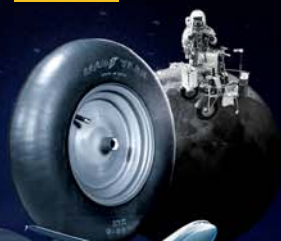


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ANNUAL REPORT
2018

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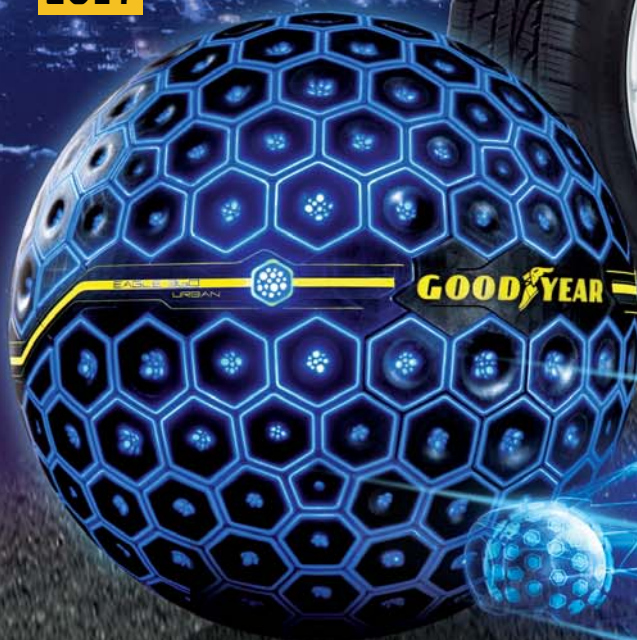
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2017



2017





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Message from the Chairman

To the Shareholders of Goodyear (Thailand) Public Company Limited.



2018 was an important year in which Goodyear held double celebrations, in recognition of the 120th year of Goodyear global and the 50th anniversary of Goodyear Thailand.

Goodyear Thailand remains a leading brand and in a strong position to tap into further growth opportunities. The company remains as focused as ever on ensuring that Thai consumers continue to have the best driving experience with the best-in-class Goodyear tires.

Goodyear Thailand received the Outstanding Labor Relations and Labor Welfare Award for the year 2018 (Thailand Labor Management Excellence Award 2018) from the

Department of Labor Protection and Welfare, Ministry of Labor for a Union medium-sized businesses. The Outstanding Labor Relations and Labor Welfare Award aims to encourage employers and employees to enhance labor relations and labor welfare systems in the workplace

Looking into 2019, Goodyear will continue facing a number of business challenges. We will commit ourselves to further developing our channels of distribution, expanding the Goodyear Autocare Centres, adapting our business strategies in line with the rapid changing market situation. We believe our rich corporate heritage along with the cooperation and determination of our strategic business partners, management and employees as well as high quality and advanced technology contributing Goodyear Thailand's long-term growth and value to our shareholders and customers.

Last but not least I, on behalf of Board of Directors would like to express my sincere gratitude to all shareholders, customers, and business partners for their trust and support over the past 50 years. I look forward to growing our legacy with stability, sustainability to achieve the goals of the company in the best interest of all stakeholders.

Dr. Dhiraphorn Srifuengfung
Chairman



Message from the Managing Director

To the Shareholders of Goodyear (Thailand) Public Company Limited.



In 2018, we continued to face challenging economic conditions, with higher raw material costs and volatile industry dynamics. For a second consecutive year we have seen the consumer replacement market declining, with increased pricing competition and an erosion in margins.

As a consequence, our results were below our expectations and we are taking the necessary actions to protect the company and address the short-term and long-term performance.

In November 2018 we launched an innovative business model in retail and distribution, with the objective to make Goodyear tires easier for our customers to sell and easier for consumers to buy and recommend. We have reorganized our sales organization and back office to better support our customers and to provide a better consumer experience.

Despite the challenges I remain very optimistic about the growth opportunities going forward. The significant increase in new car registrations during 2017 and 2018 will have a positive impact on the tire replacement market and the trend towards large rim diameters driven by auto manufactures will sustain tire industry profitability

While we continued the expansion of the Goodyear Autocare network by opening 12 new stores in targeted locations, we have also identified and appointed aligned distributors to ensure we increase our market coverage and fully capture the value of the Goodyear brand.

I am pleased to note that we have also secured nominations from strategic Original Equipment Manufacturers, demonstrating that Goodyear's capabilities meet their demanding requirements. These new premium nominations will further strengthen the power of the Goodyear brand in the market and will generate additional demand pull from consumers. The plan is supported by investments in assets and capabilities for 2019 and beyond.

Finally, we have completed phase one of the construction of the new aviation factory. We started the production and sales of aviation radial tires in August 2018, ahead of schedule. The aviation market outlook remains strong and it will continue to offer significant growth opportunities.

While I expect the economic conditions will remain volatile, the recent success in the Aviation and OE businesses set the base for business growth. The Goodyear associates are the foundation of our confidence and the backbone of our strategy. We will remain focused on continuing to build momentum, enhancing capabilities and providing the best service to customers, who remain our number one priority.

Thank you for your continued trust, confidence and support.

Mr. Luca Crepaccioli
Managing Director



Report of the Audit Committee

The roles and responsibility of the Audit Committee is to perform duties and functions stated in the Best Practice Guidelines for the Audit Committee issued by the Stock Exchange of Thailand (SET), provisions of the Public Companies Limited Act of 1992 (B.E. 2535) and the Securities and Exchange Act of 1992 (B.E. 2535). To comply with the principles and the best practices set out by the SET's guidelines to the Audit Committee, the Audit Committee reviews financial statements of Goodyear (Thailand) Public Company Limited. The Audit Committee is pleased to report our audited results in 2018 to the Board and shareholders as follows:

1. All members of the Audit Committee were independent directors; namely:

(a) Mr. Athaporn Khaimarn	Chairman of Audit Committee
(b) Mr. Yeap Swee Chuan	Member of Audit Committee
(c) Ms. Chanapun Juangroongruangkit	Member of Audit Committee

2. The Audit Committee has full access to inspect and has received cooperation from the management of the Company. It was able to invite Directors or Executive Officers to attend its meetings as appropriate. In 2018, the Audit Committee Meeting was held four times where internal auditor, Financial Controller and Finance Director regularly attended the meetings together with the Company's external auditor, Pricewaterhouse Coopers ABAS Limited.

3. The Audit Committee received the cooperation from others as requested, which enabled it to perform its functions properly.

4. The Audit Committee reviewed the findings from internal and external auditors, the Company's internal control system, the internal auditor's reports and internal control assessments, all of which were duly reported to the Board.

5. All issues and questions raised by each Audit Committee member in its deliberations were resolved by the management and the Board to the Audit Committee's satisfaction.

Based on the foregoing, Goodyear (Thailand) Public Company Limited's operation in Fiscal Year 2018 was found by the Audit Committee to have complied with the Committee's guidelines and as required by the applicable laws and regulations of Thailand.

Respectfully submitted,

Mr. Athaporn Khaimarn
Chairman of the Audit Committee



Financial Highlights

1. Summary of Consolidated Financial Statements and Significant Financial Ratios as of 31 December 2016-2018

(Unit: thousand Baht)

Item	Year 2018	Year 2017	Year 2016
Cash and cash equivalents	198,978	192,878	1,011,225
Restricted short term investment	-	-	65,000
Trade and other receivables	707,033	915,176	832,505
Current position of loan to a related party	-	-	-
Inventories, net	913,027	853,489	748,572
Refundable Value Added Tax	223,711	90,278	159,539
Other current assets	3,204	5,517	7,195
Loans to related parties	-	-	-
Property, plant and equipment net	3,873,494	3,429,151	2,456,845
Computer software, net	424	600	676
Other non-current assets	204,295	188,902	3,088
Total assets	6,124,166	5,675,991	5,284,645
Short term loan from financial institution	165,000	-	-
Trade and other payables	1,132,885	1,421,450	1,000,747
Accrued withholding tax	20,393	14,123	18,490
Current income tax payable	9,081	39,259	51,366
Advance received from insurers	-	-	-
Other current liabilities	4,988	5,317	6,396
Total current liabilities	1,332,347	1,480,149	1,076,999
Long term loan from financial institution	687,671	-	-
Deferred tax liabilities	-	-	2,145
Reserves for saving fund and employee retirement benefits	244,609	187,768	181,875
Total non-current liabilities	932,280	187,768	184,021
Total liabilities	2,264,627	1,667,917	1,261,020
Share capital - authorized, issued and fully paid up	74,000	74,000	74,000
Premium on share capital	92,000	92,000	92,000
Retained Earnings	7,400	7,400	7,400
- Appropriated-legal reserve	-	-	-
- Unappropriated	3,686,139	3,834,674	3,850,225
Total Shareholders' Equity	3,859,539	4,008,074	4,023,625
Sales	3,858,845	4,000,311	3,898,203
Cost of sale	(3,259,162)	(3,227,379)	(3,005,131)
Selling and administrative expenses	(554,424)	(558,716)	(555,330)
Other operating expenses	-	-	-
Other income	8,303	9,128	16,327
Gain (loss) on exchange rate	(6,383)	(45,835)	1,785
Income from insurance reimbursement	-	-	-
Income tax expenses	(13,028)	(39,464)	(76,340)
Net profit (loss) for the year	33,805	138,044	279,514
Basic earnings per share	4.57	18.65	37.77
Total comprehensive income (loss) for the year	(535)	132,449	266,414



2. Financial Ratios

Financial Ratios	Year 2018	Year 2017	Year 2016
Liquidity ratio (Times)	1.54	1.39	2.62
Quick ratio (Times)	0.68	0.66	1.63
Cash ratio (Times)	0.15	0.22	0.26
Account receivable turnover (Times)	4.76	5.25	5.01
Average collection period (Days)	76.72	68.61	71.85
Financial	4.23	4.03	4.40
Average sales (Days)	98.92	89.35	81.77
Accounts Payable Turnover (Times)	2.55	3.17	3.54
Payment (Days)	102.25	113.59	101.84
Cash Conversion Cycle (Days)	42.25	44.37	51.78

3. Profitability Ratios

Profitability Ratios	Year 2018	Year 2017	Year 2016
Gross margin ratio (%)	15.54	19.32	22.91
Net profit (loss) ratio (%)	0.88	3.45	7.17
Return on shareholders (%)	0.90	3.44	7.05
Return on asset ratio (%)	0.57	2.50	5.40
Return to fixed assets ratio (%)	1.00	12.70	21.10
Total asset turnover (Times)	0.63	0.73	0.75

4. Financial Policy Analysis Ratios

Financial Policy Analysis Ratios	Year 2018	Year 2017	Year 2016
Debt to Equity ratio: D/E (Times)	0.59	0.42	0.31
Dividend payout ratio (%)	109.00	107.00	53.00



General Information and Significant Information

General Information

Copany name	Goodyear (Thailand) Public Company Limit
Registration Number	0107537001188 (Former Bor Mor Jor. 365)
Head Office and Factory	50/9 Paholyothin Road Km. 36, Tambol Khlong Nueng, Amphoe Khlongluang, Pathumthani 12120, Thailand Tel: 0-2909-8080 Fax: 0-2909-8097
Nature of Business	Manufacture and distribution and sale of ground tires, aviation tires and retreading aviation tires for domestic and export market
Homepage	www.goodyear.co.th
Number of Employees	860 Persons (as of 31 December 2018)
Registered Capital	74,000,000 Baht (as of 31 December 2018)
Paid-up Capital	74,000,000 Baht (as of 31 December 2018)
Number of Issued Ordinary Shares	7,400,000 Shares
Par Value	10 Baht
Details of Juristic Person which the Company holds at least 10%	-None-

