

GOODYEAR (THAILAND) PUBLIC COMPANY LIMITED

**INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

31 MARCH 2023

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and 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 31 March 2023 and the related statements of income, comprehensive income, changes in equity and cash flows for the three-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".

PricewaterhouseCoopers ABAS Ltd.

Chaisiri Ruangritchai

Certified Public Accountant (Thailand) No. 4526

Bangkok

11 May 2023

Goodyear (Thailand) Public Company Limited
Statement of Financial Position
As at 31 March 2023

		(Unaudited) 31 March 2023	(Audited) 31 December 2022
	Notes	Thousand Baht	Thousand Baht
Assets			
Current assets			
Cash and cash equivalents		399,775	607,336
Trade and other receivables, net	6	668,578	609,131
Inventories, net	7	1,307,919	1,383,238
Refundable value added tax within one year		55,521	68,706
Other current assets		1,802	9,104
Total current assets		2,433,595	2,677,515
Non-current assets			
Property, plant and equipment, net	8	5,482,984	5,473,235
Right-of-use assets, net	9	71,743	80,197
Computer software, net		1,459	1,537
Deferred tax assets, net		75,793	76,123
Refundable value added tax		39,357	38,981
Other non-current assets		10,931	11,234
Total non-current assets		5,682,267	5,681,307
Total assets		8,115,862	8,358,822

Director Director

The accompanying notes on pages 8 to 17 are an integral part of this interim financial information.

Goodyear (Thailand) Public Company Limited
Statement of Financial Position (Continued)
As at 31 March 2023

		(Unaudited) 31 March 2023	(Audited) 31 December 2022
	Notes	Thousand Baht	Thousand Baht
Liabilities and equity			
Current liabilities			
Short-term loans from financial institutions, net	10	1,087,000	1,087,000
Trade and other payables	11	1,786,765	1,989,511
Current portion of lease liabilities, net	12	32,404	33,449
Current portion of long-term loan from a financial institution, net	13	316,985	271,230
Current income tax payable		9,568	8,168
Other current liabilities		14,622	10,590
Total current liabilities		3,247,344	3,399,948
Non-current liabilities			
Lease liabilities, net	12	47,596	54,779
Long-term loan from a financial institution, net	13	892,136	983,421
Employee benefit obligations		345,570	350,515
Total non-current liabilities		1,285,302	1,388,715
Total liabilities		4,532,646	4,788,663
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		3,409,816	3,396,759
Total equity		3,583,216	3,570,159
Total liabilities and equity		8,115,862	8,358,822

The accompanying notes on pages 8 to 17 are an integral part of this interim financial information.

Goodyear (Thailand) Public Company Limited
Statement of Income (Unaudited)
For the three-month period ended 31 March 2023

		(Unaudited) 31 March 2023	(Unaudited) 31 March 2022
	Notes	Thousand Baht	Thousand Baht
Sales and related services	5	1,505,467	1,126,240
Cost of sales and related services		(1,322,634)	(982,066)
Gross profit		182,833	144,174
Selling expenses		(103,447)	(98,573)
Administrative expenses		(44,900)	(44,057)
Other income		2,593	7,154
Reversal of impairment losses (impairment losses) on financial assets		237	(132)
Gain on exchange rate, net		3,592	1,236
Profit before finance costs and income tax		40,908	9,802
Finance costs		(25,816)	(13,316)
Profit (loss) before income tax		15,092	(3,514)
Income tax	14	(2,035)	17,245
Net profit for the period		<u>13,057</u>	<u>13,731</u>
Earnings per share (Baht)			
Basic earnings per share (Baht per share)	15	<u>1.76</u>	<u>1.86</u>

The accompanying notes on pages 8 to 17 are an integral part of this interim financial information.

Goodyear (Thailand) Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2023

	(Unaudited) 31 March 2023 Thousand Baht	(Unaudited) 31 March 2022 Thousand Baht
Net profit for the period	13,057	13,731
Total comprehensive income for the period	13,057	13,731

The accompanying notes on pages 8 to 17 are an integral part of this interim financial information.

