

**GOODYEAR (THAILAND) PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL INFORMATION  
(UNAUDITED)**

**30 SEPTEMBER 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 September 2020, the statements of income and comprehensive income for the three-month and nine-month periods then ended, the related statements of changes in equity and cash flows for the nine-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

12 November 2020

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

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Notes	Thousand Baht	Thousand Baht
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		601,531	354,072
Trade and other receivables, net	8	567,617	691,479
Inventories, net	9	932,292	971,073
Refundable value added tax within one year		49,612	148,009
Other current assets		5,770	5,891
<b>Total current assets</b>		<b>2,156,822</b>	<b>2,170,524</b>
<b>Non-current assets</b>			
Property, plant and equipment, net	10	4,078,649	4,038,433
Right-of-use assets, net	11	95,518	-
Computer software, net		1,052	294
Deferred tax assets, net		43,669	46,877
Refundable value added tax		36,597	36,613
Other non-current assets		9,427	9,561
<b>Total non-current assets</b>		<b>4,264,912</b>	<b>4,131,778</b>
<b>Total assets</b>		<b>6,421,734</b>	<b>6,302,302</b>

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The accompanying notes on pages 8 to 22 are an integral part of this interim financial information.

**Goodyear (Thailand) Public Company Limited**

**Statement of Financial Position (continued)**

**As at 30 September 2020**

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Notes	Thousand Baht	Thousand Baht
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Short-term loans from financial institutions	12	1,005,000	630,000
Trade and other payables	13	888,878	940,953
Current portion of lease liabilities, net	14	20,810	-
Current portion of long-term loans from a financial institution, net	15	169,906	124,571
Accrued withholding tax		7,248	18,674
Other current liabilities		4,751	4,734
<b>Total current liabilities</b>		<b>2,096,593</b>	<b>1,718,932</b>
<b>Non-current liabilities</b>			
Lease liabilities, net	14	76,495	-
Long-term loans from a financial institution, net	15	424,764	539,808
Employee benefit obligations		303,526	305,225
<b>Total non-current liabilities</b>		<b>804,785</b>	<b>845,033</b>
<b>Total liabilities</b>		<b>2,901,378</b>	<b>2,563,965</b>
<b>Equity</b>			
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		3,346,956	3,564,937
<b>Total equity</b>		<b>3,520,356</b>	<b>3,738,337</b>
<b>Total liabilities and equity</b>		<b>6,421,734</b>	<b>6,302,302</b>

The accompanying notes on pages 8 to 22 are an integral part of this interim financial information.

**Goodyear (Thailand) Public Company Limited**  
**Statement of Income** (Unaudited)  
**For the three-month and nine-month periods ended 30 September 2020**

		<b>For the three-month period ended</b>		<b>For the nine-month period ended</b>	
		<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Sales and related services	7	903,497	966,079	2,392,238	2,777,833
Cost of sales and related services		(834,129)	(911,872)	(2,176,247)	(2,504,893)
<b>Gross profit (loss)</b>		69,368	54,207	215,991	272,940
Selling expenses		(90,912)	(89,237)	(278,318)	(279,899)
Administrative expenses		(42,234)	(42,708)	(129,196)	(129,303)
Other income		2,767	2,396	5,278	10,275
Impairment losses					
on financial assets		(7,365)	-	(2,385)	-
Gain on exchange rate, net		3,001	1,573	17,066	11,131
<b>Loss before finance costs and income tax</b>		(65,375)	(73,769)	(171,564)	(114,856)
Finance costs		(12,384)	(11,378)	(36,332)	(35,063)
<b>Loss before income tax</b>		(77,759)	(85,147)	(207,896)	(149,919)
Income tax	16	5,867	14,095	(6,799)	27,867
<b>Net loss for the period</b>		<u>(71,892)</u>	<u>(71,052)</u>	<u>(214,695)</u>	<u>(122,052)</u>
<b>Basic loss per share (Baht)</b>	17				
Net loss for the period		<u>(9.72)</u>	<u>(9.60)</u>	<u>(29.01)</u>	<u>(16.49)</u>

The accompanying notes on pages 8 to 22 are an integral part of this interim financial information.

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

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	<b>For the three-month period ended</b>		<b>For the nine-month period ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Net loss for the period</b>	(71,892)	(71,052)	(214,695)	(122,052)
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit or loss				
- Remeasurements of post-employment benefit obligations, net of tax	1,774	-	2,483	-
<b>Total comprehensive expenses for the period</b>	<b>(70,118)</b>	<b>(71,052)</b>	<b>(212,212)</b>	<b>(122,052)</b>

The accompanying notes on pages 8 to 22 are an integral part of this interim financial information.