References

Registrar	Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Buiding, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: 0-2229-2800 Fax: 0-2359-1259
Auditor	Mr. Chaisiri Ruangritchai CPA No. 4526 PricewaterhouseCoopers ABAS Limited 179/74/80 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel: 0-2344-1000 or 0-2286-9999 Fax: 0-2286-5050
Legal Advisor	Tilleke & Gibbins International Ltd. Supalai Grand Tower, 26th Floor, 1011 Rama 3 Road, Chongnonsi, Yannawa, Bangkok 10120, Thailand Tel: 0-2056-5555 Fas: 0-2056-5678

Other significant information

-None-



Board of Directors

Profile of the Directors and Management as of December 31st 2018

Name/Position	Age (Years)	Education back-ground	Shareholding in GYT (%)	Family relationship among directors/management	Professional Experience in the past 5 years		
					Period	Position	Function/Company
1. Dr. Dhiraphorn Srifuengfung Chairman of the Board/Nomination and Corporate Governance Committee	70	Ph.D. (Civil Engineering) University of Missouri, U.S.A.	-	-	2013 – Present	Chairman of the Board of Directors	Goodyear (Thailand) Public Company Limited
					1993 – Present	Managing Director	Pimai Salt Company Limited Krung Thai Panich Insurance Co., Ltd. Aekachai Eagle Co., Ltd. Aekachai Export and Import Co., Ltd.
2. Mr. Luca Crepaccioli Managing Director Executive Director Nomination and Corporate Governance Committee	53	Bachelor's degree in Economics University of Rome, La Sapienza	-	-	2018 – Present	Managing Director	Goodyear (Thailand) Public Company Limited
					2016 - 2018	Managing Director Consumer Business Emerging Markets	The Goodyear Tire & Rubber Company
					2015-2016	General Manager-Southern Europe	The Goodyear Tire & Rubber Company
					2009-2015	General Manager Italy & Greece	The Goodyear Tire & Rubber Company
3. Mr. Phiphat Vorapipat Executive Director	41	MSIT and IMBA, University of Denver, USA Bachelor of Business Administration, Kasetsart University DCP 222/2016	-	-	2017 – Present	Sales Director, Thailand	Goodyear (Thailand) Public Company Limited
					2012-2017	General Manager Aviation Tires-Asia Pacific Asia Pacific Aviation PBU	Goodyear (Thailand) Public Company Limited
					2012	Supply Chain Director	Goodyear (Thailand) Public Company Limited
					2011-2012	Product Supply Chain Director ASEAN	Goodyear (Thailand) Public Company Limited
4. Mr. Andrew Cooper Director	52	BTEC/EITB Engineering, University of Hertfordshire General Management, Ashridge, UK General Management, INSEAD, France/Singapore	-	-	2014 – Present	Managing Director (ASEAN, TWN, Korea, AP Distributor Market)	The Goodyear Tire & Rubber Company
					2012 – 2014	Vice President Consumer Business, Asia Pacific, Kodak	Kodak



Name/Position	Age (Years)	Education back-ground	Shareholding in GYT (%)	Family relationship among directors/management	Professional Experience in the past 5 years		
					Period	Position	Function/Company
5. Mr. Michael Martens Director	57	Bachelor's Degree in Accounting, University of Illinois MBA in Finance, Kent State University, Ohio	-	-	2015 - Present	Vice President Aviation & OTR, Asia Pacific	The Goodyear Tire & Rubber Company
6. Mr. Wee Hong Kek Director	51	LL.B. (Hons) National University of Singapore Advocate & Solicitor, Supreme Court of Singapore	-	-	2013 – Present	Head of Legal, ASEAN	Goodyear Orient Company (Private) Limited
7. Mr. Athaporn Khaimarn Independent Director The Chairman of the Audit Committee	75	Former Associate Member of The Institute of Chartered Accountants in Australia Associateship in Accounting Western Australia Institute of Technology, (Now - Curtin University of Technology) Director Training: DCP & DAP Certificate, Thai IOD	-	-	2001 – Present	Independent Director/Chairman of the Audit Committee	Goodyear (Thailand) Public Company Limited
					1999 – Present	Independent Director/Chairman of the Audit Committee	Siam Makro Public Company Limited
					1992 - 1996	Managing Director	Price Waterhouse, Bangkok
8. Mr. Yeap Swee Chuan Independent Director Audit Committee Chairman of the Nomination and Corporate Governance Committee	71	Bachelor Degree (Industrial Management and Engineering), Massey University, New Zealand Director Training: DCP Certificate, Thai IOD	-	-	1996 - Present	President and Chief Executive Officer	AAPICO Hitech Public Company Limited
9. Ms. Chanapun Juangroongruangkit Independent Director Audit Committee Nomination and Corporate Governance Committee	42	MBA with an emphasis in Finance - Webster University Bangkok campus, Bangkok Bachelor of Business - Kasetsart University, Bangkok Diploma of Japanese language - Bunka Institute of College, Tokyo, Japan DCP, Thai Institute of Directors (2548)	-	-	2004 – Present	Vice President	Thai Summit Group, Thailand



Name/Position	Age (Years)	Education back- ground	Shareholding in GYT (%)	Family relationship among directors/ management	Professional Experience in the past 5 years		
					Period	Position	Function/Company
Company Secretary							
Ms. Napat Tanyakulsajja	38	Master's degree in Law, Major in Private and Business Law, Chulalongkorn University	-	-	2013 - Present	Company Secretary & Legal Counsel, Thailand and Vietnam	Goodyear (Thailand) Public Company Limited
					2010 – 2013	Contract Officer	PTT Exploration and Production Public Company Limited
					2004 - 2007	Legal Officer	Berli Jucker Public Company Limited
		Thai barrister-at-law, The Thai bar Association					
		Company Secretary Training: CSP (2013), Thai IOD EMT (2013), Thai IOD CRP (2013), Thai IOD					
		Advances for Corporate Secretaries (1/2560), Thai Listed Companies Association					

Details and biography of Company's internal auditor

Name	Ms. Maxine Mae J. Escoto
Position	Internal Audit Manager, APAC
Age	32 years
Education	Bachelor of Science in Accountancy, De La Salle University – Manila
Training/Certificate	Certified Public Accountant (CPA), Certified Information Systems Auditor (CISA)
Experience	8 ½ years in the Advisory Practice of Ernst & Young Philippines – experience in assurance and advisory engagements with a focus on financial statement audit support, internal audit support, SOX, third party reporting, business process analysis, and application controls and security.
Date of appointment as Company's internal auditor	March 1, 2016



Policy and Overall Business Operation

Goodyear (Thailand) Public Company Limited is an affiliated Company of The Goodyear Tire & Rubber Company, USA, which joined capital to establish the Company with the Sri Fuengfung Family. The Company registered as a Limited Company according to the Civil and Commercial Code on July 25, 1968 with registered capital of 60 million Baht in order to operate a business that produces and distributes private automobile tires, small and large truck tires for commercial purposes, aviation tires, and aviation tire retreads to meet the need of the domestic market as well as exports. At present, the Company has a registered capital of 74 million Baht. The head office and manufacturing plant are located at 50/9 Phaholyothin Road, Km 36, Khlong Nueng Subdistrict, Khlong Luang District, Pathum Thani Province, Thailand.

The Company's important developments through various periods since its inception are as follows:



1968: Goodyear (Thailand) Co., Ltd. was established on 25 July 1968 with a registered capital of 60 million baht with the objective of producing, distributing and exporting tires and airplane tires.



1969: The Company reached an agreement with The Goodyear Tire and Rubber Company, USA, to cooperate with respect to production technology and management.



1970: The Company obtained investment promotion from the Board of Investment (BOI) for a period of 15 years with a corporate income tax exemption benefit for manufacturing and retreading aviation tires.



1978: On June 30, 1978, the listing of the Company's securities on the Stock Exchange of Thailand was approved.



1983: On January 6, 1983, the Company registered the change in par value from 100.00 Baht per share to 20.00 Baht per share with the Ministry of Commerce.



1990: The Extraordinary General Meeting of Shareholders No. 2/2533 held on March 28, 1990, resolved to increase the registered capital from 60 million Baht to 74 million Baht.



1994: On April 20, 1994, the Company registered the conversion of juristic persons according to the Civil and Commercial Law as a juristic person under the Public Limited Companies Act BE 2535. In the same year, the Company received the certification of International Standard for Quality System TIS/ISO9000 from both the Thai Industrial Standards Institute and the International Organization for Standardization as the first company in domestic tire manufacturers.



1995: On November 20, 1995, the Meeting resolved that the Company change the par value of shares from 20.00 Baht per share to 10.00 Baht in order to comply with the regulations of the Stock Exchange of Thailand and the Company registered the change in par value with the Ministry of Commerce on December 13, 1995



2017: The Company invested in a new radial aviation tire factory to expand tire production at Phatumthani, north of Bangkok, to meet growing demand in the Asia Pacific region.



The Goodyear Strategy Roadmap

OUR GOAL

The Goodyear Strategy Roadmap outlines how we will win with consumers, customers, associates, and shareholders. It defines our focus areas and identifies what we will do – together and individually – to achieve our goal.

The Strategy Roadmap identifies where we need to go next as a company. It builds on what we do well, acknowledges the progress we have made, and guides how we will continue to win in a rapidly changing and increasingly competitive environment.

It states our goal clearly and directly: **Deliver sustainable revenue and profit growth while increasing the value of our brand.**

Our Strategy Roadmap defines who we are in one simple phrase: **ONE TEAM Driving Performance** – on the road, in the marketplace and throughout the company.

It distills our strategy to three clearly defined, interdependent, elements:



HOW WE'LL WIN - Three interdependent strategies for winning in an increasingly complex market.



HOW WE'LL WORK - Our "How We'll Work" section highlights five interdependent behaviors/competencies to engage and enable associates to realize their full potential and best deliver on business goals. All are important to executing our strategy.



WHERE WE'LL FOCUS - Our "Where We'll Focus" section comprises five interdependent real-world priorities that cross all areas of excellence and are driven by our core behaviors/competencies.





Introduction of the connected business model in Thailand



The introduction of *connected business* model in Thailand has the primarily objective to make the tire purchasing process easier for our customers and consumers.

The combined power of the elements of the connected business model helps us earn the confidence of the consumers and customers.

The launch in Thailand of new products like Assurance Triple Max 2, the appointment of aligned distributors, the opening of 12 new Goodyear Autocare stores and the increased presence of Goodyear content in the social media are the first steps of an integrated approach that will enable us to stay closer to customers and consumers and to create value for all stakeholders.

Important Changes and Developments

Aviation Tire Factory Expansion

Goodyear Thailand completed the first phase of the plant expansion and started the manufacture of Radial Aviation Tires in the third quarter of 2018. Scheduled and targeted to be operational in 2018, the first tire was produced by early March 2018 which is a month ahead of target date.



New Release of Tire Models

Goodyear Launches Assurance TripleMax 2: Stop Faster, Drive Safer

Assurance TripleMax 2 enhances safety and delivers a long-lasting comfortable ride, without compromising on safety – the hallmark of all Goodyear tires. In addition, it is the first tire to boast Goodyear's latest HydroTred Technology for maximum grip and assurance under wet conditions.

