

GOODYEAR (THAILAND) PUBLIC COMPANY LIMITED

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2023

Independent Auditor's Report

To the shareholders of Goodyear (Thailand) Public Company Limited

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Goodyear (Thailand) Public Company Limited (the Company) as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of income for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. I determine allowance for expected credit loss for trade receivables. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Key audit matter	How my audit addressed the key audit matter
<p>Allowance for expected credit loss for trade receivables</p> <p>Refer to Note 10 'Trade and other receivables, net'</p> <p>As at 31 December 2023, the Company had trade receivables - third parties of Baht 193 million and an allowance for an expected credit loss of Baht 23 million in its statement of financial position.</p> <p>Under Thai Financial Reporting Standard No.9 (TFRS 9) "Financial Instruments", the Company applied provision calculations specific to individual receivables and the simplified approach to measuring the allowance for the expected credit loss for trade receivables. This approach allows lifetime expected credit losses to be recognised from the receivables' initial recognition. The Company determined these expected credit losses on trade receivables using the provision calculation, following the Company's policy. The provision was based on historical credit loss experience.</p> <p>I focussed on the allowance for expected credit loss for trade receivables because trade receivables are material to the financial statements. The measurements for expected credit loss are complex and require historical data to calculate the probability pattern of credit losses. The consideration of an expected credit loss on individual and collective receivables involves significant judgements by management.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • Evaluated the appropriateness of the selected accounting policies and approach regarding TFRS 9. • Provision based on specific individual receivables approach: <ul style="list-style-type: none"> - Challenged management on the appropriateness of their assumptions and estimates by testing the assumptions related to the provision calculations specific to individual receivables for aviation and automotive manufacturing customers, long outstanding receivables of tire replacement customers and intercompany receivables by evaluating historical collection experiences, latest available financial information of the receivables, and the customers' ability to pay the debts. - Obtained aging reports of trade receivables and tested the accuracy of these reports by checking aging against related invoices on a sample basis. - Assessed customers' ability to pay the debts by testing a sample of subsequent collections after the period end, comparing the results to the Company's records. - Reviewed the credit notes after the period end to assess any additional requirements for the provision calculation specific to individual receivables. - Discussed with the credit manager and management and reviewed customers' debt dispute documents to assess any additional requirements for the allowance for expected credit loss calculation specific to individual receivables.

Key audit matter	How my audit addressed the key audit matter
	<ul style="list-style-type: none"> • Provision based on simplified approach: <ul style="list-style-type: none"> - Challenged management on the appropriateness of their assumptions and estimates by testing the assumptions related to the simplified approach applied to measure the expected credit loss for tire replacement customers. - Developed an expected credit loss calculation model using the Company's historical debt collection statistics over the past five years and analysed the sensitivity. - Calculated the expected credit loss, evaluated the calculation results as compared with the Company's records and assessed the reasonableness to determine if there are material differences. <p>Based on my procedures, I consider management's assumptions related to calculating of expected credit loss on trade receivables to be reasonable according to the supporting evidence.</p>

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of Management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists management in discharging their responsibilities for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

Chaisiri Ruangritchai

Certified Public Accountant (Thailand) No. 4526

Bangkok

22 February 2024

Goodyear (Thailand) Public Company Limited
Statements of Financial Position
As at 31 December 2023

		2023	2022
	Notes	Thousand Baht	Thousand Baht
Assets			
Current assets			
Cash and cash equivalents	9	145,909	607,336
Trade and other receivables, net	10	610,659	609,131
Inventories, net	12	1,095,045	1,383,238
Refundable value added tax within one year		64,894	68,706
Other current assets	13	43,954	9,104
Total current assets		1,960,461	2,677,515
Non-current assets			
Property, plant and equipment, net	14	5,872,827	5,473,235
Right-of-use assets, net	15	52,269	80,197
Computer software, net		1,199	1,537
Deferred tax assets, net	16	79,695	76,123
Refundable value added tax		39,239	38,981
Other non-current assets		15,448	11,234
Total non-current assets		6,060,677	5,681,307
Total assets		8,021,138	8,358,822

Director

Director

The accompanying notes on pages 12 to 41 are an integral part of these financial statements.

