

GOODYEAR (THAILAND) PUBLIC COMPANY LIMITED

**INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

30 JUNE 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 30 June 2023, the statements of income and 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".

PricewaterhouseCoopers ABAS Ltd.

Chaisiri Ruangritchai

Certified Public Accountant (Thailand) No. 4526

Bangkok

10 August 2023

Goodyear (Thailand) Public Company Limited
Statement of Financial Position
As at 30 June 2023

		(Unaudited) 30 June 2023	(Audited) 31 December 2022
	Notes	Thousand Baht	Thousand Baht
Assets			
Current assets			
Cash and cash equivalents		455,510	607,336
Trade and other receivables, net	6	786,974	609,131
Inventories, net	7	1,207,134	1,383,238
Refundable value added tax within one year		57,531	68,706
Other current assets		27,883	9,104
Total current assets		2,535,032	2,677,515
Non-current assets			
Property, plant and equipment, net	8	5,600,621	5,473,235
Right-of-use assets, net	9	64,385	80,197
Computer software, net		1,370	1,537
Deferred tax assets, net		74,896	76,123
Refundable value added tax		39,312	38,981
Other non-current assets		11,113	11,234
Total non-current assets		5,791,697	5,681,307
Total assets		8,326,729	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 30 June 2023

		(Unaudited) 30 June 2023	(Audited) 31 December 2022
	Notes	Thousand Baht	Thousand Baht
Liabilities and equity			
Current liabilities			
Short-term loans from financial institutions, net	10	987,000	1,087,000
Trade and other payables	11	2,059,962	1,989,511
Current portion of lease liabilities, net	12	32,723	33,449
Current portion of long-term loan from a financial institution, net	13	322,749	271,230
Current income tax payable		20,345	8,168
Other current liabilities		12,171	10,590
Total current liabilities		3,434,950	3,399,948
Non-current liabilities			
Lease liabilities, net	12	39,810	54,779
Long-term loan from a financial institution, net	13	845,182	983,421
Employee benefit obligations		347,415	350,515
Total non-current liabilities		1,232,407	1,388,715
Total liabilities		4,667,357	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		3,485,972	3,396,759
Total equity		3,659,372	3,570,159
Total liabilities and equity		8,326,729	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 and six-month periods ended 30 June 2023

	Notes	For the three-month period ended		For the six-month period ended	
		30 June	30 June	30 June	30 June
		2023	2022	2023	2022
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Sales and related services	5	1,633,776	1,332,117	3,139,242	2,458,357
Cost of sales and related services		(1,341,045)	(1,161,141)	(2,663,678)	(2,143,207)
Gross profit		292,731	170,976	475,564	315,150
Selling expenses		(128,030)	(116,514)	(231,477)	(215,088)
Administrative expenses		(48,893)	(50,575)	(93,793)	(94,632)
Other income, net		1,778	1,933	4,372	9,087
Impairment losses on financial assets		(363)	(10)	(126)	(142)
Loss on exchange rate, net		(5,044)	(16,926)	(1,452)	(15,690)
Profit (loss) before finance costs and income tax		112,179	(11,116)	153,088	(1,315)
Finance costs		(23,467)	(16,838)	(49,284)	(30,154)
Profit (loss) before income tax		88,712	(27,954)	103,804	(31,469)
Income tax	14	(12,556)	6,679	(14,591)	23,924
Net profit (loss) for the period		<u>76,156</u>	<u>(21,275)</u>	<u>89,213</u>	<u>(7,545)</u>
Basic earnings (loss) per share (Baht)					
Basic earnings (loss) per share (Baht)	15	<u>10.29</u>	<u>(2.88)</u>	<u>12.06</u>	<u>(1.02)</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 and six-month periods ended 30 June 2023

	For the three-month period ended		For the six-month period ended	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Net profit (loss) for the period	76,156	(21,275)	89,213	(7,545)
Total comprehensive income (expenses) for the period	76,156	(21,275)	89,213	(7,545)

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 six-month period ended 30 June 2023

	Issued and paid-up share capital Thousand Baht	Premium on share capital Thousand Baht	Retained earnings		Total equity 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 expenses for the period	-	-	-	(7,545)	(7,545)
Ending balance as at 30 June 2022	<u>74,000</u>	<u>92,000</u>	<u>7,400</u>	<u>3,346,864</u>	<u>3,520,264</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	-	-	-	89,213	89,213
Ending balance as at 30 June 2023	<u>74,000</u>	<u>92,000</u>	<u>7,400</u>	<u>3,485,972</u>	<u>3,659,372</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 six-month period ended 30 June 2023