Through new developments, the Assurance TripleMax 2 delivers upgrades in four key performance areas:

- **Excellent Wet Performance:** Assurance TripleMax 2 applies an innovative compound formulation for increased stickiness and optimized microstructure for maximized grip and braking performance in wet road conditions.
- **Enhanced Handling Performance:** HydroTred Technology applies an optimized footprint and ideal contact pressure to deliver an enhanced driving experience with higher tire cornering stiffness and steering precision.
- **Improved Noise Performance:** Innovative tread pattern designed to minimize pattern noise throughout tire life, providing a smoother and more comfortable drive.
- **Resistance Performance:** Assurance TripleMax 2 incorporates additional technical features on the sidewall and construction design and materials, in order to increase resistance to sidewall impacts and environmental influences.



“Goodyear Autocare” - Comprehensive Tire Service Center



Goodyear Autocare is an international standardized tire service center from Goodyear that provides comprehensive car maintenance services with world-class quality products, modern tools, fast and convenient service, with a team of professional technicians.

Goodyear Thailand opened its 77th store in 2018 demonstrating the success of the Goodyear's strategy to expand its distribution channels to cover every area of Thailand.

The latest Goodyear Autocare stores has been opened in September 2018 in Angthong.





Social and Environmental Responsibility Project



Goodyear's charitable support and community involvement around the globe consists of 'giving and doing' opportunities that touch basic human needs such as hunger and health, as well as education activities related to improving reading skills and readiness for higher education, employability and future careers. Additionally, community organizations are supported through professional expertise of associates who serve on boards, councils and committees.

Goodyear has a long history of supporting communities where we live and work around the world. Goodyear Thailand become more strategic and results-oriented, and to emphasize "inspiring our associates to serve" their communities.

Goodyear Work-Integrated Learning Program



In 2018, the company continually collaborated with The National Science Technology and Innovation Policy Office, as to focus on expanding the knowledge and developing people skill. In 2017 Goodyear Thailand participated in Work- Integrated Learning (WiL). It is the integration of theory and practice in concept of learning for work that aligns the academic and workplace practices for the mutual benefit of the student and the workplace

Goodyear Thailand started participating in WiL program in 2017. Until present, we supported the undergrad student up to 40 persons per year.

Goodyear Collaborated with the Institute of Skill Development to Organize Training for Technicians

Goodyear (Thailand) Public Company Limited together with Samut Prakan Institute of Skill Development Region 1 organized a training course called "Alignment and Wheel Balancing Technicians" for technical training project No. 6 for the year 2018. This project allows technician representatives from Goodyear Autocare Service Centers from all over the country to receive training and technical standard testing during October 16-19, 2018



This project enhances the knowledge and skill when providing tire and automotive services for the technicians at the Goodyear Autocare Service Centers nationwide in order to develop the potential of Goodyear Autocare Service Center's technicians to have higher skills and meet skilled labor standards. Participants must have at least 2 years' experience with wheel suspension, wheel alignment and balancing. This project helps develop the potential of technicians who attended and enhances their automotive tire service knowledge for Goodyear Autocare Service Centers. This helps build confidence in Goodyear and ensures that all technicians can provide car maintenance services and give the best advice to every customer as well as enhances the overall skill standards of the industry.

The Company's Shareholding Structure

Goodyear Thailand has a registered capital of 74,000,000 Baht with a par value of 10 Baht per share, 7,400,000 shares, all of which are common stock with voting rights, and one share equals one vote. Goodyear Thailand is an affiliated company of The Goodyear Tire and Rubber Company, which holds 4,942,418 shares, representing 66.79% of the Company's total shares. Minority shareholders hold the remaining 33.21% of the shares.

The Goodyear Tire and Rubber Company is one of the world's largest tire manufacturers, with over 64,000 employees and 47 manufacturing facilities in 21 countries around the world. Goodyear has two innovation centers located in Akron, Ohio, USA and Colmarberg in Luxembourg. Its two Innovation Centers strive to develop state-of-the-art products and services that set the technology and performance standard for the industry.

Goodyear Thailand's Ownership



Relationship with the Business Group of Major Shareholders

The Goodyear Tire & Rubber Company has granted the right to use its trademark, production patents and technical services, machinery, raw materials, information technology and management. This includes the operating policy for Goodyear Thailand as mentioned in the details in the Connected Transactions section.



Nature of Business Operations

Goodyear Thailand operations include the manufacturing, distribution, and sales of consumer and aviation tires for domestic and export markets.

Aviation tires are the Company's main export and the amount of revenue from domestic aviation tires has no material significance. There is no material difference between business segment reporting and geographical segment reporting in evaluating the performance of the business. Therefore, the Company presents the financial information in geographic segment based solely on the market where the products are sold.

Revenue Structure of Goodyear Thailand

Revenue	2018	%	2017	%	2016	%
Domestic	1,373	35.58	1,734	43.35	1,844	47.28
Export	2,486	64.42	2,266	56.65	2,056	52.72
Total	3,859	100	4,000	100	3,900	100
Increase (decrease) in sales		(3.5)		3		(2.0)

Products and Services

Goodyear's products are divided into 2 primary categories, which are:

1. Automotive Tire Products

The Company's automotive tires are high-quality products. The most important values that the Company adheres to are outstanding innovation and safety. This enables the Company to be able to meet the needs of customers at every level. The transfer of technology that the Company receives regularly from The Goodyear Tire & Rubber Company, USA and Goodyear International Corporation Test Center, Luxemburg result in consistently developing products both in quality and design of the Company in order to ensure motorists that the tires they use are high quality and design to ensure motorists that the tires they use are high quality and provide safe driving as well as durability in use. It is noteworthy that the Company's products have always been well recognized in both domestic and international markets.

2. Aviation Tire Products

Goodyear is well-known for aviation tire products for more than a century both in radial and bias tires. Goodyear has manufacturing plants for aviation tires in Danville, USA, Sao Paulo, Brazil and Thailand. Thailand was chosen to be the production base for aviation tires in the Asia Pacific region. This includes:



General Aviation Tires



Commercial Aircraft Tires

In addition to aviation tire products, Goodyear increases its product value by offering retread aircraft tires, which reduces operating costs and extends the life of the tire through high-level technology for retreading of aircraft tires. Goodyear has manufacturing plants that retread aircraft tires in USA, Brazil, Netherlands, and Thailand in order to increase the product value for customers worldwide.



Marketing activities and Competitive environment

The Automotive Tire Market

The main marketing activities have been concentrated in the development of the retail network and in the introduction of technologically advanced new products:

1. The Autocare network continues to be the Company's main strategy to continually create brand awareness among consumers and increase the Company's growth and market share. In 2018, Goodyear launched Goodyear Autocare No. 77 in Thailand. All of which are located in high traffic areas. The model of Goodyear Autocare was upgraded in order to create a distinctive Goodyear identity, a modern atmosphere inside the store, and divide the proportions of the sales area to be even more effective in order to impress customers and to increase sales.

2. Goodyear Thailand works closely with all Goodyear tire dealers who have a part in building the sustainable growth of the business. Meetings are organized throughout the year to understand the market environment and adjust the business plan to be consistent with the network expansion plan. This reflects Goodyear's determination to place importance in long-term investments so that Goodyear tire dealers could represent the Company as the consumers' primary contact channel and create impressive retail service experiences for every customer.

3. Goodyear launched Assurance TripleMax 2, a new product in the mid-passenger segment, which is designed to significantly increase drivers' safety and confidence. The innovative design of the Assurance TripleMax 2 optimizes grip and short braking distance under wet conditions, enabling drivers to stop faster and drive safer. Following the success of the Assurance TripleMax, which has won the trust of major car manufacturers and consumers since being launched in 2013, the Assurance TripleMax 2 enters the market to meet rising demand both from consumers and from manufacturers and boasts updated technology designed to maximize safety and durability.

4. In terms of brand communication strategy, the Company increased market penetration through various media. The Company continued to use digital media to reach the new generation who tends to consistently increase its use of digital media. Goodyear also developed content on the Company's website and the Facebook fan page in order to be more engaging. In addition to raising brand awareness among consumers, the Company also developed communication channels with dealers by sending quarterly newsletters. This newsletter is intended to communicate important information such as new products and promotions and promote good relationships with dealers.

Customer Group and Distribution Channels are in accordance with consumption patterns.

The Replacement Market is the market that consumers purchase tires to replace original equipment tires. Goodyear distributes its products to consumers through domestic tire dealers. The main distribution channels are:

- Goodyear Autocare
- Aligned Distributor
- Retailer, Multi-Brand
- Car Showrooms
- Modern Trades
- - In Q4 Thailand has launched a new channel called 'Aligned Distributors' which is part of Thailand's connected Business Model to increase network expansion thru customers.



The Original Equipment Market is a distribution channel for automotive manufacturing plants to use for original equipment tires.

The Export Market distributes to Goodyear affiliate companies in all regions of the world. Goodyear Thailand is a major factory for tire export.

The Competitive Environment

Gross National Product, Consumer Confidence Index and Market Confidence Index have continued growth. However, in 2018, the tire replacement market continued to decline with consumers becoming more uncertain about the future of the economy and continued to defer the change of tires.

In an intensely competitive market environment, Goodyear successfully expanded the Goodyear Autocare network and launched the new Assurance TripleMax 2 in order to support the growth of the mid-passenger market.

Thailand's positive GDP momentum is expected to continue with increased growth in tourism and exports as the main contributors. Moreover, public infrastructure investments by the government will attract private domestic and foreign investments.

Private consumption, which is the main contribution to Thai economy's GDP, is likely to expand in line with the improvement of income.

- The net contribution to overall growth from the export sector will remain positive until 2021 as the drive from rapid export growth.
- Private domestic and foreign investment will keep their growth momentum owing to Thailand's public infrastructure investment drive.

All these trends should contribute to increase the demand for consumer tires in the coming years.

(2) Aviation Tires Product

Aviation Tire Marketing activities

2018 Aviation Tire marketing was focused on a continuation of our core value of excellent customer service via providing quality service and products with a continuous effort to improve our service levels.

Customers and Distribution Channels

The main customers are airline customers in the category of commercial tires for aviation. The emphasis is on commercial airlines in Thailand, Asia Pacific, and private jet customers. Distribution channels are provided in the domestic market and export markets.

For the international market, the Company distributes its products through Goodyear affiliate companies and Goodyear companies that oversee a specified country. In terms of domestic distribution, Goodyear (Thailand) manages that distribution. The market demand varies according to economic conditions and tourism in each country, which directly affects the increase, or decrease in the number airline flights.

Domestic and International Distribution Proportions - Please see the revenue structure mentioned previously.



Product and Services Procurement

(A) Product Procurement

Goodyear has a manufacturing plant that manufactures automotive tires, aviation tires and retreaded aircraft tires located in Pathum Thani province.

Procurement of Raw material or Products for sales.

The Company acquires raw materials to use in production from various sources. All materials used in the production process must be inspected and approved by The Goodyear Tire & Rubber Company in USA or the Goodyear Innovation Center of Luxemburg prior to use in production. The main raw materials that are important for production are natural rubber, synthetic rubber, nylon fabric, various chemicals, Oil Pigment, carbon black, steel cord, bead wire and other raw materials.

The Company has a policy to procure all kinds of raw materials based mainly on quality, price and manufacturer. In the year 2018, the Company's procurement proportion for raw material supplies from domestic manufacture was 58.1% and overseas was 41.9% because certain raw materials were not available in Thailand.

(B) The Environmental Impact from the Production Process or the Disposal of Waste

Goodyear committed to operate its business by adhering to the policy "Support Safety while at Work or Outside Work "and" Environmental and Community Maintenance". Goodyear is a global organization that is responsible to society and the environment. As a result, Goodyear operates with the highest standards both by the law and ethically to achieve the Company's intention of economic development and environmental maintenance in order to maintain a good quality of life for employees, families, communities and society. The Company implemented measures to manage the environmental impact of the production process in accordance with the required laws. These are divided into 3 main areas.