Goodyear (Thailand) Public Company Limited
Statements of Financial Position (Continued)
As at 31 December 2023

		2023	2022
	Notes	Thousand Baht	Thousand Baht
Liabilities and equity			
Current liabilities			
Short-term loans from financial institutions	17	623,000	1,087,000
Trade and other payables	18	2,324,620	1,989,511
Current portion of lease liabilities, net	15	33,863	33,449
Current portion of long-term loans from financial institutions, net	19	231,928	271,230
Current income tax payable		-	8,168
Other current liabilities		28,497	10,590
Total current liabilities		3,241,908	3,399,948
Non-current liabilities			
Lease liabilities, net	15	26,017	54,779
Long-term loans from financial institutions, net	19	751,273	983,421
Employee benefit obligations	20	370,576	350,515
Total non-current liabilities		1,147,866	1,388,715
Total liabilities		4,389,774	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 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	21	7,400	7,400
Unappropriated		3,457,964	3,396,759
Total equity		3,631,364	3,570,159
Total liabilities and equity		8,021,138	8,358,822

The accompanying notes on pages 12 to 41 are an integral part of these financial statements.

Goodyear (Thailand) Public Company Limited
Statements of Income
For the year ended 31 December 2023

		2023	2022
	Notes	Thousand Baht	Thousand Baht
Sales and related services	8, 24	6,246,234	5,619,020
Cost of sales and related services		(5,428,948)	(4,914,283)
Gross profit		817,286	704,737
Selling expenses		(469,905)	(454,780)
Administrative expenses		(205,833)	(187,547)
Other income, net		7,367	13,289
Reversal of (Loss on) Impairment losses on financial assets		(3,957)	4,441
Gain on exchange rates, net		27,615	7,161
Profit before finance cost and income tax		172,573	87,301
Finance costs		(104,512)	(71,067)
Profit before income tax		68,061	16,234
Income tax	23	(1,645)	10,521
Net profit for the period		66,416	26,755
Earnings per share (Baht)	25		
Basic earnings per share (Baht per share)		8.98	3.62

The accompanying notes on pages 12 to 41 are an integral part of these financial statements.

Goodyear (Thailand) Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2023

		2023	2022
	Notes	Thousand Baht	Thousand Baht
Net profit for the year		66,416	26,755
Item that will not be reclassified subsequently to profit or loss:			
Remeasurements gain (loss) from post-employment benefit obligations	20	(6,514)	19,494
Income tax on item that will not be reclassified to profit or loss	16	1,303	(3,899)
Total comprehensive income for the year		61,205	42,350

The accompanying notes on pages 12 to 41 are an integral part of these financial statements.

Goodyear (Thailand) Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 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	Unappropriate 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 year					
Total comprehensive income for the year	-	-	-	42,350	42,350
Ending balance as at 31 December 2022	<u>74,000</u>	<u>92,000</u>	<u>7,400</u>	<u>3,396,759</u>	<u>3,570,159</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 year					
Total comprehensive income for the year	-	-	-	61,205	61,205
Ending balance as at 31 December 2023	<u>74,000</u>	<u>92,000</u>	<u>7,400</u>	<u>3,457,964</u>	<u>3,631,364</u>

The accompanying notes on pages 12 to 41 are an integral part of these financial statements.

Goodyear (Thailand) Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2023

		2023	2022
	Notes	Thousand Baht	Thousand Baht
Cash flows generated from operating activities	26	1,395,848	698,871
Cash flows from investing activities			
Purchases of plant and equipment		(1,001,089)	(799,408)
Purchases of intangible assets		-	(34)
Proceeds from disposals of machine and equipment		28,564	12,527
Net cash used in investing activities		(972,525)	(786,915)
Cash flows from financing activities			
Interest paid		(106,028)	(55,527)
Cash payment for lease liabilities	15	(41,519)	(40,569)
Cash receipts from short-term loans from financial institutions		3,727,000	6,672,000
Cash receipts from long-term loan from a financial institution	19	-	1,033,000
Repayments for short-term loans from financial institutions		(4,191,000)	(7,080,000)
Repayments for long-term loans from financial institutions	19	(270,598)	(165,411)
Net cash receipts (used in) from financing activities		(882,145)	363,493
Net increase (decrease) in cash and cash equivalents		(458,822)	275,449
Cash and cash equivalents at the beginning of the year		607,336	326,146
Exchange gain (loss) on cash and cash equivalents		(2,605)	5,741
Cash and cash equivalents at the end of the year	9	145,909	607,336
Non-cash transactions			
Payable from purchases of plant and equipment	18	112,522	290,662

The accompanying notes on pages 12 to 41 are an integral part of these financial statements.

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 sale of motor vehicle and aero tires for domestic and export markets.

These financial statements were authorised for issue by the Board of Directors on 22 February 2024.