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

	Note	Issued and paid-up share capital Thousand Baht	Premium on share capital Thousand Baht	Retained earnings		Total Thousand Baht
				Appropriated - legal reserve Thousand Baht	Unappropriated Thousand Baht	
<b>Beginning balance as at 1 January 2019</b>		74,000	92,000	7,400	3,686,139	3,859,539
<b>Changes in equity for the period</b>						
Total comprehensive expenses for the period		-	-	-	(122,052)	(122,052)
Dividends paid		-	-	-	(37,000)	(37,000)
<b>Ending balance as at 30 September 2019</b>		<u>74,000</u>	<u>92,000</u>	<u>7,400</u>	<u>3,527,087</u>	<u>3,700,487</u>
<b>Beginning balance as at 1 January 2020 - as reported</b>		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)
<b>Beginning balance as at 1 January 2020 - restated</b>		74,000	92,000	7,400	3,559,168	3,732,568
<b>Changes in equity for the period</b>						
Total comprehensive expenses for the period		-	-	-	(212,212)	(212,212)
<b>Ending balance as at 30 September 2020</b>		<u>74,000</u>	<u>92,000</u>	<u>7,400</u>	<u>3,346,956</u>	<u>3,520,356</u>

The accompanying notes on pages 8 to 22 are an integral part of this interim financial information.

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

		<b>30 September 2020</b>	<b>30 September 2019</b>
		<b>Thousand Baht</b>	<b>Thousand Baht</b>
	<b>Notes</b>		
<b>Cash flows generated from (used in) operating activities</b>	20	210,156	(210,505)
<b>Cash flows from investing activities</b>			
Purchases of plant and equipment		(232,413)	(427,716)
Purchases of intangible assets		(958)	
Proceeds from disposals of machine and equipment		10,319	2,621
Net cash used in investing activities		(223,052)	(425,095)
<b>Cash flow from financing activity</b>			
Interest paid		(31,239)	(34,558)
Cash payment for lease liabilities		(16,581)	-
Cash receipts from short-term loans from financial institutions	12	6,505,000	6,359,000
Repayments for short-term loans from the financial institutions	12	(6,130,000)	(5,627,000)
Repayments for long-term loan from a financial institution	15	(80,639)	-
Payment of dividends to shareholders		-	(37,000)
Net cash receipts from financing activities		246,541	660,442
<b>Net increase in cash and cash equivalents</b>		233,645	24,842
Cash and cash equivalents at the beginning of the period		354,072	198,978
Exchange gain (loss) on cash and cash equivalents		13,814	(827)
<b>Cash and cash equivalents at the end of the period</b>		<b>601,531</b>	<b>222,993</b>
<b>Non-cash transactions</b>			
Payable for purchases of property, plant and equipment	13	151,920	60,583

The accompanying notes on pages 8 to 22 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 12 November 2020.

## **2 Significant events during the current period**

Based on recent favourable recovery trends for the consumer tires from last quarter, the negative impacts of the pandemic on demand in the tires industry, auto production and our tire volumes have moderated and are expected to continue to improve. During the third quarter of 2020, we have seen recovery in the consumer tire demand that exceeded our expectations. Consumer production units increased by 33% compared with the third quarter last year. On the other hand, our aviation business results for the third quarter and first nine months of 2020 continued to be highly influenced by the economic disruption caused by the ongoing COVID-19 pandemic. Aviation production units reduced by 63% compared with the third quarter last year. We continue to take action in response to COVID-19 to protect the health and wellbeing of our associates, customers and communities, which remain our top priority, and to mitigate the near and long-term financial impact on our operating results and to ensure adequate liquidity and capital resources are available to maintain our operations until the auto industry and tire demand fully recovers.

## **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 recognized in the opening statement of financial position on 1 January 2020.

**Goodyear (Thailand) Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the nine-month period ended 30 September 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).

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

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.

	<b>(Unaudited)</b> <b>Million Baht</b>
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 recognized on a straight-line basis as expenses	(3)
<u>Less:</u> Low value leases recognized 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 recognized 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:

<b>As at</b>	<b>(Unaudited)</b> <b>1 January 2020</b> <b>Million Baht</b>
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 September 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 amortized 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.