(1) Waste Management Policy that Arises from the Manufacturing Process

Waste generated by the production process includes non-hazardous waste. This includes plastics and rubber, wood chips, metals and hazardous waste, including contaminated cloth, expired chemicals, used oil, used light bulbs, copier ink cartridges, contaminated containers, and paint containers. Goodyear systematically handles both types of waste in the factory. There is a waste disposal facility to separate each type of waste that needs to be disposed of according to the process and standards. Independent auditors monitor it at least 2 times a year in compliance with the law to ensure that Goodyear's production goods do not pollute or affect the environment of surrounding communities.

(2) Checking the Effluent Quality of the Production Process.

The Company invested in the construction and operation of a wastewater treatment system by using an activated sludge treatment system to treat wastewater from the production process. The water quality check is also implemented after wastewater treatment to ensure that the water released into public meets the required quality standards. The parameters tested include pH, BOD, COD, suspensions (SS), hydrogen sulfide (H₂S), and oil and grease by an external inspector every month.



(3) Inspection of Air Quality Due to Factory Exhaust

The Company checked the amount of air released from the factory's ventilation chimney. The parameters checked include the amount of dust (TSP), sulfur dioxide (SO₂), nitrogen oxides (NO_x as NO₂), carbon monoxide (CO), the amount of smoke (Opacity), and oxygen (O₂). An external inspector inspects these every 6 months.

Disputes or Litigation about the Environment and Solutions to such Disputes

Goodyear had no complaints prior or by the year 2018 from the environmental community. The Company issued a letter to check for complaints at Pathumthani Provincial Industry Office and Klong Luang municipal office.

Non-Delivered Work, High Net Worth and Time Consuming Work Only

- None -



Securities Shareholders and Dividend Policy

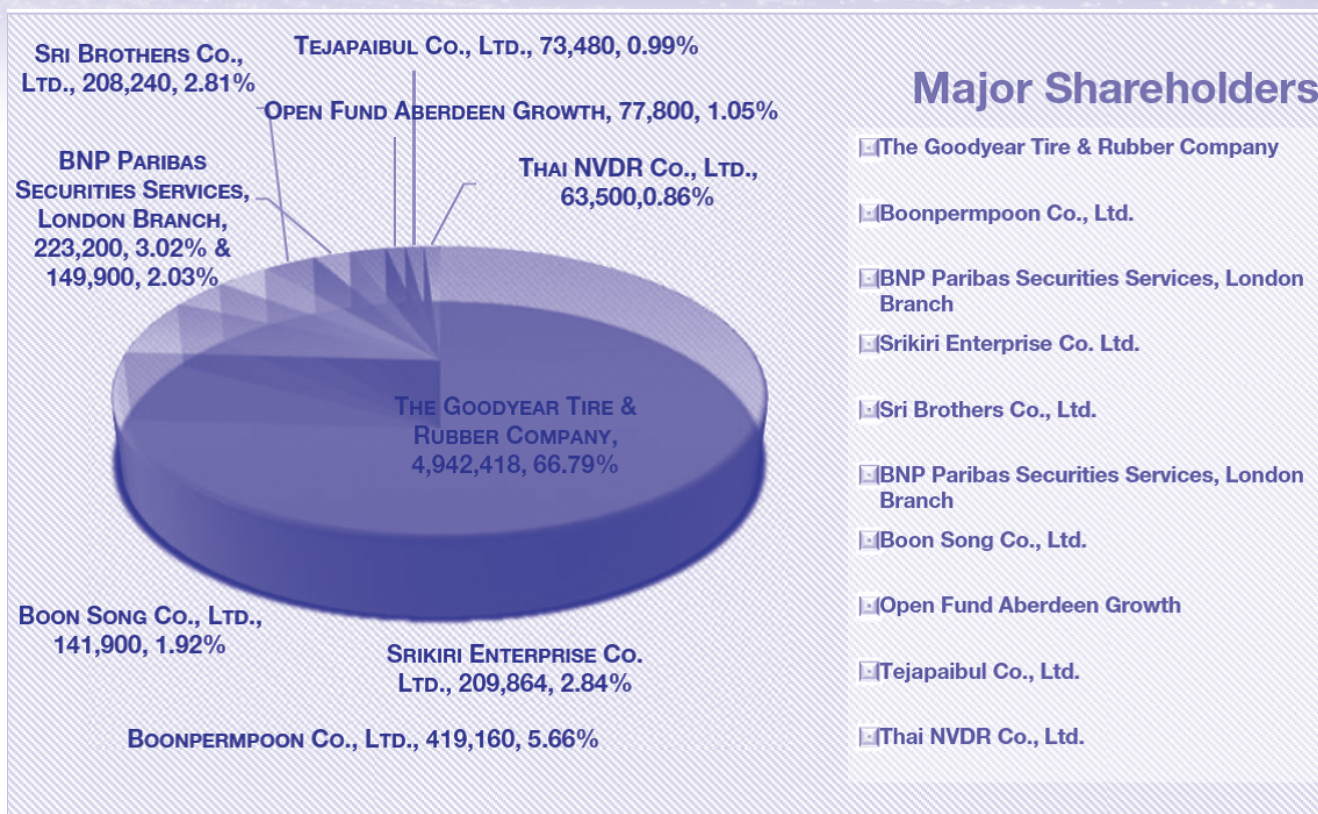
Registered Capital and Paid up Capital

Registered Capital	74,000,000 Baht
Paid-up Capital	74,000,000 Baht
Ordinary Shares	7,400,000 shares
Share Value	10 Baht
Registered Stock Exchange	The Stock Exchange of Thailand
Securities Symbol	GYT
Other types of shares with rights or conditions are different from ordinary shares	-None-

Major Shareholders

(1) Top Ten Major Shareholders as of the recent book closing date December 31, 2018

Major Shareholders	Number of shares	Percentage
The Goodyear Tire & Rubber Company	4,942,418	66.79%
Boonpermpoon Co., Ltd.	419,160	5.66%
BNP Paribas Securities Services, London Branch	223,200	3.02%
Srikiri Enterprise Co. Ltd.	209,864	2.84%
Sri Brothers Co., Ltd.	208,240	2.81%
BNP Paribas Securities Services, London Branch	149,900	2.03%
Boon Song Co., Ltd.	141,900	1.92%
Open Fund Aberdeen Growth	77,800	1.05%
Tejapaibul Co., Ltd.	73,480	0.99%
Thai NVDR Co., Ltd.	63,500	0.86%



(2) A major shareholder group that significantly influences the Company's policies, management or operations.

Major Shareholders	Number of Share	% Share
The Goodyear Tire & Rubber Company	4,942,418	66.79%

(3) **Shareholding Agreement:** A shareholding agreement that affects the issuance and offering of securities or Company management.

-none-

Issuance of Other Securities

-none-



Dividend Policy

The Company did not set a dividend policy. According to the Company's Articles of Association, any dividend payment will be based on the Company's performance over the past year and the future demand for investment (with additional conditions), and must be done within one month from the date of the Shareholders' Meeting or the resolution of the Board of Directors. The Company will announce a dividend payment to shareholders or publish them through the newspaper. The dividend payment is based on the number of shares and the dividend per share is equal.

Rate of the Previous Dividend Payment

Earnings Period	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017	1/1/2016 - 31/12/2016
Net profit (MB)	33.80	138.04	279.51
Net profit/share (Baht) (EPS)	4.57	18.65	37.77
Dividend per share (DPS)	5	20	20
Dividend yield (%)	5.43	4.9	4.59
Dividend payout ratio (%)	109	107	53
Total Dividend Payment (MB)	37	148	148



Management Structure

The structure of the Company's Board of Directors is comprised of four committees. They are the Board of Directors, the Audit Committee, the Nominating and Corporate Governance Committee, and the Executive Committee. The list of names and the scope of authority are as follows.

Board of Directors

As of December 31, 2018, the Board of Directors comprises of nine people

Name of Executive	Position
1. Dr. Dhiraphorn Srifuengfung	Chairman of the Board
2. Mr. Luca Crepaccioli*	Managing Director/Executive Director/ Nomination and Corporate Governance Committee member
3. Mr. Phiphat Vorapipat	Executive Director
4. Mr. Wee Hong Kek	Director
5. Mr. Andrew Cooper	Director
6. Mr. Michael Martens**	Director
7. Mr. Athaporn Khaimarn	Independent Director/ Chairman of the Audit Committee
8. Mr. Yeap Swee Chuan	Independent Director/Audit Committee /Chairman of the Nomination and Corporate Governance Committee
9. Ms. Chanapun Juangroongruangkit	Independent Director/Audit Committee/ Nomination and Corporate Governance Committee

Remarks:

*Mr. Luca Crepaccioli appointed as the Board of Directors on 3 August 2018 replacing Mr. Finbarr Roland O'Connor who resigned from the Board of Directors on 25 June 2018.

**Mr. Michael Martens appointed as the Board of Directors on 3 August 2018 replacing Mr. Oliver Gloe who resigned from the Board of Directors on 11 May 2018.

By Ms. Napat Tanyakulsajja, Company Secretary, Secretary to the Board of Directors, Secretary to the Audit Committee and Secretary to the Nomination and Corporate Governance Committee

Authorized Director of the Company

The authorized signatories are Mr. Luca Crepaccioli and Mr. Phiphat Vorapipat. Documents must sign by both signatories and be stamped with the Company's seal.



Authority and Duties of the Board of Directors

1. To be leaders and manage the Company according to the assigned Vision.
2. Must comply with the law, objectives, Article of Association of the Company and the resolutions of the Shareholders' Meeting.
3. To consider and approve important items such as new investment projects or trading of materially significant assets according to the rules of the Stock Exchange of Thailand, the Securities and Exchange Commission, the Stock Exchange and any actions required by law.
4. To supervise the ethical conduct of business.
5. To set up a reliable accounting system, financial reporting, and auditing. This includes supervising and monitoring the process of evaluating the appropriateness of internal controls and internal audits to be effective.
6. The Board of Directors has the authority to approve the following items.
 - (1) The appointment and removal of employees of the Company.
 - (2) Determine the payment of monetary rewards for employees, workers, or any person who does anything for the Company whether that person is a regular worker or not.
 - (3) Determine interim dividends for shareholders.

In the performance of duties, the Board of Directors may assign one or several directors or other persons to act on behalf of the Board of Directors in entering into the following transactions. The Approval will make by the Shareholders' Meeting with a vote of no less than three quarters of the total number of votes from shareholders that attend the meeting and have the right to vote.

- (1) The sale or transfer of the business of the Company, in whole or a significant part, to other people.
- (2) The acquisition of or the acceptance to transfer a business from other companies or private companies to the Company.
- (3) Entering into, amending or terminating contracts related to the lease of the Company's business, in whole or a significant part. Assigning other people to manage the Company's business or merging the business with other persons, with the objective to share profits and losses.

The Audit Committee

The Audit Committee of the Company as of December 31, 2018 is comprised of the following three persons:

- | | |
|------------------------------------|---|
| 1. Mr. Athaporn Khaimarn | Chairman of the Audit Committee/
Audit Committee with knowledge and
experience in reviewing financial statements. |
| 2. Mr. Yeap Swee Chuan | Audit Committee |
| 3. Ms. Chanapun Juangroongruangkit | Audit Committee |

By Ms. Napat Tanyakulsajja, Secretary to the Audit Committee.