2 Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except derivatives as explained in relevant accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3 New and amended financial reporting standards

3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2023 and have significant impacts to the Company

- a) Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

These financial reporting standards do not have the significant impact to the Company.

3.2 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**

- c.1) Companies must recognise any 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 any other component of equity, as appropriate.

- c.2) Companies must apply all income taxes arising from the tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), an international organisation.

In December 2023, the amendments to TAS 12 provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The management is in the process of evaluating the impact of the adoption of the revised financial reporting standards.

4 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

4.1 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of valuation.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

4.2 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from the date of acquisition.

In the statement of financial position, bank overdrafts are shown in current liabilities.

4.3 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 4.5(d).

4.4 Inventories

Inventories are stated at the lower of cost or net realisable value.

Cost of inventories is determined by weighted average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounted. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

4.5 Financial asset

a) Classification

The Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

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

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

d) Impairment

The Company applies the specific individual receivables approach and the TFRS 9 simplified approach in measuring the impairment of trade accounts receivable which applies lifetime expected credit loss, from initial recognition, for all trade accounts receivable.

To measure the expected credit losses, trade accounts receivable has been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost, the Company applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Company assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Company and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Company reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss as a separate line item.

4.6 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Company. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvements	10 - 44 years
Building	10 - 40 years
Machinery and equipment	3 - 30 years
Furniture, fixtures and office equipment	3 - 20 years
Motor vehicles	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income/expenses in profit or loss.

4.7 Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 5 years.

4.8 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

4.9 Leases

Leases - where the Company is the lessee

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 so as 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.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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 payments), 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.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

- the amount of the initial measurement of lease liability
- 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 IT-equipment and small items of office furniture.

4.10 Financial liabilities

a) Classification

Financial instruments issued by the Company are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.
- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Company assesses whether the renegotiation/ modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

4.11 Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

4.12 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.13 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Defined contribution plan

The Company pays contributions to a separate fund on a voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

d) Termination benefits

The Company recognises termination benefits at the earlier of (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

4.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.15 Share capital

Ordinary shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

4.16 Revenue recognition

The Company recognises revenue from sales of goods at point in time when control of the goods transferred to the customer, which depending on the terms of the underlying contract. In the case that a customer receives control of the goods at the shipping point, the Company will separate revenue from transportation as another performance obligation and recognise revenue over time of promises to deliver goods to a customer. If a customer receives control of the goods at the destination, the Company will recognise the shipping costs in bringing the product to the destination as cost incurred to complete the promise to transfer goods, which is not a separate performance obligation. The shipping cost will be recognised in the period that sales of goods incurred.

The Company recognises revenue from sales of goods at the price, which is entitled in exchange for the goods, net of value-added tax, returns and discounts. For the contract with more than one performance obligations, the transaction price will be allocated to each distinct performance obligation based on the relative standalone-selling price of the goods and other performance obligations.

4.17 Dividends distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

5 Financial instruments

5.1 Financial risk factors

The Company exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

5.1.1 Market risk

a) Foreign exchange risk

The Company's primary functional currency is Thai Baht. The Company has no policy to use financial derivatives to locally manage the risks arising from fluctuations in currency exchange rates. However, management may consider the use of foreign currency forward contract to hedge, on a case by case basis, the risks arising from fluctuations in currency exchange rates.

The Company has no open forward exchange contracts at 31 December 2023.

b) Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company is exposed to interest rate risk relates primarily to its deposits at financial institutions, long-term loans to related parties, short-term borrowings, long-term borrowings and debentures. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Company assesses that the interest rate risk is insignificant as the interests from financial assets and financial liabilities are not significantly different.

The Company does not apply hedge accounting.

c) Price risk

The Company has no investments held by the Company which are classified either as at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVPL). Therefore, The Company has no exposure on the price risk.

5.1.2 Credit risk

Credit risk arises from cash and cash equivalents and credit exposures to customers, including outstanding receivables.

a) Risk management

Credit risk is managed on a Company basis. For banks and financial institutions, only independently rated parties.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on the assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

b) Impairment of financial assets

The Company has financial assets that are subject to the expected credit loss model:

- Trade and other receivables

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Company applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances within 3 years before 31 December 2023.

On that basis, the loss allowance as at 31 December 2023 was determined as follows for trade receivables:

a) Trade receivables, post-dated cheque - receivables and retention receivables

The Company considered the aging of receivables based on invoices' due date of outstanding receivables balance as of reporting date.

