

GOODYEAR (THAILAND) PUBLIC COMPANY LIMITED

**INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

30 SEPTEMBER 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 September 2023, the related 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".

PricewaterhouseCoopers ABAS Ltd.

Chaisiri Ruangritchai

Certified Public Accountant (Thailand) No. 4526

Bangkok

9 November 2023

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

		(Unaudited) 30 September 2023	(Audited) 31 December 2022
	Notes	Thousand Baht	Thousand Baht
Assets			
Current assets			
Cash and cash equivalents		422,595	607,336
Trade and other receivables, net	6	705,856	609,131
Inventories, net	7	1,187,954	1,383,238
Refundable value added tax within one year		62,306	68,706
Other current assets		37,568	9,104
Total current assets		2,416,279	2,677,515
Non-current assets			
Property, plant and equipment, net	8	5,757,817	5,473,235
Right-of-use assets, net	9	57,925	80,197
Computer software, net		1,284	1,537
Deferred tax assets, net		83,881	76,123
Refundable value added tax		39,345	38,981
Other non-current assets		11,241	11,234
Total non-current assets		5,951,493	5,681,307
Total assets		8,367,772	8,358,822

Director Director

The accompanying notes on pages 8 to 18 are an integral part of this interim financial information.

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

		(Unaudited) 30 September 2023	(Audited) 31 December 2022
	Notes	Thousand Baht	Thousand Baht
Liabilities and equity			
Current liabilities			
Short-term loans from financial institutions, net	10	1,030,000	1,087,000
Trade and other payables	11	2,138,854	1,989,511
Current portion of lease liabilities, net	12	33,826	33,449
Current portion of long-term loan from a financial institution, net	13	279,014	271,230
Current income tax payable		8,275	8,168
Other current liabilities		15,680	10,590
Total current liabilities		3,505,649	3,399,948
Non-current liabilities			
Lease liabilities, net	12	32,019	54,779
Long-term loan from a financial institution, net	13	798,227	983,421
Employee benefit obligations		356,623	350,515
Total non-current liabilities		1,186,869	1,388,715
Total liabilities		4,692,518	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		3,501,854	3,396,759
Total equity		3,675,254	3,570,159
Total liabilities and equity		8,367,772	8,358,822

The accompanying notes on pages 8 to 18 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 2023

	Notes	For the three-month period ended		For the nine-month period ended	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Sales and related services	5	1,636,353	1,547,248	4,775,596	4,005,605
Cost of sales and related services		(1,415,643)	(1,371,162)	(4,079,322)	(3,514,369)
Gross profit		220,710	176,086	696,274	491,236
Selling expenses		(126,405)	(119,338)	(357,882)	(334,426)
Administrative expenses		(46,088)	(49,883)	(139,881)	(144,515)
Other income, net		1,394	1,685	5,766	10,772
Reversal of (loss on) Impairment losses on financial assets		(290)	473	(416)	331
Loss on exchange rate, net		(9,559)	(13,362)	(11,012)	(29,052)
Profit (loss) before finance costs and income tax		39,762	(4,339)	192,849	(5,654)
Finance costs		(30,107)	(16,325)	(79,390)	(46,479)
Profit (loss) before income tax		9,655	(20,664)	113,459	(52,133)
Income tax	14	6,227	2,244	(8,364)	26,168
Net profit (loss) for the period		15,882	(18,420)	105,095	(25,965)
Basic earnings (loss) per share (Baht)					
Basic earnings (loss) per share (Baht)	15	2.15	(2.49)	14.20	(3.51)

The accompanying notes on pages 8 to 18 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 2023

	<u>For the three-month period ended</u>		<u>For the nine-month period ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>Thousand Baht</u>	<u>Thousand Baht</u>	<u>Thousand Baht</u>	<u>Thousand Baht</u>
Net profit (loss) for the period	15,882	(18,420)	105,095	(25,965)
Total comprehensive income (expenses) for the period	15,882	(18,420)	105,095	(25,965)

The accompanying notes on pages 8 to 18 are an integral part of this interim financial information.

Goodyear (Thailand) Public Company Limited
Statement of Changes in Equity (Unaudited)
For the nine-month period ended 30 September 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	-	-	-	(25,965)	(25,965)
Ending balance as at 30 September 2022	<u>74,000</u>	<u>92,000</u>	<u>7,400</u>	<u>3,328,444</u>	<u>3,501,844</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	-	-	-	105,095	105,095
Ending balance as at 30 September 2023	<u>74,000</u>	<u>92,000</u>	<u>7,400</u>	<u>3,501,854</u>	<u>3,675,254</u>

The accompanying notes on pages 8 to 18 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 2023