The Duties and Responsibilities of the Audit Committee are as follows:

1. Review the Company's financial reports to make sure they are accurate and adequate.
2. Review the Company's internal control system and the internal audit to be appropriate and effective and consider the independence of the internal audit unit, which includes the consideration of approval to appoint, transfer, and terminate the Head of the internal audit unit or any other agency responsible for internal audits.
3. Review the Company's compliance with the laws of Securities and the Stock Exchange, regulations of the Stock Exchange of Thailand and laws related to the business of the Company.
4. Consider, select and nominate persons, which are independent in order to act as the Company's auditor and propose the remuneration of such persons. This includes attend meetings with the auditors, without management in attendance at least once a year.
5. Consider connected transactions or transactions that may have conflicts of interest to be in accordance with the laws and regulations of the Stock Exchange in order to ensure that these transactions are reasonable and give maximum benefit to the Company.
6. Prepare the Audit Committee's report and disclose the report in the Company's Annual Report. This report must be signed by the Chairman of the Audit Committee and consist of at least the following information.
 - (A) an opinion on the accuracy, completeness and creditability of the Company's financial report.
 - (B) an opinion on the adequacy of the Company's internal control system.
 - (C) an opinion on the compliance with the laws on securities and the regulations of the stock exchange, or any laws relating to the business of the Company.
 - (D) an opinion on the suitability of the auditor.
 - (E) an opinion on the transactions that may lead to conflicts of interest.
 - (F) the number of meetings the Audit Committee held and the attendance of each member of the Audit Committee.
 - (G) an opinion or overall observation that the Audit Committee received by performing the duties under the Charter.
 - (H) other items that the shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors.
7. Perform any other tasks as assigned by the Board of Directors with the approval of the Audit Committee.



The Nomination and Corporate Governance Committee

The Company's Nomination and Corporate Governance Committee as of December 31, 2018 has the following four members.

- | | |
|------------------------------------|---|
| 1. Mr. Yeap Swee Chuan | Chairman of the Nomination and Corporate Governance Committee |
| 2. Dr. Dhiraphorn Srifuengfung | Nomination and Corporate Governance Committee |
| 3. Ms. Chanapun Juangroongruangkit | Nomination and Corporate Governance Committee |
| 4. Mr. Luca Crepaccioli | Nomination and Corporate Governance Committee |

Remarks:

*Mr. Luca Crepaccioli appointed as the Nomination and Corporate Governance Committee on 3 August 2018 replacing Mr. Finbarr Roland O'Connor who resigned from the Nomination and Corporate Governance Committee on 25 June 2018.

The members of the Nomination and Corporate Governance Committee shall hold a position for a term of three years. In the case that a member of the Committee resigns before a complete term, the member must notify the Company one month in advance, along with a reason for resignation. The director who appointed in place of the resigning member will be in office for the remainder of the term of the member who resigned or vacated the position.

The Duties and Responsibilities of the Nomination and Governance Committee are as follows.

1. Evaluate, select or make recommendations to the Board of Directors regarding the selection of directors
2. Prepare principles for selecting new directors. Screening and recruiting persons who are completely qualified to be directors.
3. Consider the nomination of directors for approval by the shareholders.
4. Consider and make recommendations to the Board of Directors regarding structure, size and the composition of the Board. This includes the skills of the Board of Directors for the effective performance for Board of Directors.
5. Select directors who need to be replacing in the Company's Shareholders' Meeting.
6. Report the results of the evaluation of the Board of Directors.
7. Develop and review the principles of operation and give an opinion regarding the changes made by the Board of Directors at least once a year.
8. Consider and give an opinion on good governance from time to time.
9. Consider the disclosure of information related to the Annual Report regarding the Board of Directors' activities.
10. Perform other duties as assigned by the Board of Directors from time to time.



The Executive Committee

The list of names of the Executive Directors as of December 31, 2018.

- | | |
|--------------------------|-------------------|
| 1. Mr. Luca Crepaccioli* | Managing Director |
| 2. Mr. Phiphat Vorapipat | Sales Director |

Remarks:

*Mr. Luca Crepaccioli appointed as the Board of Directors on 3 August 2018 replacing Mr. Finbarr Roland O'Connor who resigned from the Board of Directors on 25 June 2018

The Duties and Responsibilities of the Executive Committee are as follows.

1. Control the business operations of the Company in accordance with the policies, business plans, and business strategies approved by the Board of Directors and manage to meet the targets set each year.

2. Has the authority to approve, enter into contracts, loan agreements or any legal contracts, which are normal business operations of the Company.

3. Has the authority to approve expenses or payments related to the Company's operations.

4. Determine organizational structure and management, which includes the details of the selection, training, hiring, and termination of the Company's employees.

5. Determine employee benefits to suit the situation, practice traditions and comply with any applicable laws.

6. Consider the agenda items before proposing them for approval from the Board of Directors.

7. Perform other duties as assigned by the Board of Directors at each meeting.

8. Control the Company's operations to comply with the laws, objectives and the Company's Articles of Association, as well as the resolutions of the Shareholders' Meeting.

Thus, the authority given to the Executive Committee as stated above must be subject to the laws, regulations and the Company's Article of Association. In the case where any action is or may benefit or give a gain to a member of the Executive Committee as a stakeholder or an individual who may have conflicts (according to the notifications of the SEC), the Executive Committee shall propose this matter to the Board of Directors. The Board of Directors will give further consideration. The Executive Director and the person who may have a conflict of interest shall not have the right to vote in the meeting of the Board of Directors on such a matter.



The nomination and appointment of directors and management of the Company.

(1) Independent Directors

According to Good Corporate Governance Principles, the Company must have independent directors no less than one third of the total number of directors in order to provide an independent opinion about the Company's major business. The Company has three independent directors from nine directors or a percentage of 33.33% according to the smallest number of independent directors required. The Company's independent directors are as below.

1. Mr. Athaporn Khaimarn
2. Mr. Yeap Swee Chuan
3. Ms. Chanapun Juangroongruangkit

The Company has defined the qualifications of independent directors as follows:

1. Independent Directors have no business or work related to the Company that may affect its independent decisions.
2. Independent Directors do not hold more than 0.5% of the paid-up capital of the Company, subsidiaries, associated companies or related companies, which includes shares held by related persons.
3. Independent Directors do not participate in the management of the Company, subsidiaries, affiliated companies, related companies or major shareholders of the Company. Independent Directors are not workers or employees who receive a regular salary from the Company, subsidiaries, or related companies. In addition, Independent Directors must not be a consultant who receives a regular salary from the Company, subsidiaries, affiliated companies or major shareholders of the Company.
4. Independent Directors have no benefit or interest, whether direct or indirect, whether regarding finances or management in the Company, subsidiaries, affiliated companies or major shareholders of the Company.
5. Independent Directors are not relate to or close relatives of the top executives or major shareholders of the Company.
6. Independent Directors must have passed the recruitment process of the Board of Directors.

(2) The Nomination Process

The nomination of the Company's directors and executives passes through the recruitment process of the Nomination and Corporate Governance Committee. The Nomination Committee selects candidates for the Board of Directors by considering the candidates' knowledge, abilities, and experience regarding the business or be considered from major shareholders who have experience. However, the Board of Directors with the involvement of the Audit Committee will consider the appointment of new directors.

In addition, the appointment of the Board of Directors must pass the resolution of the Shareholders' Meeting according to the Company's Articles of Association. The Company's Articles of Association require the shareholders to elect directors in accordance with the following rules and procedures:



(A) Each shareholder has one vote for each share.

(B) Each shareholder shall use all available votes in (A) to elect one or several persons as directors. However, a shareholder cannot split the votes between candidates.

(C) The person who receives the greatest number of votes in descending order shall be elected as director, which is equal to the number of directors required or elected at such time. In the case where a person who has been elected has the same number of votes as the next person in order, which is in excess of the number of directors needed, the Chairman shall cast the deciding vote.

At every Annual General Meeting, one in three directors need to retire from the position. If the number of directors cannot be divided into three equal parts, the number nearest to one-third of the directors need to retire from the position in the first year. In the second year, after the registration of the Company, lots will be drawn to select who will retire in the years to come. The directors who have held the position the longest will be the ones chosen to retire from the position. Directors who retire by rotation may be re-elected.

Currently, the Board of Directors consists of nine persons with knowledge, ability and experience in many related businesses. The number of independent directors is equal to or no less than one-third of the Board of Directors.

The Company has set clear and transparent criteria in accordance with Good Corporate Governance regarding the equitable treatment of shareholders. Giving shareholders opportunities to propose agenda items for the Annual General Meeting of Shareholders and the names of directors in advance in order to enable the shareholders to participate in the Company's business and select an appropriate person to be the director of the Company. The Company has published the information on the Company's website at www.goodyear.co.th/news and the website of the Stock Exchange of Thailand.

Company Secretary

The Company Secretary fulfills the duties as stipulated in the Securities and Exchange Act by preparing and maintaining the Company's important documents, namely, the director registration, the notice of the Shareholders' Meeting, the notice of the Board of Directors Meeting, minutes of the Shareholders' Meeting, Minutes of the Board of Directors Meeting, and the Company's Annual Report. This includes maintaining the report of the interests of directors or management and sending copies to the Chairman and the Chairman of the Audit Committee as required by law.

In addition, the Company Secretary has other duties as assigned by the Board of Directors as follows:

- Provide advice, coordinate and follow up to make sure that the Board of Directors have followed the objectives, the Company's Article of Association, the Board's resolutions, Shareholders' resolutions, legal requirements and any related regulations.
- Organize the Board of Directors' meeting, committee meetings and the Shareholders' Meeting.
- Provide orientation and advise new directors.
- Suggest the necessary and appropriate training courses for members of the Board.
- Coordinate with the Company's departments to follow the resolutions of the Board of Directors, resolutions of the Shareholders' Meeting, and coordinate with any outside agencies that oversee listed companies.



- Supervise the Company's management, which includes the preparation and storage of important Company documents.
- Encourage directors, executives and employees to have a good understanding of Good Corporate Governance and the Company Business Ethics as well as follow up the compliance in these areas. Review Good Corporate Governance and the business ethics of the Company to be in accordance with the law, international practices and the practices of leading companies on a regular basis.
- Ensure that the Company treats all shareholders equally, fairly and in compliance with the law and strengthens relationships with minority shareholders.
- Be a central agency for coordinating complaints with the individuals involved when complaints go through the complaint handling system.
- Other duties as assigned by the Company.

The Board of Directors resolved to appoint (since November 11, 2013) Miss Naphat Thanyalakuljja as the Company Secretary, secretary of the Board of Directors, secretary of the Audit Committee, and secretary of the Nomination and Corporate Governance Committee. The qualifications for the position of Company Secretary appear in the profiles of the executives and the Company Secretary.

Remuneration for Directors and Executives

The Nomination and Corporate Governance Committee considered remuneration for the directors by taking into account the type, size, and relevance of the Company's performance in line with the market norm and the industry as well as the appropriateness of the duties and responsibilities of the Board of Directors. The Chairman of the Board of Directors and the directors who reside in Thailand and do not receive a salary from the Company are entitled to the directors' remuneration.

Chairman	500,000 Baht
Other directors residing in Thailand and not receiving salary from the Company	350,000 Baht/person
Chairman of Audit Committee	350,000 Baht
Audit Committee	300,000 Baht/person
Chairman of the Nomination Committee and Corporate Governance	100,000 Baht
Nomination and Corporate Governance Committee	75,000 Baht/person

(1) Monetary Remuneration for Directors and Executives for the year 2018 are as follows:

Remuneration for directors and executives included salary, meeting allowances and other benefits approved by the Annual General Meeting of Shareholders No. 50, on April 25, 2018.