		(Unaudited) 30 June 2023	(Unaudited) 30 June 2022
	Notes	Thousand Baht	Thousand Baht
Cash flows generated from operating activities	18	562,514	227,589
Cash flows from investing activities			
Purchases of property, plant and equipment		(526,629)	(450,386)
Purchases of intangible assets		-	(821)
Proceeds from disposals of machine and equipment		28,307	10,607
Net cash used in investing activities		(498,322)	(440,600)
Cash flow from financing activity			
Interest paid		(11,109)	(25,762)
Cash payments for lease liabilities	12	(20,885)	(16,846)
Cash receipts from short-term loans from financial institutions	10	2,074,000	3,465,000
Repayments for short-term loans from financial institutions	10	(2,174,000)	(3,055,000)
Repayments for long-term loan from a financial institution	13	(83,626)	(68,087)
Net cash generated from (used in) financing activities		(215,620)	299,305
Net increase (decreased) in cash and cash equivalents		(151,428)	86,294
Cash and cash equivalents at the beginning of the period		607,336	326,146
Exchange gain (loss) on cash and cash equivalents		(398)	8,543
Cash and cash equivalents at the end of the period		455,510	420,983
Non-cash transactions			
Payables from purchases of property, plant and equipment	11	117,630	99,523

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 six-month period ended 30 June 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 10 August 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 six-month period ended 30 June 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 making an assessment of the Company's past performance and in making informed judgments about the Company as a whole 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	Export sales	Total
	Million Baht	Million Baht	Million Baht
For the six-month period ended 30 June 2023			
Sales and related services	1,280	1,859	3,139
Segment gross profit	168	308	476
Unallocated expenses, net			(372)
Profit before income tax expense			104
For the six-month period ended 30 June 2022			
Sales and related services	859	1,599	2,458
Segment gross profit	96	219	315
Unallocated expenses, net			(346)
Loss before income tax expense			(31)

Major customers

During the six-month period ended 30 June 2023, the Company had revenue from two major customers which are related party of Baht 1,177.5 million or 37.51% of the Company's revenues (30 June 2022: two major customers which were related party of Baht 977.7 million or 39.77% of the Company's revenues).

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2023

6 Trade and other receivables, net

As at	(Unaudited)	(Audited)
	30 June 2023 Million Baht	31 December 2022 Million Baht
Trade receivables - third parties	251	211
<u>Less</u> Loss allowance for trade receivables	(20)	(20)
Trade receivables - third parties, net	231	191
Trade receivables - related parties (Note 16)	470	361
Amounts due from related parties (Note 16)	68	37
Prepayments	11	11
Advances and other receivables	5	8
Other receivables	2	1
Total trade and other receivables, net	787	609

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

	(Unaudited)	(Audited)
	30 June 2023 Million Baht	31 December 2022 Million Baht
<u>Trade receivables - third parties</u>		
Not yet due	197	168
Up to 3 months	33	21
4 - 12 months	1	2
Over 12 months	20	20
	251	211
<u>Less</u> Allowance for doubtful accounts	(20)	(20)
	231	191
<u>Trade receivables - related parties</u>		
Not yet due	408	305
Up to 3 months	55	53
4 - 12 months	5	3
Over 12 months	2	-
	470	361

As at 30 June 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.

7 Inventories, net

As at	(Unaudited)	(Audited)
	30 June 2023	31 December 2022
	Million Baht	Million Baht
Raw materials	281	430
Work in progress	50	96
Finished goods	641	662
Spare parts	144	150
Goods in transits	126	84
	1,242	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	1,207	1,383

8 Property, plant and equipment, net

For the six-month period ended 30 June 2023	Million Baht
Opening net book amount (Audited)	5,473
Additions	354
Disposals, net	(32)
Depreciation	(194)
Closing net book amount (Unaudited)	5,601

9 Right-of-use assets, net

For the six-month period ended 30 June 2023	Million Baht
Opening net book amount (Audited)	80
Additions	2
Depreciation	(18)
Closing net book amount (Unaudited)	64

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 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 six-month period ended 30 June 2023	Million Baht
Opening balance (Audited)	1,087
Additions	2,074
Repayments	(2,174)
Closing balance (Unaudited)	987

As at 30 June 2023, short-term loans from financial institutions bears interest rate of 3.52% - 5.02% 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 Aug 2023 to 25 Aug 2023 using roll-over promissory notes amounting to 987.0 MB. There is no collateral for the short-term loans from the financial institutions.

As at 30 June 2023, the unused short-term loan facility is Baht 1,368.2 million (As at 31 December 2022 : Baht 1,268.2 million).