Goodyear (Thailand) Public Company Limited
Statement of Changes in Equity (Unaudited)
For the three-month period ended 31 March 2023

	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	
Beginning balance as at 1 January 2022	74,000	92,000	7,400	3,354,409	3,527,809
Changes in equity for the period					
Total comprehensive income for the period	-	-	-	13,731	13,731
Ending balance as at 31 March 2022	<u>74,000</u>	<u>92,000</u>	<u>7,400</u>	<u>3,368,140</u>	<u>3,541,540</u>
Beginning balance as at 1 January 2023	74,000	92,000	7,400	3,396,759	3,570,159
Changes in equity for the period					
Total comprehensive income for the period	-	-	-	13,057	13,057
Ending balance as at 31 March 2023	<u>74,000</u>	<u>92,000</u>	<u>7,400</u>	<u>3,409,816</u>	<u>3,583,216</u>

The accompanying notes on pages 8 to 17 are an integral part of this interim financial information.

Goodyear (Thailand) Public Company Limited
Statement of Cash Flows (Unaudited)
For the three-month period ended 31 March 2023

		31 March 2023	31 March 2022
	Notes	Thousand Baht	Thousand Baht
Cash flows generated from operating activities	18	100,522	118,645
Cash flows from investing activities			
Purchases of plant and equipment		(228,331)	(174,405)
Purchases of intangible assets		-	(103)
Proceeds from disposals of machine and equipment		1,049	10,606
Net cash used in investing activities		(227,282)	(163,902)
Cash flow from financing activity			
Interest paid		(22,605)	(11,564)
Cash payments for lease liabilities		(10,458)	(8,436)
Cash receipts from short-term loans from financial institutions	10	1,087,000	1,560,000
Repayments for short-term loans from the financial institutions	10	(1,087,000)	(1,495,000)
Repayments for long-term loan from a financial institution	13	(42,437)	(42,239)
Net cash receipts from (used in) financing activities		(75,500)	2,761
Net decrease in cash and cash equivalents		(202,260)	(42,496)
Cash and cash equivalents at the beginning of the period		607,336	326,146
Exchange gain (loss) on cash and cash equivalents		(5,301)	18,328
Cash and cash equivalents at the end of the period		399,775	301,978
Non-cash transactions			
Payable for purchases of property, plant and equipment	11	172,409	193,080

The accompanying notes on pages 8 to 17 are an integral part of this interim financial information.

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2023

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 11 May 2023.

2 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 2022.

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.

3 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 2022.

There was no material impact from implementing the amended Thai Financial Reporting Standards effective for accounting periods beginning on or after 1 January 2023.

4 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.

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2023

5 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.

Revenue is recognised when the Company satisfies a performance obligation by transferring goods and services to customers as this is the point in time.

	(Unaudited)		
	Domestic sales Million Baht	Export sales Million Baht	Total Million Baht
For the three-month period ended 31 March 2023			
Sales and related services	642	863	1,505
Segment gross profit	63	120	183
Unallocated expenses, net			(168)
Profit before income tax expense			15
For the three-month period ended 31 March 2022			
Sales and related services	374	752	1,126
Segment gross profit	44	100	144
Unallocated expenses, net			(148)
Loss before income tax expense			(4)

Major customers

During the three-month period ended 31 March 2023, the Company had revenue from two major customers which are related parties of Baht 559.6 million or 37.17% of the Company's revenues (31 March 2022: Two major customers which are related parties, Baht 459.5 million or 40.80% of the Company's revenues).

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2023

6 Trade and other receivables, net

As at	(Unaudited)	(Audited)
	31 March 2023 Million Baht	31 December 2022 Million Baht
Trade receivables - third parties	224	211
<u>Less</u> Loss allowance for trade receivables	(19)	(20)
Trade receivables - third parties, net	205	191
Trade receivables - related parties (Note 16)	364	361
Amounts due from related parties (Note 16)	59	37
Prepayments	32	11
Advances and other receivables	7	8
Other receivables	2	1
Total trade and other receivables, net	669	609

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

	(Unaudited)	(Audited)
	31 March 2023 Million Baht	31 December 2022 Million Baht
<u>Trade receivables - third parties</u>		
Not yet due	184	168
Up to 3 months	18	21
4 - 12 months	2	2
Over 12 months	20	20
	224	211
<u>Less</u> Allowance for doubtful accounts	(19)	(20)
	205	191
<u>Trade receivables - related parties</u>		
Not yet due	325	305
Up to 3 months	36	53
4 - 12 months	3	3
	364	361

As at 31 March 2023, classification of the Company's trade and other receivables, net are amortised cost and the fair value of the trade and other receivables, net are not expected to be materially different from the amounts presented in the statements of financial position.