	<b>(Unaudited)</b>		
	<b>Domestic sales</b>	<b>Export sales</b>	<b>Total</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>For the nine-month period ended 30 September 2020</b>			
Sales and related services	1,033	1,359	2,392
Segment gross profit	133	83	216
Unallocated (expenses)/other income, net			(424)
Loss before income tax expense			(208)
<b>Timing of revenue recognition</b>			
At a point in time	1,033	1,359	2,392
<b>For the nine-month period ended 30 September 2019</b>			
Sales and related services	1,044	1,734	2,778
Segment gross profit	129	144	273
Unallocated (expenses)/other income, net			(423)
Loss before income tax expense			(150)
<b>Timing of revenue recognition</b>			
At a point in time	1,044	1,734	2,778

### **Major customers**

During the nine-month period ended 30 September 2020, the Company had revenue from two major customers which are related parties of Baht 855 million or 36% of the Company's revenues (30 September 2019: Baht 1,049 million or 38% of the Company's revenues).

**8 Trade and other receivables, net**

<b>As at</b>	<b>(Unaudited) 30 September 2020 Million Baht</b>	<b>(Audited) 31 December 2019 Million Baht</b>
Trade receivables - third parties	234	220
<u>Less</u> Loss allowance for trade receivables	(25)	(16)
Trade receivables - third parties, net	209	204
Trade receivables - related parties (Note 18)	285	343
Amounts due from related parties (Note 18)	54	119
Prepayments	12	6
Advances	4	6
Other receivables	4	13
Total trade and other receivables, net	568	691

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

<b>As at</b>	<b>(Unaudited) 30 September 2020 Million Baht</b>	<b>(Audited) 31 December 2019 Million Baht</b>
Not yet due	202	184
Overdue:		
Up to 3 months	9	18
3 - 12 months	8	4
Over 12 months	15	14
	234	220
<u>Less</u> Loss allowance for trade receivables	(25)	(16)
Trade receivables - third parties, net	209	204

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

<b>As at</b>	<b>(Unaudited) 30 September 2020 Million Baht</b>	<b>(Audited) 31 December 2019 Million Baht</b>
Not yet due	277	321
Overdue up to 3 months	8	22
Trade receivables - related parties	285	343



## 9 Inventories, net

As at	(Unaudited)	(Audited)
	30 September 2020	31 December 2019
	Million Baht	Million Baht
Raw materials	215	196
Work in progress	59	72
Finished goods	416	405
Spare parts	189	222
Goods in transits	109	108
	988	1,003
<u>Less</u> Allowance for obsolescence - slow moving	(54)	(29)
Allowance for cost of inventory in excess of net realisable value	(2)	(3)
Total inventories, net	932	971

## 10 Property, plant and equipment, net

For the nine-month period ended 30 September 2020	Million Baht
Opening net book amount (Audited)	4,038
Additions	318
Disposals, net	(10)
Write-offs, net	(1)
Impairment loss	(6)
Depreciation	(260)
Closing net book amount (Unaudited)	4,079

## 11 Right-of-use assets, net

As at	(Unaudited)	(Audited)
	30 September 2020	31 December 2019
	Million Baht	Million Baht
Buildings and building improvements	76	-
Vehicles	3	-
Information technology	17	-
Total right-of-use assets, net	96	-

Depreciation charge of right-of-use assets for building and building improvements and vehicles for the nine-month period ended 30 September 2020 was Baht 14 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 nine-month period ended 30 September 2020	Million Baht
Opening balance (Audited)	630
Additions	6,505
Repayments	(6,130)
Closing balance (Unaudited)	1,005

As at 30 September 2020, short-term loans from financial institutions bears interest rate between 1.75% - 2.73% per annum (as at 31 December 2019: 2.58% per annum). The outstanding principal and interests are due for payable on within 21 October 2020 to 4 December 2020. There is no collateral for the short-term loans from financial institutions.

## 13 Trade and other payables

As at	(Unaudited) 30 September 2020 Million Baht	(Audited) 31 December 2019 Million Baht
Trade payables - third parties	400	567
Trade payables - related parties (Note 18)	61	79
Amounts due to related parties (Note 18)	81	64
Payables from purchases of property, plant and equipment - third parties	54	60
Payables from purchases of property, plant and equipment - related parties (Note 18)	98	11
Accrued expenses	195	160
Total trade and other payables	889	941

## 14 Lease liabilities, net

Future payments under lease liabilities are as follows:

As at	(Unaudited) 30 September 2020 Million Baht
Future payment under lease liabilities agreements	122
<u>Less</u> Future finance charges	(25)
Present value of lease liabilities	97
<u>Less</u> Current portion of lease liabilities, net	(21)
Non-current portion of lease liabilities, net	76