		(Unaudited) 30 September 2023	(Unaudited) 30 September 2022
	Notes	Thousand Baht	Thousand Baht
Cash flows generated from operating activities	18	751,108	421,476
Cash flows from investing activities			
Purchases of property, plant and equipment		(624,772)	(724,725)
Purchases of intangible assets		-	(142)
Proceeds from disposals of machine and equipment		28,307	11,708
Net cash used in investing activities		(596,465)	(713,159)
Cash flows from financing activity			
Interest paid		(82,203)	(40,458)
Cash payments for lease liabilities		(31,272)	(25,320)
Cash receipts from short-term loans from financial institutions	10	3,104,000	5,585,000
Repayments for short-term loans from financial institutions	10	(3,161,000)	(4,960,000)
Repayments for long-term loan from a financial institution	13	(172,728)	(94,500)
Net cash generated from (used in) financing activities		(343,203)	464,722
Net increase (decrease) in cash and cash equivalents		(188,560)	173,039
Cash and cash equivalents at the beginning of the period		607,336	326,146
Exchange gain on cash and cash equivalents		3,819	21,812
Cash and cash equivalents at the end of the period		422,595	520,997
Non-cash transactions			
Payables from purchases of property, plant and equipment	11	276,269	83,328

The accompanying notes on pages 8 to 18 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 9 November 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.

Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 and have significant impacts on the Company.

The following amended TFRSs were not mandatory for the current reporting period and the Company has not early adopted them.

- a) **Amendment to TAS 1 - Presentation of financial statements** revised the disclosure from ‘*significant* accounting policies’ to ‘*material* accounting policies’. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
- b) **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revised to the definition of ‘accounting estimates’ to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.

- c) **Amendments to TAS 12 - Income taxes** require companies to recognise deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or another component of equity, as appropriate.

The Company's management is currently considering the impact of adoption of these financial reporting standards.

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.

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 Million Baht	Export sales Million Baht	Total Million Baht
For the nine-month period ended 30 September 2023			
Sales and related services	1,985	2,791	4,776
Segment gross profit	253	443	696
Unallocated expenses, net			(583)
Profit before income tax expense			113
For the nine-month period ended 30 September 2022			
Sales and related services	1,516	2,490	4,006
Segment gross profit	143	348	491
Unallocated expenses, net			(543)
Loss before income tax expense			(52)

Major customers

During the nine-month period ended 30 September 2023, the Company had revenue from two major customers which are related party of Baht 1,599.2 million or 33.49% of the Company's revenues (30 September 2022: two major customers which were related party of Baht 1,585.5 million or 39.58% of the Company's revenues).

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

6 Trade and other receivables, net

As at	(Unaudited) 30 September 2023 Million Baht	(Audited) 31 December 2022 Million Baht
Trade receivables - third parties	243	211
<u>Less</u> Loss allowance for trade receivables	(20)	(20)
Trade receivables - third parties, net	223	191
Trade receivables - related parties (Note 16)	395	361
Amounts due from related parties (Note 16)	65	37
Prepayments	17	11
Advances and other receivables	5	8
Other receivables	1	1
Total trade and other receivables, net	706	609

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

	(Unaudited) 30 September 2023 Million Baht	(Audited) 31 December 2022 Million Baht
<u>Trade receivables - third parties</u>		
Not yet due	184	168
Up to 3 months	33	21
4 - 12 months	6	2
Over 12 months	20	20
	243	211
<u>Less</u> Allowance for doubtful accounts	(20)	(20)
	223	191
<u>Trade receivables - related parties</u>		
Not yet due	318	305
Up to 3 months	74	53
4 - 12 months	2	3
Over 12 months	1	-
	395	361

As at 30 September 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 September 2023	31 December 2022
	Million Baht	Million Baht
Raw materials	269	430
Work in progress	43	96
Finished goods	626	662
Spare parts	150	150
Goods in transits	132	84
	1,220	1,422
<u>Less</u> Allowance of obsolescence - slow moving	(21)	(26)
Allowance for cost of inventory in excess of net realisable value	(11)	(13)
Total inventories, net	1,188	1,383

8 Property, plant and equipment, net

For the nine-month period ended 30 September 2023	Million Baht
Opening net book amount (Audited)	5,473
Additions	610
Disposals, net	(31)
Depreciation	(294)
Closing net book amount (Unaudited)	5,758

9 Right-of-use assets, net

For the nine-month period ended 30 September 2023	Million Baht
Opening net book amount (Audited)	80
Additions	5
Depreciation	(27)
Closing net book amount (Unaudited)	58

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 nine-month period ended 30 September 2023	Million Baht
Opening balance (Audited)	1,087
Additions	3,104
Repayments	(3,161)
Closing balance (Unaudited)	<u>1,030</u>

As at 30 September 2023, short-term loans from financial institutions bears interest rate of 3.77% - 3.87% per annum (as at 31 December 2022: 2.93% - 4.36% per annum). The outstanding principal and interests are due for payable on within 25 November 2023 to 1 December 2023 using roll-over promissory notes amounting to 1,030.0 MB. There is no collateral for the short-term loans from the financial institutions.

As at 30 September 2023, the unused short-term loan facility is Baht 1,275.2 million (As at 31 December 2022 : Baht 1,268.2 million).

As at 30 September 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) 30 September 2023 Million Baht	(Audited) 31 December 2022 Million Baht
Trade payables - third parties	1,059	1,047
Trade payables - related parties (Note 16)	142	80
Amounts due to related parties (Note 16)	393	369
Payables from purchases of property, plant and equipment - third parties	251	256
Payables from purchases of property, plant and equipment - related parties (Note 16)	25	35
Accrued expenses	269	203
Total trade and other payables	<u>2,139</u>	<u>1,990</u>

As at 30 September 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.

