2019 Million Baht
Trade payables - third parties	365	567
Trade payables - related parties (Note 18)	83	79
Amounts due to related parties (Note 18)	146	64
Payables from purchases of property, plant and equipment - third parties	48	60
Payables from purchases of property, plant and equipment - related parties (Note 18)	18	11
Accrued expenses	148	160
Total trade and other payables	808	941

14 Lease liabilities, net

Future payments under lease liabilities are as follows:

As at	(Unaudited) 30 June 2020 Million Baht
Future payment under lease liabilities agreements	110
<u>Less</u> Future finance charges	(24)
Present value of lease liabilities	86
<u>Less</u> Current portion of lease liabilities, net	(19)
Non-current portion of lease liabilities, net	67

The total cash outflows for lease liabilities of the Company for the six-month period ended 30 June 2020 were Baht 8 million.

15 Long-term loan from a financial institution, net

The movements of long-term loan from a financial institution during the period can be analysed as follows:

For the six-month period ended 30 June 2020	Million Baht
Opening balance (Audited)	664
Repayment during the year	(41)
Unrealised loss on foreign exchange rates	7
Closing balance (Unaudited)	630

Maturity of long-term loan from a financial institution is as follows:

As at	(Unaudited) 30 June 2020 Million Baht	(Audited) 31 December 2019 Million Baht
Within 1 year	168	124
Between 1 year but not later than 5 years	462	540
	630	664

Credit facilities

As at 30 June 2020, the Company had unused overdrafts and loan facilities from the financial institutions of Baht 830 million and USD 0.11 million (as at 31 December 2019: Baht 660 million and USD 0.11 million).

16 Income tax

For the six-month periods ended	(Unaudited) 30 June 2020 Million Baht	(Unaudited) 30 June 2019 Million Baht
Adjustment in respect of prior year	3	(1)
Deferred income tax	10	(13)
	13	(14)

The effective tax rate for the six-month period ended 30 June 2020 is 9.73% (2019: 21.26%). The change in effective tax rate was due to tax losses for which no deferred income tax asset was recognised and the exemption profit for BOI promoted activities.

17 Basic loss per share

Basic loss per share is calculated by dividing the loss for the period attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

For the six-month periods ended	(Unaudited) 30 June 2020 Million Baht	(Unaudited) 30 June 2019 Million Baht
Net loss attributable to shareholders (Million Baht)	(143)	(51)
Weighted average number of paid-up ordinary shares in issues during the period (Shares)	7,400,000	7,400,000
Basic loss per share (Baht)	(19.30)	(6.89)

18 Related party transactions

The Company is controlled by The Goodyear Tire & Rubber Company (registered and located in the United States), which owns 66.79% of the Company's issued shares. The remaining shares are publicly held.

The following material transactions were carried out with related parties:

i) Sales of goods

For the six-month periods ended 30 June	(Unaudited)	
	2020 Million Baht	2019 Million Baht
Sales of goods and related services:		
Parent company	184	281
Related parties - same common control	696	871
	880	1,152
Sales of assets and spare parts:		
Related parties - same common control	5	4

ii) Purchases of goods and services

For the six-month periods ended 30 June	(Unaudited)	
	2020 Million Baht	2019 Million Baht
Purchases of raw materials and finished goods:		
Parent company	72	114
Related parties - same common control	168	147
	240	261
Purchases of machinery and spare parts:		
Parent company	21	28
Related parties - same common control	18	66
	39	94
Royalty fee		
Parent company	61	78
Production service fee		
Parent company	14	19
Management fee:		
Related parties - same common control	84	79

iii) Outstanding balances arising from sales and purchases of goods and services and purchases of plant and equipment

As at	(Unaudited) 30 June 2020 Million Baht	(Audited) 31 December 2019 Million Baht
Trade receivables - related parties:		
Parent company	37	59
Related parties - same common control	88	284
	125	343
Amounts due from related parties:		
Parent company	2	39
Related parties - same common control	24	80
	26	119
Trade payables - related parties:		
Parent company	34	55
Related parties - same common control	49	24
	83	79

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2020

As at	(Unaudited)	(Audited)
	30 June 2020 Million Baht	31 December 2019 Million Baht
Amounts due to related parties:		
Parent company	23	39
Related parties - same common control	123	25
	146	64
Payable from purchases of plant and equipment		
Parent company	14	3
Related parties - same common control	4	8
	18	11

iv) Directors' and key management's compensation

For the six-month periods ended 30 June	(Unaudited)	
	2020 Million Baht	2019 Million Baht
Salaries and other short-term employee benefits	13	21
Retirement benefits	-	2
	13	23

19 Commitments

Bank guarantees

As at 30 June 2020, the Company had commitments in respect of bank guarantees amounting to Baht 23.9 million and USD 10,000 (as at 31 December 2019: Baht 23.9 million and USD 10,000).

In addition, during 2019, the Company received VAT refund as totalling of Baht 139 million from Revenue Department whilst the auditing VAT refund is still in process. The parent company requests a domestic financial institution to issue bank guarantees to Revenue Department in amounting of Baht 139 million in order to guarantee VAT refund.

Capital commitments

As at 30 June 2020, the Company has outstanding capital commitments in respect of the investment of machinery and equipment totaling Baht 224 million (as at 31 December 2019: Baht 102 million).

20 Cash flows from operating activities

Reconciliation of loss before income tax to cash flows generated from operating activities:

For the six-month periods ended	(Unaudited)	
	30 June 2020 Million Baht	30 June 2019 Million Baht
Loss before income tax expense	(130)	(65)
Adjustments for:		
(Reversal of) Allowance for loss on impairment of trade receivables	(6)	6
Reversal of allowance for net realisable value of inventory	(2)	(2)
Depreciation and amortisation (Note 10 and 11)	164	152
Loss (Gain) on disposals and write-offs of machinery and equipment, net	1	(3)
Loss on write-off machinery and equipment (Note 10)	1	-
Impairment loss of assets (Note 10)	5	-
Interest income	-	(1)
Finance costs	24	24
Unrealised loss (gain) on exchange rate	32	(2)
Employee benefit obligations	20	48
Changes in operating assets and liabilities:		
- trade and other receivables	362	(107)
- inventories	(103)	(133)
- refundable value added tax	83	(46)
- other current assets	(1)	-
- other non-current assets	(2)	-
- trade and other payables	(122)	(47)
- withholding tax payables	(13)	(11)
- other current liabilities	(1)	(2)
- employee benefit obligations paid	(23)	(38)
Net cash generated from operating activities	289	(227)
Interest received	-	1
Income tax paid	(2)	(8)
Net cash generated from (used in) operating activities	287	(234)