(2) Other Non-Monetary Remuneration or Other Benefits

-None-



Personnel

As of December 31, 2018, the Company had 860 employees with the following details:

(1) Total employees	860 persons
(2) No. of Field of Work Employee	
Office	187 persons
Production	673 persons
(3) Total Employees' Compensation for the year 2018	624.70 Million Baht*
(4) Employee Development Policy	The Company gives importance to the learning of employees at every level in order to develop the employees' potential and increase their abilities. This is an important element for teamwork and employees are able to fully show their abilities. The Company supports and gives opportunities for employees to develop themselves, and to increase their abilities, knowledge, and skill, in order to develop their effectiveness and efficiency in carrying out their work and have the opportunity to grow in both their current work and other work in the future.

*The Financial Statement Ended of December 31, 2018. Notes to the Financial Statement.



Corporate Governance

Goodyear (Thailand) Public Company Limited recognizes the importance of Good Corporate Governance. The Company's Code of Business Conduct established in order to ensure transparency in the operations of employees at every level. The Management of the Company also pushed for a continuous culture of corporate governance in order to build a foundation for sustainable growth and adding value to all stakeholders. (For more information, see Form 56-1)

Corporate Governance Policy

The Company complies with the corporate philosophy addressed in the Company's Code of Business Conduct for the operations of The Goodyear Tire and Rubber Company worldwide. The Company's Code of Business Conduct helps our employees to understand that the Company operates its business with high standards, is committed to honesty, integrity and fairness in order to maintain the Company's good reputation. This Code of Business Conduct goes with the values that the Company adheres to which are to attract, develop, and retain the best corporate team, have efficient operations, create and maintain good relationships with customers, consumers, and business partners, as well as have a sustainable business which exceeds expectations in order to bring good returns. More information, please see at www.goodyear.ethicspoint.com/

Goodyear employees all over the world hold one of Goodyear's important values that is working with honesty, integrity and respecting one another, whether they are making important Company's transactions, attending important meetings or even attending non-formal business seminars.

Moreover, as an affiliated company of The Goodyear Tire and Rubber Company, an American Company, the Company is required to comply with the Sarbanes Oxley Act (SOX), in regard to high ethical standards and oversight of financial reporting.

To achieve the Company's objectives, be responsible for one's performance of responsibility, create transparency based on integrity, enhance the sustainable competitiveness of the business and increase the confidence of stakeholders, the Board of Directors has the following policy for corporate governance:

1. Operate in a way that is transparent, verifiable, and discloses adequate information to all parties involved.
2. Manage carefully with the top of our ability in order to maximize the benefits for shareholders.
3. Establish a control system and risk management by operating carefully and assessing risk, creating strategy, correcting, and monitoring risk management at all time.
4. Treat shareholders and stakeholders equally and fairly to all parties.
5. Clearly establish roles and responsibilities for the directors of each committee.
6. Support executives and employees to operate the business ethically, correctly and legally.

The Company listed on the Stock Exchange of Thailand on July 25, 1968. The Company's Board of Directors and executives have a policy to conduct business in a transparent manner, adhere to morality, and be in the framework of the law, which includes the framework of the Company's corporate governance. Therefore, the Company implemented corporate governance guidelines in order to be transparent, verifiable, and disclose adequate information to all parties involved. The results of the implementation of good corporate governance principles for listed companies in 2018 are as follows:



Section 1: The Rights of Shareholders

The Board of Directors are aware of the importance of shareholders' rights and respect the rights of shareholders. The Company has complied with the corporate governance policy by considering the following rights of shareholders.

Shareholding Structure

The shareholding structure between companies is clear and transparent. The names, number of shares, and the shareholding percentages of the major shareholders of the Company and its subsidiaries disclosed in Form 56-1 and in the Annual Report.

Promoting the Exercise of Shareholders' Rights

The Company has procedures to maintain and protect the rights of shareholders from the step of setting up good corporate governance policy by taking into account the shareholders' rights and encourages shareholders to exercise such rights. This includes the basic rights of the shareholders after trading securities and the rights to receive dividends. The Company provides supervision and coordination between the shareholders and the registrar of Thailand Securities Depository Company Limited – TSD, organizes the agency responsible for answering questions, and facilitates the registration of shareholders. In addition, the Company promoted and encouraged shareholders to have a role in the Shareholders' Meeting, which includes the rights to attend meetings, the rights to vote and express opinions so that shareholders can participate in the consideration of important matters. The Company also has a policy to facilitate and encourage shareholders and institutional investors to attend the Shareholders' Meeting.

Facilitating the Shareholders' Rights to Attend the Shareholders' Meeting and Supporting the Shareholders' Rights to Vote

The Company facilitated shareholders to attend the meeting and to exercise their rights fully to attend the meeting. No action took to limit the opportunity to attend the meeting. At the Annual General Meeting of Shareholders, the Company provided information and details regarding the venue, date and time of the meeting, also provided the complete agenda items or matters that would be decided at the meeting. The Company sent meeting invitations and all relevant documents to every shareholder and the registrar no less than 14 days prior to the meeting date and announced the meeting in the local newspaper for three consecutive days, at least 3 days prior to the meeting date of the Annual General Meeting of Shareholders.

The Company provided opportunities for shareholders to propose agenda items and send any questions that they would like the Company to clarify regarding agenda items to the Company prior to the meeting date. On the meeting date, the Company stipulated that all members of the Board of Directors and sub-committees be required to attend the meeting in order to answer any questions at the Shareholders' Meeting. All comments and queries recorded in the minutes so that the attending shareholders could easily check later. Moreover, shareholders given opportunities to exercise their rights to attend the meeting and ask questions. The Company's directors clarified the questions on the meeting date according to the specified agenda item and shareholders voted for the approval of every agenda item. The Company disseminated the resolutions through the Company's website and the website of the Thailand Stock Exchange within 14 days from the meeting date.



Section 2: The Equitable Treatment of Shareholders

The Company treats shareholders equitably in order to build shareholders' confidence. The Company allocates the meeting time and gives shareholders an equal opportunity to express opinions, ask questions, and use their rights to choose directors. Shareholders have the rights to assign a proxy to attend meetings and cast votes on behalf of the shareholders. Shareholders are able to choose independent directors as their proxy at the Annual General Meeting of Shareholders. The Company attached the biography of the independent directors together with the notice of the Shareholders' Meeting. During the meeting, the Company provided shareholders with ballots for each agenda item in order to be transparent and verifiable in case there were any subsequent arguments. In regards to appointing Company directors, the Company gave the opportunity for shareholders to exercise their rights to appoint individual directors.

The Shareholders' Meeting

The Company realizes that the Shareholders' Meeting is a channel for shareholders to exercise their rights to make verifications and control business operations. As a result, the Company promotes the Shareholders' Meeting to encourage shareholders to exercise their rights and all shareholders be treated equitably. In 2018, the Company held one Shareholders' Meeting, the Annual General Meeting of Shareholders, on April 25, 2018. The Board of Directors supervised the implementation of the Shareholders' Meeting procedures by providing the meeting invitations, the date, time, and meeting place as well as the details of the meeting's agenda items to shareholders. The Board of Directors held an appropriate Shareholders' Meeting, used a sufficient amount of time, and all shareholders had an equal opportunity to make inquiries, comments and recommendations. In addition, the Company kept the minutes of the Shareholders' Meeting approved by the Meeting of the Shareholders in a safe and orderly manner, and verification was easy to make.

Provision of a System that Prevents and Monitors the Use of Internal Information

The Company's Board of Directors give importance to setting up a prevention system and monitoring the use of internal information in order to prevent taking advantage of the use of internal information for the benefit of trading securities. The guidelines established to keep and prevent the use of internal information and the whole corporation is required to follow.

In addition, the directors and executives acknowledge their duties and responsibilities to prepare and disclose the Company's Securities Holding Report to the Office of the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act BE 2535.

Section 3: Taken into account the Role of Stakeholders

The Company recognizes the rights and roles of stakeholders both inside and outside the organization. The Company determined the Code of Business Conduct policy towards stakeholders and the equitable legal rights of different stakeholders in writing for the Board of Directors, executives and employees of all levels to comply. Stakeholders can access the Code of Business Conduct at www.goodyear.ethicspoint.com.

The Company required the directors, executive directors, and the management, as defined by the Securities and Exchange Commission and the Stock Exchange of Thailand, to make a Report of the Interests for themselves and any related parties when holding or changing a position. The information will be reviewing annually according to the criteria and the procedures of the Report of the Interests of Directors and Executives as required by the Securities and Exchange Commission and the Stock Exchange of Thailand.



Shareholders

The Company's policy is to care for the shareholders' rights in regards to receiving information, having the rights to vote and the rights to fair treatment that shareholders should have. In addition, the Company continues to have good performance in order to increase the value for shareholders who receive a satisfactory return. The Company has a clear shareholding structure and there is no account of cross-shareholding. The Company has a policy to take no action in preventing or creating obstacles for shareholders to communicate with one another and shall not neglect to disclose any information on the Shareholder Agreement, which significantly affects the Company, or other shareholders (if any). In regards to the approval of the connected transactions, the Audit Committee is required to make a consideration in accordance with laws and regulations, with reasonableness and for the maximum benefit of the Company prior to submitting them for the approval to the Board of Directors. Directors who are stakeholders must abstain from approving these transactions, which includes overseeing connected transactions. The acquisition and disposal of assets must strictly comply with the rules set by the Stock Exchange of Thailand.

Employees

The Company believes that employees are one of key factors contributing to the success of the organization. As a result, the Company is dedicated to developing various factors to be an organization of learning, supporting culture, and promoting teamwork. The Company also gives fair returns in accordance with the Company's short-term and long-term performance, namely, bonuses, long-term funds, and provident funds that are compatible to similar markets and industries. Social security, compensation funds and first aid are providing according to the requirements of the law. The Company's employee benefits are also providing such as group life insurance, accident insurance, disability insurance, health insurance, provident funds, funeral funds, transportation, etc. The Company gives importance to the development of the employees' capabilities; the transfer of knowledge, THE Company listens to employees' feedback and suggestions.

Customers

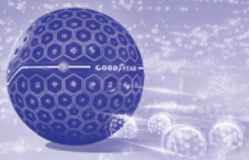
The Company cares for and is responsible for consumers by producing high quality products that meet standards and are able to respond well to customers' needs. The Company focuses on the importance of quality products and services, reasonable prices, and being ready to deliver products on time.

Trade Partners and Creditors

The Company has a policy to treat its trading partners and creditors fairly, especially in terms of selecting trade partners. The Company makes fair selections based on the work regulations that have been clearly determined. For example, the selection of new partners, the assessment of partners, price comparison prior to purchasing order, etc. This includes compliance with laws and trading conditions as agreed upon in a contract. Over the past year, the Company did not have any disputes with its trading partners or creditors.

Competitors

The Company has a policy to treat its competitors fairly and complies with competition law. The Company also makes in-depth studies, and analyzes the Company's competitors in accordance with the laws and the highest ethical standards.



Community, Society and the Environment

The Company paid great attention to environmental protection by taking responsibility for and caring for the environment without causing any effects to the environment of the community and society.

Anti-Corruption Policy

The Company set policies and practiced guidelines in regard to anti-corruption and bribery. An annual online training is hold for operational level employees and the executives. This policy was determined in accordance with the United States Foreign Corrupt Practices Act (FCPA) and the Thai Bribery Act that

“No dealer, agent, or distributor of Goodyear is allowed to offer or give or accept or receive money in any way that is inappropriate. This includes offering, giving, receiving, or accepting anything of value to or from any person anywhere in the world in order to obtain or maintain business or to seek any inappropriate advantage. Goodyear is willing to lose any business opportunity if that business opportunity is earned by giving money inappropriately or illegally, giving bribes, gifts, refunds for discounts, money under the table, or any similar incentives.”