	Not yet due Million Baht	Up to 3 months Million Baht	4 - 6 months Million Baht	6 - 12 months Million Baht	More than 12 months Million Baht	Total Million Baht
As of 31 December 2023						
Gross carrying amount - trade receivables	453	80	2	2	21	558
Loss allowance	(2)	(1)	-	-	(20)	(23)
	Not yet due Million Baht	Up to 3 months Million Baht	4 - 6 months Million Baht	6 - 12 months Million Baht	More than 12 months Million Baht	Total Million Baht
As of 31 December 2022						
Gross carrying amount - trade receivables	473	74	2	3	20	572
Loss allowance	-	-	-	-	(20)	(20)

Impairment losses on trade receivables and contract assets are presented as net impairment losses within profit before finance costs and income taxes. Subsequent recoveries of amounts previously written off are credited against the same line item.

5.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Company held deposits at call of Baht 146 million (2022: Baht 607 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Company Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity reserve and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

a) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Within 1 year Million Baht	1 - 5 years Million Baht	Total contractual cash flows Million Baht	Carrying amount Million Baht
As at 31 December 2023				
Trade and other payables	2,325	-	2,325	2,325
Lease liabilities	41	29	70	60
Long-term loans from financial institutions	231	825	1,056	983
Total	2,597	854	3,451	3,368
	Within 1 year Million Baht	1 - 5 years Million Baht	Total contractual cash flows Million Baht	Carrying amount Million Baht
As at 31 December 2022				
Trade and other payables	1,990	-	1,990	1,990
Lease liabilities	45	64	109	88
Long-term loans from financial Institutions	333	1,097	1,430	1,255
Total	2,368	1,161	3,529	3,333

5.2 Capital management

5.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital based on gearing ratio which is determined by dividing net debt with equity.

6 Fair values

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1 : The fair value of the asset or liability is based on the current bid price / closing price by reference to the Stock Exchange of Thailand / the Thai Bond Dealing Centre.
- Level 2 : The fair value of the asset or liability is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3 : The fair value of the asset or liability is not based on observable market data.

The Company disclosed the fair value measurement in related to notes 11.

7 Critical accounting estimates, and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Provision for inventories

The Company has established the provision for inventories to reflect the net realise value from inventories. The provision for inventories is the effect from the Company's analysis of obsolete and slow-moving inventories. The balance of inventories will be written-off once they are obsoleted and unable to sell out.

b) Defined retirement benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This interest rate should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Additional information of other key assumptions for retirement benefits obligations is disclosed in Note 20.

c) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

8 Segment 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 judgements about the Company as a whole if either the business segments or the geographical segments is 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.

	Domestic sales Million Baht	Export sales Million Baht	Total Million Baht
For the year ended 31 December 2023			
Sales	2,581	3,665	6,246
Segment gross profit	351	466	817
Unallocated expenses, net			(749)
Profit before income tax			68
For the year ended 31 December 2022			
Sales	2,185	3,434	5,619
Segment gross profit	202	503	705
Unallocated expenses, net			(689)
Profit before income tax			16

Major customers

For the year ended 31 December 2023, the Company's revenues are derived from two major customers which are related parties of Baht 2,034.4 million or 32.6% of the Company's total revenue (2022: Baht 2,271.0 million or 40.4% of the Company's revenue).

9 Cash and cash equivalents

	2023 Million Baht	2022 Million Baht
Deposits held at banks - current accounts	74	279
- savings accounts	71	328
- Deposit in transit	1	-
	146	607

As at 31 December 2023, the weighted average interest rate of savings accounts was 0.04% per annum (2022: 0.09% per annum).

10 Trade and other receivables, net

	2023 Million Baht	2022 Million Baht
Trade receivables - third parties	193	211
<u>Less</u> Loss allowance (Note 5.1.2)	(23)	(20)
	170	191
Trade receivables - related parties (Note 28)	365	361
Amounts due from related parties (Note 28)	62	37
Other receivables	14	20
Total trade and other receivables, net	611	609

Outstanding trade receivables can be analysed as follows:

	2023 Million Baht	2022 Million Baht
<u>Trade receivables - third parties</u>		
Not yet due	127	168
Up to 3 months	42	21
4 - 12 months	4	2
Over 12 months	20	20
	193	211
<u>Less</u> Allowance for doubtful accounts	(23)	(20)
	170	191
<u>Trade receivables - related parties</u>		
Not yet due	326	305
Up to 3 months	38	53
4 - 12 months	-	3
Over 12 months	1	-
	365	361

As at 31 December 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.