12 Lease liabilities, net

Future payments under lease liabilities are as follows:

As at	(Unaudited) 30 September 2023 Million Baht	(Audited) 31 December 2022 Million Baht
Future payment under lease liabilities agreements	72	99
<u>Less</u> Future finance charges	(6)	(11)
Present value of lease liabilities	66	88
<u>Less</u> Current portion of lease liabilities, net	(34)	(33)
Non-current portion of lease liabilities, net	32	55

The total cash outflows for lease liabilities of the Company for the nine-month period ended 30 September 2023 were Baht 31.3 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 nine-month period ended 30 September 2023	Million Baht
Opening balance (Audited)	1,255
Repayment during the year	(173)
Unrealised loss on foreign exchange rates	(5)
Closing balance (Unaudited)	1,077

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

As at	(Unaudited) 30 September 2023 Million Baht	(Audited) 31 December 2022 Million Baht
Within 1 year	279	271
Between 1 year but no later than 5 years	798	984
	1,077	1,255

Credit facilities

As at 30 September 2023, the unused long-term loan facility is USD 0.1 million (As at 31 December 2022: USD 0.1 million).

As at 30 September 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.

14 Income tax

For the nine-month periods ended	(Unaudited)	(Unaudited)
	30 September 2023 Million Baht	30 September 2022 Million Baht
Current income tax	24	-
Adjustment in respect of prior year	(8)	-
Deferred income tax	(8)	(26)
	8	(26)

15 Basic earnings (loss) per share

Earnings (loss) per share is calculated by dividing the profit (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 30 September	(Unaudited)	(Unaudited)
	2023	2022
Net profit (loss) attributable to shareholders (Million Baht)	105	(26)
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)	14.20	(3.51)

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 nine-month periods ended 30 September	(Unaudited)	
	2023 Million Baht	2022 Million Baht
Sales of goods and related services:		
Parent company	515	606
Related parties - same common control	2,276	1,884
	2,791	2,490
Sales of assets and spare parts:		
Related parties - same common control	65	19

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

ii) Purchases of goods and services

For the nine-month periods ended 30 September	(Unaudited)	
	2023 Million Baht	2022 Million Baht
Purchases of raw materials and finished goods:		
Parent company	116	137
Related parties - same common control	460	497
	576	634
Purchases of machinery and spare parts:		
Parent company	41	38
Related parties - same common control	20	11
	61	49
Royalty fee:		
Parent company	216	177
Production service fee:		
Parent company	19	21
Management fee:		
Related parties - same common control	139	144

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

As at	(Unaudited)	(Audited)
	30 September 2023 Million Baht	31 December 2022 Million Baht
Trade receivables - related parties:		
Parent company	74	144
Related parties - same common control	321	217
	395	361
Amounts due from related parties:		
Parent company	10	11
Related parties - same common control	55	26
	65	37
Trade payables - related parties:		
Parent company	45	39
Related parties - same common control	97	41
	142	80

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

As at	(Unaudited)	(Audited)
	30 September 2023 Million Baht	31 December 2022 Million Baht
Amounts due to related parties:		
Parent company	116	115
Related parties - same common control	277	254
	393	369
Payables from purchases of property, plant and equipment:		
Parent company	23	35
Companies under common control	2	-
	25	35

iv) Directors' and key management's compensation

For the nine-month periods ended 30 September	(Unaudited)	
	2023 Million Baht	2022 Million Baht
Salaries and other short-term employee benefits	32	27
	32	27

17 Commitments

Bank guarantees

As at 30 September 2023, the Company had commitments in respect of bank guarantees amounting to Baht 22.5 million and USD 10,000.0 (31 December 2022: Baht 22.8 million and USD 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 30 September 2023, the Company has outstanding capital commitments in respect of the investment of machinery and equipment totaling Baht 222.3 million (as at 31 December 2022: Baht 280.0 million).

18 Cash flows from operating activities

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

For the nine-month periods ended	(Unaudited)	
	30 September 2023 Million Baht	30 September 2022 Million Baht
Profit (loss) before income tax	113	(52)
Adjustments for:		
Reversal of allowance for net realisable value of inventory (Note 7)	(7)	(14)
Depreciation and amortisation (Note 8,9)	321	330
Gain (loss) on disposals of property, plant and equipment, net	4	(7)
Impairment loss of assets	-	6
Finance costs	79	46
Unrealised gain on exchange rate	20	2
Employee benefit obligations	32	29
Changes in operating assets and liabilities:		
- trade and other receivables	(74)	(25)
- inventories	202	(369)
- refundable value added tax	6	18
- other current assets	(28)	(3)
- other non-current assets	-	(2)
- trade and other payables	120	483
- accrued withholding tax	-	(3)
- other current liabilities	5	3
- employee benefit obligations paid	(26)	(19)
Net cash generated from operating activities	767	423
Income tax paid	(16)	(1)
Net cash generated from operating activities	751	422