As at 30 June 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)
	30 June	31 December
	2023	2022
	Million Baht	Million Baht
Trade payables - third parties	1,060	1,047
Trade payables - related parties (Note 16)	130	80
Amounts due to related parties (Note 16)	515	369
Payables from purchases of property, plant and equipment - third parties	105	256
Payables from purchases of property, plant and equipment - related parties (Note 16)	13	35
Accrued expenses	237	203
Total trade and other payables	2,060	1,990

As at 30 June 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 six-month period ended 30 June 2023

12 Lease liabilities, net

Future payments under lease liabilities are as follows:

As at	(Unaudited)	(Audited)
	30 June 2023	31 December 2022
	Million Baht	Million Baht
Future payment under lease liabilities agreements	80	99
<u>Less</u> Future finance charges	(7)	(11)
Present value of lease liabilities	73	88
<u>Less</u> Current portion of lease liabilities, net	(33)	(33)
Non-current portion of lease liabilities, net	40	55

The total cash outflows for lease liabilities of the Company for the six-month period ended 30 June 2023 were Baht 20.9 million. (As at 31 December 2022: Baht 40.1 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 six-month period ended 30 June 2023	Million Baht
Opening balance (Audited)	1255
Repayment during the year	(84)
Unrealised loss on foreign exchange rates	(3)
Closing balance (Unaudited)	1,168

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

As at	(Unaudited)	(Audited)
	30 June 2023	31 December 2022
	Million Baht	Million Baht
Within 1 year	323	271
Between 1 year but no later than 5 years	845	984
	1,168	1,255

As at 30 June 2023, the fair values of long-term loans from financial institutions with interest charged at the floating rates, the carrying amount of such loans approximates the fair value within level 2 of the fair value hierarchy. 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.

14 Income tax

For the six-month periods ended	(Unaudited)	(Unaudited)
	30 June 2023	30 June 2022
	Million Baht	Million Baht
Current income tax	(21)	-
Adjustment in respect of prior year	7	-
Deferred income tax	(1)	24
	(15)	24

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 six-month periods ended 30 June	(Unaudited)	(Unaudited)
	2023	2022
Net profit (loss) attributable to shareholders (Million Baht)	89	(8)
Weighted average number of paid-up ordinary shares in issues during the period (Shares)	7,400,000	7,400,000
Basic earnings (loss) per share (Baht)	12.06	(1.02)

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 six-month periods ended 30 June	(Unaudited)	
	2023	2022
	Million Baht	Million Baht
Sales of goods and related services:		
Parent company	381	386
Related parties - same common control	1,478	1,213
	1,859	1,599
Sales of assets and spare parts:		
Related parties - same common control	38	16

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2023

ii) Purchases of goods and services

For the six-month periods ended 30 June	(Unaudited)	
	2023 Million Baht	2022 Million Baht
Purchases of raw materials and finished goods:		
Parent company	78	87
Related parties - same common control	284	340
	362	427
Purchases of machinery and spare parts:		
Parent company	23	26
Related parties - same common control	3	13
	26	39
Royalty fee:		
Parent company	143	106
Production service fee:		
Parent company	13	13
Management fee:		
Related parties - same common control	92	94

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

As at	(Unaudited)	(Audited)
	30 June 2023 Million Baht	31 December 2022 Million Baht
Trade receivables - related parties:		
Parent company	97	144
Related parties - same common control	373	217
	470	361
Amounts due from related parties:		
Parent company	12	11
Related parties - same common control	56	26
	68	37
Trade payables - related parties:		
Parent company	46	39
Related parties - same common control	84	41
	130	80

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2023

As at	(Unaudited)	(Audited)
	30 June 2023 Million Baht	31 December 2022 Million Baht
Amounts due to related parties:		
Parent company	122	115
Related parties - same common control	393	254
	515	369
Payables from purchases of property, plant and equipment:		
Parent company	12	35
Companies under common control	1	-
	13	35

iv) Directors' and key management's compensation

For the six-month periods ended 30 June	(Unaudited)	
	2023 Million Baht	2022 Million Baht
Salaries and other short-term employee benefits	22	18
	22	18

17 Commitments

Bank guarantees

As at 30 June 2023, the Company had commitments in respect of bank guarantees amounting to Baht 22.5 million and USD 10,000 (31 December 2022: Baht 22.8 million and USD 10,000) 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 30 June 2023, the Company has outstanding capital commitments in respect of the investment of machinery and equipment totaling Baht 350.3 million (as at 31 December 2022: Baht 280.0 million).

Goodyear (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2023

18 Cash flows from operating activities

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

For the six-month periods ended	(Unaudited)	
	30 June 2023 Million Baht	30 June 2022 Million Baht
Profit (loss) before income tax	104	(31)
Adjustments for:		
Reversal of allowance for net realisable value of inventory (Note 7)	(4)	(14)
Depreciation and amortisation (Note 8,9)	212	220
Gain (loss) on disposals of property, plant and equipment, net	4	(6)
Impairment loss of assets	-	7
Finance costs	17	30
Unrealised gain on exchange rate	11	9
Employee benefit obligations	21	20
Changes in operating assets and liabilities:		
- trade and other receivables	(189)	(57)
- inventories	180	(316)
- refundable value added tax	11	(5)
- other current assets	7	(2)
- other non-current assets	-	(2)
- trade and other payables	212	390
- accrued withholding tax	-	3
- other current liabilities	2	1
- employee benefit obligations paid	(24)	(18)
Net cash generated from operating activities	564	229
Income tax paid	(1)	(1)
Net cash generated from operating activities	563	228