The Board of Directors follows up with internal assessments of the internal auditor as stated in the anti-corruption policy through the Audit Committee’s Report at every meeting.

The Company declared intention against corruption by joining the Private Sector Collective Action Coalition Against Corruption (CAC) in 2018. The Company is working on the certification process.

Reporting Clues or Complaints

The Company provides a central complaint channel at www.goodyear.ethicspoint.com in order to receive notifications, complaints or suggestions from stakeholders affected by the Company’s operations. All shareholders and stakeholders can contact the Company to make complaints regarding suspected contradictions or any contradictions against the Code of Business Conduct. The Company will maintain the secrecy of the information and the informant protection. Questions and complaints will forward to the relevant agencies for further consideration.

Section 4: Disclosure of Information and Transparency

The Company is aware that important information related to the Company, which includes the Company’s financial information and general non-financial information must disclose accurately, completely, timely and transparently and all stakeholders must be able to access this information easily and equally. The Company disclosed information via various channels such as the Company’s website at www.goodyear.co.th and on the website of the Stock Exchange of Thailand. For example, Form 56-1, the Annual Report and financial statements so that investors and related parties can receive all information through the Annual Report. The Company discloses the roles, duties and responsibilities of all the boards and sub-committees, the number of meetings, and the number of times each director attended a meeting in the previous year and the remuneration policy of the Company’s directors and senior executives. The biography of each director appears in the details profile of the Executive Director, Controlling Persons and the Company Secretary.



Section 5: Responsibilities of the Board

Board Structure

The Board of Directors considered being the heart of good corporate governance. The Board of Directors is comprised of people who have knowledge, expertise and experience that benefit the Company. More than half of the Board of Directors are comprised of people that have knowledge and experience in the tire business directly. This also includes directors who have knowledge and expertise in other fields such as finance, economics, etc. All directors have attended training at least one basic course at the Thai Institute of Directors (IOD). In addition, the term of directors and qualifications of directors has been determined. Shareholders must approve the appointment and removal of directors

The Company balances the powers of non-executive directors by not allowing anyone or any group to make a decision solely in order to create a mechanism for counterbalance and ensure effective management. The Company has nine members on the Board of Directors, which includes five Executive Directors; four Non-Executive Directors are Audit Committee/Independent Director. The Board agreed that this is an appropriate configuration. The Executive Directors are able to provide an in-depth point of view and the Non-Executive Directors are experts in the industry. This causes the comments at board meetings to be creative. The Board of Directors adheres to the overall benefit of the Company when making any decisions.

The Composition of the Board of Directors consists of:

The Board of Directors: The Board of Directors shall have all the qualifications required by law. The Board of Directors shall be experts in various fields in order to combine their knowledge and ability as necessary. They shall be dedicated and sacrifice their time to serve on the Board of Directors. The procedure for the appointment of directors is transparent and clear and the biography of all directors is disclosing. Each time a change of director is made, the newly appointed director will receive the necessary information immediately or at least within three months of the date of appointment.

The Chairman of the Board: The Chairman of the Board is not the same person as the Managing Director. Their duties and responsibilities for determining corporate governance policy and management routines are clearly separating. The Chairman of the Board has the freedom to express opinions and has the rights to cast the deciding vote in a meeting where there is a tied vote in accordance with the Company's Articles of Association.

The Vice Chairman: The Vice Chairman has duties in accordance with the regulations as assigned by the Chairman of the Board. The Vice Chairman acts on behalf of the Chairman when the Chairman of the Board cannot perform his duties temporarily or when the position is vacant.

Independent Directors: The Company determines the qualifications of independent directors in accordance with the requirements of the SEC and the SET in order that the Company's independent directors are truly independent and are suitable with the Company's characteristics.

The Managing Director: The Managing Director shall be appointed and his authority shall be determined by a timeframe and the monetary limitation shall be determined by the Meeting of the Board of Directors. The Managing Director has the authority to carry out various matters in accordance with the resolutions of the Board of Directors. The Managing Director's authority, duties and responsibilities regarding the Company's ordinary business operations must comply with the policy of the Board of Directors and Good Corporate Governance Principles.



The Company Secretary: The Company Secretary shall be responsible for the meeting of the Board of Directors and the Shareholders' Meeting by taking into account the rights and equality of the shareholders, giving advice and supporting the work of the Board of Directors in regard to laws, requirements and related regulations. This includes providing information to the Board of Directors and newly appointed directors for their acknowledgment in order to ensure the implementation of Corporate Governance Principles and to communicate with and care for shareholders appropriately.

Subcommittees

In order to be in line with Good Corporate Governance Principles, the Board of Directors set up two committees to make a consideration and work on specific issues of importance carefully and effectively. The configuration, roles and duties are clearly defining. The two committees consist of:

1. The Audit Committee

In the year 2018, the Audit Committee held four meetings. The Audit Committee has a term of office of three years and reports to the Board of Directors each time, which is in accordance with the charter of the Audit Committee as approved by the Board of Directors. In addition, the Audit Committee prepared the Audit Committee's Report in the Annual Report under the topic Management Structure - Board of Directors.

2. The Nomination and Corporate Governance Committee

In the year 2018, The Nomination and Corporate Governance Committee consisted of three directors and two independent directors. The term of office of The Nomination and Corporate Governance Committee is one year. The Nomination and Corporate Governance Committee held a meeting to consider and nominate a person to be a director in replacement of the director who retired by period and submitted the nomination to the Board of Directors for further consideration according to the criteria for the fair and transparent nomination of directors. The Nomination and Corporate Governance Committee's report is prepared in the Annual Meeting under the topic Management Structure - Board of Directors.

Roles, Duties and Responsibilities of the Board

The Board of Directors shall be aware of the duties of corporate governance for the best interest of the company. The Board of Directors have the roles, duties and responsibilities that must be in accordance with the law, the Company's Article of Association, resolutions of the Shareholders' Meeting, and Good Corporate Governance Principles by performing their duties faithfully, honestly, ethically, responsibly and by disclosing information transparently. This also includes the supervision of management to meet targets and bring maximum benefit to shareholders as well as all stakeholders.

The Meeting of the Board of Directors

The Board of Directors is required to hold a meeting at least once every 3 months by determining the meeting date a year in advance. Special meetings may be held as deemed necessary. In the Meeting of the Board of Directors, the Chairman of the Board of Directors shall convene the meeting and set the agenda as stipulated in the Articles of Association of the Company. The meeting's invitation, the meeting's agenda and the meeting's documents must submit to the directors at least 7 days in advance so that the directors have time to study them in advance.



The Chairman serves as the Chairman of the Meeting and is responsible for overseeing and allocating sufficient time for the discussion of each agenda item, to express independent opinions on important issues by taking into account the interests of shareholders and stakeholders. A quorum in the Meeting of the Board of Directors must consist of no less than half of the total number of directors, a resolution shall be made with a majority vote of the directors that attend the meeting, and one director has one vote.

The Company Secretary is responsible for supporting the duties of the Board of Directors, coordinate with the Board of Directors, organize the Meeting and prepare the minutes of the Meeting within 14 days. The Company Secretary keeps the minutes of the registration of directors, supports the Board of Directors to be able to perform their duties in accordance with the laws, regulations and the resolutions of the Shareholders' Meeting shall be the center for contacting with shareholders. The Company Secretary also makes sure that the organization has Good Corporate Governance and performs the duties as required by law.

The attendance of each member for the Meeting of the Board of Directors in 2018 summarized as follows:

Name	Position	AGM 2018 (No.50)	The Board of Directors Meeting	The Audit Committee	The Nomination and Corporate Governance Committee
		No. of attendance/ Number of Meeting	No. of attendance/ Number of Meetings	No. of attendance/ Number of Meetings	No. of attendance/ Number of Meetings
1. Dr. Dhiraphorn Srifuengfung	Chairman of the Board	1/1	6/6	-	4/4
	Nomination and Corporate Governance Committee member				
2. Mr. Luca Crepaccioli	Executive Director	-	2/6*	-	2/4
	Governance Committee member (Appointed by the Board resolutions from the Meeting No.3/2018 on 3 August 2018)				
3. Mr. Phiphat Vorapipat	Executive Director	1/1	5/6**	-	-
	Governance Committee member (Resigned on 3 November 2017, The Board resolutions from the Meeting No. 4/2017)				
4. Mr. Andrew Cooper	Director	1/1	5/6***	-	-
5. Mr. Michael Martens	Director	-	1/6****	-	-
6. Mr. Wee Hong Kek	Director	1/1	6/6	-	-
7. Mr. Athaporn Khaimarn	Independent Director	1/1	6/6	4/4	-
	Chairman of the Audit				



Name	Position	AGM 2018 (No.50)	The Board of Directors Meeting	The Audit Committee	The Nomination and Corporate Governance Committee
		No. of attendance/ Number of Meeting	No. of attendance/ Number of Meetings	No. of attendance/ Number of Meetings	No. of attendance/ Number of Meetings
8. Mr. Yeap Swee Chuan	Independent Director	1/1	5/6*****	4/4	4/4
	Audit Committee member				
	Chairman of the Nomination and Corporate Governance				
9. Ms. Chanapun Juangroongruangkit	Independent Director	1/1	5/6*****	4/4	4/4
	Audit Committee				
	Nomination and Corporate Governance Committee				

Remarks:

*Mr. Luca Crepaccioli appointed as the Board of Directors on 3 August 2018 replacing Mr. Finbarr Roland O'Connor who resigned from the Board of Directors on 25 June 2018.

**Mr. Phiphat Vorapaipat absent from the Board of Directors Meeting no. 6/2018 due to urgent business trip.

***Mr. Andrew Cooper absent from the Board of Directors Meeting no. 6/2018 due to urgent business trip.

****Mr. Michael Martens appointed as the Board of Directors on 3 August 2018 replacing Mr. Oliver Gloe who resigned from the Board of Directors on 11 May 2018.

*****Mr. Yeap Swee Chuan absent from the Board of Directors Meeting no. 6/2018 due to urgent business trip.

*****Ms. Chanapun Juangroongruangkit absent from the Board of Directors Meeting no. 6/2018 due to urgent business trip.

The Performance Evaluation of the Board of Directors

The Board of Directors recognizes the importance of self-assessment. This uses as a framework for monitoring the work of the Board of Directors to be in line with Good Corporate Governance Principles. In 2018, the Board of Directors approved the self-assessment of the entire Board of Directors one time in order to monitor the work of the Board of Directors and to improve the Board to be in line with the Company's policy. The topics are as follows:

Part 1: Directors' Self-Assessment Evaluation Form

Part 2: Performance of the Board of Directors Evaluation Form

- (1) The Structure and Qualifications of the Board
- (2) The Roles, Duties and Responsibilities of the Board
- (3) The Meeting of the Board of Directors
- (4) The Work of the Director
- (5) Relationship with Management
- (6) Self-Development of Directors
- (7) Monitoring the Process of Financial Reporting and Internal Control
- (8) Compliance with Business Ethics



The results of this evaluation as well as the suggestions and additional comments received from the performance evaluation of the Board of Directors will be taking into consideration in order to improve the performance in various areas to support the work of the Board of Directors to be more effective.

Business Ethics

The Company prepared the Code of Ethics for the Board of Directors, management and employees to be uphold as a guideline for performing the duties in accordance with the Company's mission with integrity and uprightness in regard to the treatment of the Company, all stakeholders and society.

Directors and Management Remuneration Policy

The Company has defined clearly and transparently the remuneration policy of the Company's Directors at an appropriate level, which is line with the industry. The remuneration is adequate to attract and retain qualified directors and the remuneration must be approved at the Shareholders' Meeting.