The total cash outflows for lease liabilities of the Company for the nine-month period ended 30 September 2020 were Baht 17 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:

<b>For the nine-month period ended 30 September 2020</b>	<b>Million Baht</b>
Opening balance (Audited)	664
Repayment during the year	(80)
Unrealised loss on foreign exchange rates	11
Closing balance (Unaudited)	595

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

<b>As at</b>	<b>(Unaudited) 30 September 2020 Million Baht</b>	<b>(Audited) 31 December 2019 Million Baht</b>
Within 1 year	170	124
Between 1 year but not later than 5 years	425	540
	595	664

## **Credit facilities**

As at 30 September 2020, the Company had unused overdrafts and loan facilities from the financial institutions of Baht 1,310 million and USD 0.11 million (as at 31 December 2019: Baht 660 million and USD 0.11 million).

## **16 Income tax**

<b>For the nine-month periods ended</b>	<b>(Unaudited) 30 September 2020 Million Baht</b>	<b>(Unaudited) 30 September 2019 Million Baht</b>
Current income tax	-	-
Adjustment in respect of prior year	3	1
Deferred income tax	4	(29)
	7	(28)

The effective tax rate for the nine-month period ended 30 September 2020 is 3.27% (2019: 18.59%). 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 nine-month periods ended	(Unaudited) 30 September 2020	(Unaudited) 30 September 2019
Net loss attributable to shareholders (Million Baht)	(215)	(122)
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)	(29.01)	(16.49)

## 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 nine-month periods ended 30 September	(Unaudited)	
	2020 Million Baht	2019 Million Baht
Sales of goods and related services:		
Parent company	275	430
Related parties - same common control	1,084	1,303
	1,359	1,733
Sales of assets and spare parts:		
Related parties - same common control	10	4

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**ii) Purchases of goods and services**

For the nine-month periods ended 30 September	(Unaudited)	
	2020 Million Baht	2019 Million Baht
Purchases of raw materials and finished goods:		
Parent company	75	245
Related parties - same common control	250	240
	325	485
Purchases of machinery and spare parts:		
Parent company	26	33
Related parties - same common control	100	76
	126	109
Royalty fee:		
Parent company	96	118
Production service fee:		
Parent company	20	29
Management fee:		
Related parties - same common control	122	117

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

As at	(Unaudited) 30 September 2020 Million Baht	(Audited) 31 December 2019 Million Baht
Trade receivables - related parties:		
Parent company	53	59
Related parties - same common control	232	284
	285	343
Amounts due from related parties:		
Parent company	15	39
Related parties - same common control	39	80
	54	119
Trade payables - related parties:		
Parent company	6	55
Related parties - same common control	55	24
	61	79

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<b>As at</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 September 2020</b>	<b>31 December 2019</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Amounts due to related parties:		
Parent company	47	39
Related parties - same common control	34	25
	81	64
Payable from purchases of plant and equipment		
Parent company	20	3
Related parties - same common control	78	8
	98	11

**iv) Directors' and key management's compensation**

<b>For the nine-month periods ended 30 September</b>	<b>(Unaudited)</b>	
	<b>2020</b>	<b>2019</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Salaries and other short-term employee benefits	20	33
Retirement benefits	-	2
	20	35

**19 Commitments**

**Bank guarantees**

As at 30 September 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 September 2020, the Company has outstanding capital commitments in respect of the investment of machinery and equipment totaling Baht 146 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 nine-month periods ended	(Unaudited)	
	30 September 2020 Million Baht	30 September 2019 Million Baht
Loss before income tax expense	(208)	(150)
Adjustments for:		
Impairment losses on financial assets	2	7
Allowance for net realisable value and obsolete of inventory	25	8
Depreciation and amortisation (Note 10 and Note 11)	274	229
Loss(Gain) on disposals and write-off of machine and equipment	1	(3)
Loss from impairment of machine (Note 10)	6	-
Interest income	(1)	(1)
Finance costs	36	35
Unrealised gain on exchange rate	(15)	(13)
Employee benefit obligations	27	57
Changes in operating assets and liabilities:		
- trade and other receivables	118	2
- inventories	14	(147)
- refundable value added tax	98	(106)
- other current assets	(1)	(1)
- trade and other payables	(129)	(67)
- withholding tax payables	(11)	(10)
- other current liabilities	-	(1)
- employee benefit obligations paid	(25)	(41)
Cash flows generated from (used in) operations	211	(202)
Interest received	1	1
Income tax paid	(2)	(10)
Net cash generated from (used in) operating activities	210	(211)