11 Financial assets and financial liabilities

As at 31 December 2023, classification of the Company's financial assets and financial liabilities are amortised cost and the fair value of the short-term of financial assets and financial liabilities are not expected to be materially different from the amounts presented in the statements of financial position are as follows:

	2023
	Amortised cost
	Million Baht
Financial assets	
Cash and cash equivalents	146
Trade and other receivables, net	599
Financial liabilities	
Trade and other payables	1,602
Short-term loans from financial institutions	623
Long-term loans from financial institutions	983

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. 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 3 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 at the date of the financial statements.

12 Inventories, net

	2023	2022
	Million	Million
	Baht	Baht
Raw materials	297	430
Work in progress	44	96
Finished goods	534	662
Spare parts	157	150
Goods in transits	98	84
	1,130	1,422
<u>Less</u> Provision for net realisable value - slow moving	(25)	(26)
- net realisable value	(10)	(13)
Total inventories, net	1,095	1,383

13 Other current assets

	2023	2022
	Million	Million
	Baht	Baht
Assets under tire retreading services agreement	42	7
Other current assets	2	2
	44	9

14 Property, plant and equipment, net

	Land, land improvements and building Million Baht	Machinery and equipment Million Baht	Furniture, fixtures and office equipment Million Baht	Motor vehicles Million Baht	Assets under construction And asset installation Million Baht	Total Million Baht
As at 1 January 2022						
Cost	1,787	7,632	110	20	1,190	10,739
<u>Less</u> Accumulated depreciation	(670)	(4,907)	(91)	(14)	-	(5,682)
Allowance for impairment loss	-	(19)	(2)	-	-	(21)
Net book amount	1,117	2,706	17	6	1,190	5,036
For the year ended 31 December 2022						
Opening net book amount	1,117	2,706	17	6	1,190	5,036
Additions	-	-	-	-	849	849
Transfers	413	752	19	-	(1,184)	-
Disposals, net	-	(5)	-	-	(1)	(6)
Impairment, net	-	(7)	-	-	-	(7)
Depreciation charges	(62)	(327)	(9)	(1)	-	(399)
Closing net book amount	1,468	3,119	27	5	854	5,473
As at 31 December 2022						
Cost	2,199	8,267	129	20	854	11,469
<u>Less</u> Accumulated depreciation	(731)	(5,122)	(100)	(15)	-	(5,968)
Allowance for impairment loss	-	(26)	(2)	-	-	(28)
Net book amount	1,468	3,119	27	5	854	5,473

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	Land, land improvements and building Million Baht	Machinery and equipment Million Baht	Furniture, fixtures and office equipment Million Baht	Motor vehicles Million Baht	Assets under construction and asset installation Million Baht	Total Million Baht
For the year ended 31 December 2023						
Opening net book amount	1,468	3,119	27	5	854	5,473
Additions	-	-	-	-	823	823
Transfers	378	216	3	-	(597)	-
Disposals, net	-	(5)	-	-	(28)	(33)
Depreciation charges	(66)	(318)	(5)	(1)	-	(390)
Closing net book amount	1,780	3,012	25	4	1,052	5,873
As at 31 December 2023						
Cost	2,577	8,468	132	11	1,052	12,240
<u>Less</u> Accumulated depreciation	(797)	(5,437)	(107)	(7)	-	(6,348)
Allowance for impairment loss	-	(19)	-	-	-	(19)
Net book amount	1,780	3,012	25	4	1,052	5,873

Depreciation expense of Baht 391.3 million (2022: Baht 399.1 million) has been charged in 'cost of goods sold' of Baht 368.9 million (2022: Baht 365.7 million) and in 'selling expenses and administrative expenses' of Baht 22.4 million (2022: Baht 33.4 million).

15 Right-of-use assets, net and Lease liabilities, net

The statement of financial position included following transactions relating to leases.