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2023

7 Inventories, net

As at	(Unaudited)	(Audited)
	31 March 2023	31 December 2022
	Million Baht	Million Baht
Raw materials	373	430
Work in progress	62	96
Finished goods	671	662
Spare parts	146	150
Goods in transits	91	84
	1,343	1,422
<u>Less</u> Allowance of obsolescence - slow moving	(26)	(26)
Allowance for cost of inventory in excess of net realisable value	(9)	(13)
Total inventories, net	1,308	1,383

8 Property, plant and equipment, net

For the three-month period ended 31 March 2023	Million Baht
Opening net book amount (Audited)	5,473
Additions	110
Disposals, net	(5)
Depreciation	(95)
Closing net book amount (Unaudited)	5,483

9 Right-of-use assets, net

For the three-month period ended 31 March 2023	Million Baht
Opening net book amount (Audited)	80
Additions	1
Depreciation	(9)
Closing net book amount (Unaudited)	72

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2023

10 Short-term loans from financial institutions, net

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

For the three-month period ended 31 March 2023	Million Baht
Opening balance (Audited)	1,087
Additions	1,087
Repayments	(1,087)
Closing balance (Unaudited)	1,087

As at 31 March 2023, short-term loans from financial institutions are promissory notes bears interest rates between 3.32% - 4.80% per annum (as at 31 December 2022: 2.93% - 4.36% per annum). The outstanding principal and interests are due for payable on within 10 May 2023 to 25 May 2023 using roll-over promissory notes amounting to Baht 1,087.0 million. There is no collateral for the short-term loans from the financial institutions.

As at 31 March 2023, the unused short-term loan facility is Baht 1,268.2 million (As at 31 December 2022: Baht 1,268.2 million).

As at 31 March 2023, short-term loans from financial institutions, net are measured at amortised cost and the fair value of the short-term loans from financial institutions, net are not expected to be materially different from the amounts presented in the statements of financial position.

11 Trade and other payables

As at	(Unaudited)	(Audited)
	31 March 2023 Million Baht	31 December 2022 Million Baht
Trade payables - third parties	1,015	1,047
Trade payables - related parties (Note 16)	115	80
Amounts due to related parties (Note 16)	268	369
Payables from purchases of property, plant and equipment - third parties	161	256
Payables from purchases of property, plant and equipment - related parties (Note 16)	11	35
Accrued expenses	217	203
Total trade and other payables	1,787	1,990

As at 31 March 2023, trade and other payables are measured at amortised cost and the fair value of the trade and other payables are not expected to be materially different from the amounts presented in the statements of financial position.

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2023

12 Lease liabilities, net

Future payments under lease liabilities are as follows:

As at	(Unaudited)	(Audited)
	31 March 2023	31 December 2022
	Million Baht	Million Baht
Future payment under lease liabilities agreements	89	99
<u>Less</u> Future finance charges	(9)	(11)
Present value of lease liabilities	80	88
<u>Less</u> Current portion of lease liabilities, net	(32)	(33)
Non-current portion of lease liabilities, net	48	55

The total cash outflows for lease liabilities of the Company for the three-month period ended 31 March 2023 were Baht 10.5 million. (As at 31 December 2022: Baht 27.9 million).

13 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 three-month period ended 31 March 2023	Million Baht
Opening balance (Audited)	1,255
Repayment during the year	(43)
Unrealised loss on foreign exchange rates	(3)
Closing balance (Unaudited)	1,209

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

As at	(Unaudited)	(Audited)
	31 March 2023	31 December 2022
	Million Baht	Million Baht
Within 1 year	317	271
Between 1 year but no later than 5 years	892	984
	1,209	1,255

As at 31 March 2023, the fair values of long-term loan from a financial institution with interest charged at the floating rates. The calculation of fair values are based on discounted cash flows using discount rates based upon market interest rates for borrowing in the same risk level and the fair value of the long-term loan from a financial institution, net are not expected to be materially different from the amounts presented in the statements of financial position.