As at 31 December	2023 Million Baht	2022 Million Baht
Right-of-use assets - carrying amount		
Buildings and building improvements	45	66
Vehicles	2	4
Information technology	5	8
Equipment	-	2
Total right-of-use assets	52	80
Lease liabilities		
Current		
Non-current	34	33
	26	55
Total lease liabilities	60	88

Transactions recognised in the financial statements relating to leases are as follows:

	2023 Million Baht	2022 Million Baht
Depreciation charge of right-of-use assets		
Buildings and building improvements	28	28
Vehicles	2	3
Information technology	3	3
Equipment	2	2
Total depreciation charge of right-of-use assets	35	36
Additions to the right-of-use assets during the year	7	28
Total cash outflows for leases	42	41
Finance cost relating to right-of-use assets	6	7
Expenses relating to leases of low-value assets	74	85

16 Deferred income taxes

Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2023 Million Baht	2022 Million Baht
Deferred tax assets:	120	117
Deferred tax liabilities:	(40)	(41)
Deferred tax asset (net)	80	76

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The movement of deferred income taxes during the year is as follows:

	2023 Million Baht	2022 Million Baht
As at 1 January	76	60
Charged to profit or loss (Note 23)	3	20
Charged (Credited) relation to components of other comprehensive income	1	(4)
As at 31 December	80	76

The movement in deferred income tax assets and liabilities during the year is as follows:

	Provisions for receivables and inventories Million Baht	Other provisions liabilities Million Baht	Employee benefit Million Baht	Depreciation Million Baht	Others Million Baht	Total Million Baht
Deferred tax assets						
At 1 January 2023	12	28	71	-	6	117
(Charged) credited to						
- profit or loss (Note 23)	-	3	(1)	-	-	2
- other comprehensive income	-	-	1	-	-	1
At 31 December 2023	12	31	71	-	6	120
As at 1 January 2022	14	16	68	-	5	103
(Charged) credited to						
- profit or loss (Note 23)	(2)	12	7	-	1	18
- other comprehensive income	-	-	(4)	-	-	(4)
At 31 December 2022	12	28	71	-	6	117
Deferred tax liabilities						
At 1 January 2023	-	-	-	(41)	-	(41)
Charged to profit or loss (Note 23)	-	-	-	1	-	1
At 31 December 2023	-	-	-	(40)	-	(40)
At 1 January 2022	-	-	-	(43)	-	(43)
Credited to profit or loss (Note 23)	-	-	-	2	-	2
At 31 December 2022	-	-	-	(41)	-	(41)

17 Short-term loans from financial institutions

As at 31 December 2023, the Company had a promissory note of Baht 623.0 million with a financial institution in Thailand, bearing interest rate 3.77% - 4.15% per annum (as at 31 December 2022: 2.93% - 4.36% per annum). The outstanding principal and interests are due for payable on 15 February 2024 and 23 February 2024 using roll-over promissory notes. There is no collateral for the short-term loans from the financial institutions.

As at 15 February 2024, the Company has issued a promissory note of Baht 200.0 million for the loans due on 15 February 2024.

As at 31 December 2023, the unused loan facility is Baht 1,622.2 million (2022: Baht 1,268.2 million).

As at 31 December 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.

18 Trade and other payables

	2023 Million Baht	2022 Million Baht
Trade payables - third parties	1,047	1,047
Trade payables - related parties (Note 28)	100	80
Amounts due to related parties (Note 28)	158	124
Prepayment from related parties (Note 28)	723	245
Payables from purchases of plant and equipment - third parties	83	256
Payables from purchases of plant and equipment - related parties (Note 28)	30	35
Accrued expenses	184	203
Total trade and other payables	2,325	1,990

As at 31 December 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.

19 Long-term loans from financial institutions, net

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

For the year ended 31 December	2023 Million Baht	2022 Million Baht
Opening balance	1,255	392
Additions	-	1,033
Repayment during the year	(271)	(165)
Unrealised loss on foreign exchange rate	(1)	(5)
Closing balance	983	1,255

As at 31 December 2023, long-term loans from financial institutions comprises the following:

The loan denominated in US Dollars of Baht 21.9 million bears interest at SOFR plus a credit adjustment spread (CAS) of 0.25% plus 2.80% per annum and loan denominated in Baht of Baht 22.2 million bears interest at BIBOR plus 2.40% per annum. The Goodyear Tire & Rubber Company (parent company) issued a comfort letter in favour of the financial institution, confirming it did not intend to take any action to sell or otherwise voluntarily dispose of its shares or substantial assets in the Company. The comfort letter also stated that the parent company does not and will not guarantee any obligation of, or in any other manner assure the performance of any obligation by, the Company to the financial institution.

The loan denominated in Baht of Baht 939.0 million bears interest at BIBOR plus 3.25% per annum. This loan is guaranteed by The Goodyear Tire & Rubber Company (parent company).

The effective interest rate at the statements of financial position date was 3.26% per annum (2022: 3.26% per annum).

The fair value of borrowings equal their carrying amount, as the impact of discounting is not significant.

Maturity of a long-term loan is as follows:

As at 31 December

	2023 Million Baht	2022 Million Baht
Within 1 year	232	271
Between 1 and 5 years	751	984
Closing balance	983	1,255

As at 31 December 2023, the unused loan facility is Baht 3.7 million (2022: Baht 3.7 million).

As at 31 December 2023, the fair values of long-term loans from financial institutions 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, the carrying amount of such loans approximates the fair value within level 2 of the fair value hierarchy and the fair value of the long-term loans from financial institutions, net are not expected to be materially different from the amounts presented in the statements of financial position.

20 Employee benefit obligations

	2023 Million Baht	2022 Million Baht
Statements of financial position:		
Reserve for savings fund	112	110
Reserve for retirement benefits	259	241
	371	351
Statements of income		
Savings fund	19	27
Retirement benefits	23	28
	42	55
Remeasurement for:		
Savings fund	(3)	(24)
Retirement benefits	9	4
	6	(20)

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The movement in the defined benefit obligations over the year is as follows:

	2023 Million Baht	2022 Million Baht
At 1 January	351	339
Current service cost	34	41
Past service cost	-	8
Interest expense	8	6
Remeasurements:		
Loss from change in demographic assumption	5	-
Gain from change in financial assumption	(12)	(14)
Loss (gain) from experience loss	13	(6)
Benefits paid	(28)	(23)
At 31 December	371	351

The significant actuarial assumptions used were as follows:

	2023	2022
Discount rate - Retirement Fund Plan	2.75%	2.50%
Discount rate - Saving Fund Plan	2.75%	2.00%
Salary increase rate	3.00%	3.00%

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2023	2022	2023 Million Baht	2022 Million Baht	2023 Million Baht	2022 Million Baht
Discount rate			Decrease	Decrease	Increase	Increase
- Retirement Fund Plan	0.50%	0.50%	by 10	by 10	by 11	by 11
Salary increase rate			Increase	Increase	Decrease	Decrease
- Retirement Fund Plan	0.50%	0.50%	by 11	by 10	by 10	by 10
Discount rate			Decrease	Decrease	Increase	Increase
- Saving Fund Plan	0.50%	0.50%	by 4	by 4	by 4	by 4
Salary increase rate			Increase	Increase	Decrease	Decrease
- Saving Fund Plan	0.50%	0.50%	by 1	by 1	by 1	by 1

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the defined benefit obligation - Retirement Fund Plan is 8 years (2022: 9 years).

The weighted average duration of the defined benefit obligation - Saving Fund Plan is 7 years (2022: 6 years).

21 Legal reserve

Under the Public Companies Act, B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of profit arisen from the business of the Company after accumulated deficit brought forward (if any) at each dividend declaration until the reserve is not less than 10% of the registered share capital. This reserve is non-distributable.

22 Expenses by nature

	2023 Million Baht	2022 Million Baht
Raw materials and supplies used	2,656	2,670
Changes in inventories of finished goods and work in progress	(165)	42
Staff costs	740	732
Depreciation and amortisation	427	436

23 Income tax expense

Income tax expense for the year comprises the following:

	2023 Million Baht	2022 Million Baht
Current income tax:		
Current income tax on profits for the year	12	9
Adjustments in respect of prior year	(7)	-
Total current income tax	5	9
Deferred income tax:		
Increase in deferred tax assets (Note 16)	(2)	(18)
Decrease in deferred tax liabilities (Note 16)	(1)	(2)
Total deferred tax	(3)	(20)
Income tax expense	2	(11)

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The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate of 20% (2022: 20%) as follow:

	2023 Million Baht	2022 Million Baht
Profit before income tax	68	16
Income tax at statutory tax rates	14	3
Tax effect of:		
Income not subject to tax	(6)	(6)
Expenses not deductible for tax purposes	2	(3)
Utilisation of previously unrecognised tax losses	-	(2)
Changes in temporary differences that no deferred taxes are recognised	(1)	(3)
Adjustments in respect of prior year	(7)	-
Income tax expenses	2	(11)

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	2023			2022		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Remeasurement on retirement benefit obligations	(7)	1	(6)	20	(4)	16
Other comprehensive income	(7)	1	(6)	20	(4)	16
Current tax	-	-	-	-	-	-
Deferred income tax (Note 16)	-	1	-	-	(4)	-

24 Promotional privileges

The Company has received a promotional privilege from the Office of the Board of Investment (“BOI”) for the manufacturing of radial aviation tire. Under this privilege, the Company has received exemption from certain taxes and duties as detailed in the certificate including exemption from corporate income tax for a period of 8 years from the date of commencement of earning promoted revenue. As a promoted business, the Company is required to comply with the terms and conditions as specified in the promotion certificates.