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2023

14 Income tax

For the three-month periods ended	(Unaudited)	(Unaudited)
	31 March 2023 Million Baht	31 March 2022 Million Baht
Current income tax	2	-
Deferred income tax	-	(17)
	2	(17)

The effective tax rate for the three-month period ended 31 March 2023 is 13.49% (2022: 490.72%). The change in effective tax rate for the three-month period ended 31 March 2022 was due to the Company assessing the likelihood of utilising tax losses carried forward and finding it highly probable. The Company recognised deferred income tax assets arising from prior years' tax loss carried forward amounting to Baht 17.2 million.

15 Basic earnings per share

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

For the three-month periods ended	(Unaudited)	(Unaudited)
	31 March 2023	31 March 2022
Net profit attributable to shareholders (Million Baht)	13	14
Weighted average number of paid-up ordinary shares in issues during the period (Shares)	7,400,000	7,400,000
Basic earnings per share (Baht)	1.76	1.86

16 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 three-month periods ended 31 March	(Unaudited)	
	2023 Million Baht	2022 Million Baht
Sales of goods and related services:		
Parent company	198	160
Related parties - same common control	665	592
	863	752
Sales of assets and spare parts:		
Related parties - same common control	11	16
	11	16

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2023

ii) Purchases of goods and services

For the three-month periods ended 31 March	(Unaudited)	
	2023 Million Baht	2022 Million Baht
Purchases of raw materials and finished goods:		
Parent company	34	34
Related parties - same common control	126	154
	160	188
Purchases of machinery and spare parts:		
Parent company	11	10
Related parties - same common control	3	8
	14	18
Royalty fee:		
Parent company	70	49
Production service fee:		
Parent company	6	7
Management fee:		
Related parties - same common control	45	46

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

As at	(Unaudited)	(Audited)
	31 March 2023 Million Baht	31 December 2022 Million Baht
Trade receivables - related parties:		
Parent company	123	144
Related parties - same common control	241	217
	364	361
Amounts due from related parties:		
Parent company	8	11
Related parties - same common control	51	26
	59	37
Trade payables - related parties:		
Parent company	35	39
Related parties - same common control	80	41
	115	80

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2023

As at	(Unaudited)	(Audited)
	31 March 2023 Million Baht	31 December 2022 Million Baht
Amounts due to related parties:		
Parent company	107	115
Related parties - same common control	161	254
	268	369
Payables from purchases of property, plant and equipment:		
Parent company	11	35
	11	35

iv) Directors' and key management's compensation

For the three-month periods ended 31 March	(Unaudited)	
	2023 Million Baht	2022 Million Baht
Salaries and other short-term employee benefits	10	9
	10	9

17 Commitments

Bank guarantees

As at 31 March 2023, the Company had commitments in respect of bank guarantees amounting to Baht 22.5 million and US Dollars 10,000.0 (31 December 2022: Baht 22.8 million and US Dollars 10,000.0) and bank guarantees amounting to Baht 139.0 million for VAT refund from Revenue Department (31 December 2022: Baht 139.0 million).

Capital commitments

As at 31 March 2023, the Company has outstanding capital commitments in respect of the investment of machinery and equipment totaling Baht 403.5 million (31 December 2022: Baht 280.0 million).

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2023

18 Cash flows from operating activities

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

For the three-month periods ended	(Unaudited)	
	31 March 2023 Million Baht	31 March 2022 Million Baht
Profit (loss) before income tax	15	(4)
Adjustments for:		
Reversal of allowance for impairment of trade receivables (Note 6)	(1)	-
Gain on allowance for net realisable value of inventory (Note 7)	(4)	(8)
Depreciation and amortisation	105	105
Loss (gain) on disposals of property, plant and equipment, net	4	(6)
Finance costs	26	13
Unrealised loss (gain) on exchange rate	5	(11)
Employee benefit obligations	11	10
Changes in operating assets and liabilities:		
- trade and other receivables	(65)	136
- inventories	80	(161)
- refundable value added tax	13	(3)
- other current assets	7	(2)
- other non-current assets	-	(2)
- trade and other payables	(83)	69
- other current liabilities	4	(1)
- employee benefit obligations paid	(16)	(16)
Net cash generated from operating activities	101	119
Income tax paid	-	-
Net cash generated from operating activities	101	119