Revenue classified by BOI and Non-BOI promoted activities are as follows:

For the years ended 31 December	BOI promoted activities		Non-BOI promoted activities		Total	
	2023	2022	2023	2022	2023	2022
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Domestic sales	26	25	2,555	2,160	2,581	2,185
Export sales	360	373	3,305	3,061	3,665	3,434
	386	398	5,860	5,221	6,246	5,619

25 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	2023	2022
Net profit attributable to shareholders (Million Baht)	66	27
Weighted average of issued ordinary shares during the year (Million shares)	7.4	7.4
Basic earnings per share (Baht)	8.98	3.62

There are no dilutive potential ordinary shares in issue during the years presented.

26 Cash flows from operating activities

Reconciliation of net profit before income tax to cash flows from operating activities:

	Notes	2023 Million Baht	2022 Million Baht
Net profit before income tax		68	16
Adjustments for:			
Loss on (reversal of) impairment losses on financial assets		4	(4)
Reversal of allowance for net realisable value of inventories		(4)	(14)
Depreciation and amortisation		427	436
Loss (gain) on disposals and write-offs of property, plant and equipment, net		4	(7)
Impairment loss of assets	14	-	7
Employee benefit obligations	20	42	55
Finance costs		105	71
Unrealised loss (gain) on exchange rate		(22)	10
Changes in operating assets and liabilities:			
- trade and other receivables		(26)	83
- inventories		292	(192)
- refundable value added tax		4	29
- other current assets		(31)	(4)
- other non-current assets		(4)	(2)
- trade and other payables		563	241
- other current liabilities		18	(2)
- employee benefit obligations paid	20	(28)	(23)
Cash generated from operations		1,412	700
Income taxes paid		(16)	(1)
Net cash generated from operating activities		1,396	699

27 Commitments

Bank guarantees

As at 31 December 2023, the Company had commitments in respect of bank guarantees amounting to Baht 23.9 million and US Dollar 10,000 (2022: Baht 22.8 million and US Dollar 10,000) and bank guarantees amounting to Baht 139.3 million for VAT refund from Revenue Department (2022: Baht 139.0 million).

Capital expenditure commitments

As at 31 December 2023, the Company has outstanding capital commitments in respect of the investment of machinery and equipment totaling Baht 523.7 million (2022: Baht 280.0 million).

28 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by The Goodyear Tire & Rubber Company (registered and located in the USA), which owns 66.87% of the Company's issued shares.

The following material transactions were carried out with related parties:

i) Sales of goods

For the years ended 31 December	2023 Million Baht	2022 Million Baht
Sales of finished goods:		
Parent company	761	865
Companies under common control	2,904	2,569
	3,665	3,434
Sales of assets and spare parts:		
Parent company	-	1
Companies under common control	65	20
	65	21

ii) Purchases of goods and services

For the years ended 31 December	2023 Million Baht	2022 Million Baht
Purchases of raw materials and finished goods:		
Parent company	163	168
Companies under common control	543	569
	706	737
Purchases of machinery and spare parts:		
Parent company	52	74
Companies under common control	45	13
	97	87
Royalty fee:		
Parent company	282	251
Production service fee:		
Parent company	25	27
Management fee:		
Companies under common control	211	195

iii) Outstanding balances arising from sales/purchases of goods/services

As at 31 December	2023 Million Baht	2022 Million Baht
Trade receivables - related parties:		
Parent company	162	144
Companies under common control	203	217
	365	361
Amounts due from related parties:		
Parent company	34	11
Companies under common control	28	26
	62	37
Trade payables - related parties:		
Parent company	45	39
Companies under common control	55	41
	100	80
Amounts due to related parties:		
Parent company	130	115
Companies under common control	751	254
	881	369
Prepayment from related parties:		
Companies under common control	723	245

iii) Outstanding balances arising from sales/purchases of goods/services (Cont'd)

As at 31 December	2023 Million Baht	2022 Million Baht
Payable from purchases of plant and equipment:		
Parent company	14	35
Companies under common control	16	-
	30	35

iv) Directors' and key management's compensation

For the years ended 31 December	2023 Million Baht	2022 Million Baht
Salaries and other short-term employee benefits	45	36
	45	36