Executive Remuneration: The Company follows the principles and policies set by the Board of Directors, which links to the performance of the Company and the performance of each executive. Currently, the Company does not have a Remuneration Committee, however, there is an appropriate remuneration process using remuneration data of companies in the same industry and of similar size. The Company's performance is also considered. (See the details of the remuneration of directors and management.)

Development of Directors and Management

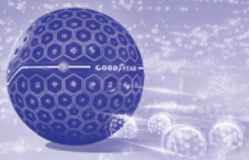
Each newly appointed director will be adequately informed of the Company's information, regulations and business information relevant to his/her duties as a director. On top of that, the Board of Directors encourages directors to develop their knowledge of their duties by agreeing that directors should receive at least one basic training course from the Thai Institute of Directors Association (IOD).

Succession Plan

In regard to the succession plan and the recruitment of senior executives, the Board of Directors and the Management are aware of operations to ensure that the Company is able to select responsible personnel for management positions. A concrete process and action plan will be organizing in accordance with the principles of Human Resources.

Control System and Internal Audit

The Company attaches great importance to the internal control system at the management level and the operational level in order to be effective. The Company has clearly defined the duties, and the authority of the operators, the Board of Directors, executives in writing. There is control over the use of the Company's assets to be beneficial and a separation of duties among those who operate, monitor and evaluate in order to have balance and proper check one another. In addition, there is also internal control over the financial system. The Company has set up a financial reporting system, which is presenting to the executives who are responsible for that field.



The Audit Committee reviewed the internal control system of the Company. The Audit Committee considered and reviewed along with Company's management and is of the opinion that the Company has an adequate and appropriate internal control system.

The Company appointed PricewaterhouseCoopers ABAS Limited to be responsible for internal auditing of the Company. The office of the Company Secretary is the coordinator on different matters in order to ensure that the Company's core operations and financial activities are implementing in accordance with established guidelines. This includes reviewing the compliance with laws and regulations related to the Company and ensuring this external company is independent and able to fully checks and balances. Therefore, the Board of Directors require that the auditing company report the results of the audit to the Audit Committee directly and determine the scope of the audit together with the Audit Committee.

Conflicts of Interest

The Board of Directors shall be aware of conflicts of interest, connected transactions, and carefully review the appropriateness every time in compliance with the regulations of the Stock Exchange of Thailand. The price and conditions shall be as if making a transaction with a third party and the details, value, reasons/necessity shall be disclosed every time a transaction occurs. The Company provides a Code of Business Conduct, which includes details about how Goodyear employees shall behave as employees and executives. This covers the law, ethics and Company policies.

In case that there is any behavior that suspected to be a violation of any laws, ethics or Company policies, a report must be made. The Company organized a channel to disclose information at www.goodyear.ethicpoints.com. The Company provides training and promotes compliance with the Code of Business Conduct in the form of online training in order to promote the importance of employees and all executives following these manuals.

In 2018, the Board did not receive any reports regarding conflicts of interest. Therefore, it did not present to the Audit Committee to consider for any special opinions.

Use of Insider Information

The Company recognizes the importance of protecting the use of insider information. Employees at every level of the Company must use insider information carefully. The Company's information and documents must be kept and not be disclosed to third parties. Insider information must only be used within the framework of the assigned duties and responsibilities.

The Company's directors, executives and employees are prohibiting from using the Company's insider information for their own personal benefit. Insider information must disclose only to related persons such as the auditor or legal counsel. Important information will disclose to shareholders in accordance with the rules and regulations of the Stock Exchange of Thailand.

The Company has established a policy to avoid trading securities using insider information in the Company's Code of Conduct. This summarized as follows:

- Executives, employees, and family members or agencies that are aware of insider information must not disclose important internal information about Goodyear to third parties or persons who are not involved.
- Executives, employees, family members or agencies that are aware of insider information are prohibiting from using this information to obtain personal financial benefits or disclose this information for the financial benefit of others.



- Employees, residents, family members or agencies that are aware of insider information are prohibited from trading Company securities or leading others to purchase, sell or transfer Goodyear securities for themselves or for the benefit of members of their own family for a one-month period prior to the public disclosure of Goodyear's important information such as quarterly earnings or annual earnings.

In the past year, the Company did not receive any reports or complaints about any offenses nor was there any punishment for those who did not comply with the measures to prevent the use of insider information of directors, executives and related persons.

Auditor's Remuneration

The Audit Committee reviewed the approval of the Company's three auditors based on the performance, the auditors' independence, and the audit fees of the auditor at Meeting No. 1/2018. The Shareholders' Meeting No. 50 approved this on April 25, 2018. The following persons from the PricewaterhouseCoopers ABAS Company Limited were approved appointment as the Company's auditors for the year 2018. One of the following public accountants shall be the auditor and provide opinions on the Company's financial statements.

Name of auditors	Certified Public Accountant Registration No.	Years of Company's certification during the past 5 years
1. Mr. Chaisiri Ruangritchai	4526	2 years (2017-2018)
2. Mr. Prasit Yuengsrikul	4174	
3. Miss Varaporn Vorathitikul	4474	

Auditor's fee	Year 2018
Audit Fees	1,900,000 Baht
Other Services Fees	-None-

Supervision of the Operations of Subsidiaries and Associated Companies

The Company does not have any subsidiaries or associated companies. Thus, there is no disclosure for this section.

New Corporate Governance Code implementation

The Company has reviewed the Corporate Governance Policy, developed from the 2012 Good Corporate Governance Principles for Listed companies in aligning with the guideline set by the Stock Exchange of Thailand, and the 2017 Corporate Governance Code for Listed Companies as prescribed by the Office of Securities and Exchange Commission. As of December 2018, the Company is on the process of reviewing the Corporate Governance Policy to be aligning with the new Corporate Governance Code. The Corporate Governance Committee proposed to the Board of Directors for acknowledgement same.



Risk Factors

Business Risk factors

1. Financial Risk

The Company faced significant financial risk that included exchange rate risk, interest rate risk and credit risk. Exchange rate risk is due to the Company has revenue from exports and overseas purchasing lists in foreign currencies. Interest rate risk arises from cash and cash equivalents deposited with financial institutions and other investments. Credit risk arises from credit sales and deposits with financial institutions.

The Company does not have a policy to use financial derivatives to manage risk from foreign exchange rates fluctuations. However, the executives may consider using forward exchange contracts to hedge against possible foreign exchange fluctuation risk in certain cases.

The Company received interest from cash, cash equivalents, and short-term investments. Therefore, the Company managed interest rate risk by depositing cash, cash equivalents and investments that are subject to different maturity periods and interest rates.

The Company has no concentrations of credit risk from accounts receivable. Since the Company has a large number of customers that include manufacturing customers, distributors and consumers, the Management believes that there is no risk in granting credit to accounts receivable because the amount reserved for debt repayment is higher than the credit granted.

The Company has no concentrations of credit risk associated with its cash and cash equivalents. The Company makes deposits with several reliable financial institutions. The Company's policy is to limit the risk by distributing deposits, not limiting deposits to one financial institution and for excess cash to invest in low-risk investments or highly reliable investments that are due within 90 days. The Company has never suffered any loss from such investments.

2. Raw Material Risk

The Company procures raw materials for production both domestically and internationally. Natural rubber, synthetic rubber, carbon black, polyester and chemicals are important raw materials in automotive tire production. Each raw material is procurement from both domestic and foreign manufacturers. However, the Company set a policy regarding raw material procurement and assessment, the systematic management of raw materials, the preparation for raw material shortages and the volatility of raw material prices. The Company partnered with Goodyear's affiliated companies in ASEAN countries to prevent and manage the risk of raw material shortages and the volatility of raw material prices. This collaboration ensures the Company's confidence in the preparation plans that deal with problems and risk and this collaboration also creates confidence that the Company can handle raw material shortages, which will reduce damage to the Company's production.

3. Market Risk

A. Original Equipment Market (OEM)

Market risk in the Original Equipment Market varies according to the automotive industry. The demand for OEM tires depends on the volume of production of automotive manufacturers with domestic production base.



Although this market is not as profitable as the replacement market, it is important for Goodyear Thailand, as consumers are likely to use the same brand and the same type of tire that the vehicle was originally equipped with when they change tires.

In addition, the uncertainty of domestic automobile sales may affect the overall tire demand in the future. Goodyear has already assessed the risks and mitigated it securing an increasing number of OE homologations for the next years.

B. Replacement Markets

The demand for tires in the replacement market depends on the volume of automobiles that still being been used. This has a continuous growth rate each year. Goodyear's main revenue comes from the sale of tires in the replacement market, which yield higher profit margins than the OEM market. Therefore, the replacement tire market is highly competitive.

In addition, the number of tire manufacturers and distributors in Thailand has increased. This has also created higher competition. In particular, secondary tires and tires from China have entered the market at a very competitive price. This has made competition in the market more intense. Another factor is the price of raw materials, which is the main factor in price strategy. Risk factors from political uncertainty are also expecting to be a key factor affecting the growth of the market in 2019.

Due to uncertain market conditions, Goodyear will continue to expand distribution channels, to increase brand awareness, and to maintain flexibility to be able to adjust plans according to situations in order to build and maintain relationships with existing customers and new customers.

Goodyear has focused on enhancing its brands and products in terms of innovative quality and safety. As a result, Goodyear has launched new products, increased communication with consumers and dealers and launched better sale campaigns. In addition, the Company recognizes that Goodyear's high-quality products coupled with high quality service in order to provide customers with the highest overall satisfaction. To manage this risk, the Company will focus on expanding its network of Goodyear Autocare Service Centers, which sells primarily Goodyear products.

C. Aviation Tire Market

Risk factors in the aviation tire market in regards to export markets are associated with the economic conditions of Europe and the Americas and these economic conditions may affect the volume of flights. However, in the Asia Pacific region, the aviation industry is steadily growing. The increase in the number of aircrafts in China, Indonesia and India has helped compensate for exports in other markets.

4. Risk of Securities Investors

The Goodyear Tire and Rubber Company is registered and located in the United States and is the major shareholder of the Company, who holds 66.79% of the Company has issued shares. Therefore, the Company is under the control of The Goodyear Tire and Rubber Company in regards to the Company's operations and management. The Company relies on The Goodyear Tire and Rubber Company cooperation in production technology, raw material technology, product development, product distribution, information technology and administration. Because of this reliance, the Company has risk regarding the continued business operations if there is a change to the Company's major shareholder.



Corporate Social Responsibility

Corporate Responsibility

Corporate responsibility is an integral part of Goodyear's business strategy. We focus on several important areas, including our people, products, communities, and the environment, that help us drive sustainable business outcomes.

Goodyear's commitment to the community is paramount to the Company's operations and is the Company's main goal in order to help create strong and effective communities in the area that Goodyear's factories and offices are located. As a result, Goodyear's next mission is to be a global business that is socially responsible wherever we conduct business. As a socially responsible business, Goodyear cooperates with various organizations in order to seek opportunities to make a stronger community, economy, education and society. Goodyear's employees play an important role in promoting change at the community level. An increasing number of employee volunteers promote good social activities in the communities surrounding Goodyear's factories and offices.

The Company implemented corporate social responsibility in the following four main areas.

Personnel

Reflecting the operational guidelines with fair operations, respect for human rights and fair labor practices. The Company supports a culture of safety and a good quality of life while employees are at work or after work, which is in harmony with Goodyear's policy learning that requires employees to act with honesty and respect one another.

Products

Reflecting the operational guidelines with fair operation and responsibility to consumers. The Company's products are high quality and highly innovative in order to meet customers' needs and be the leader in the chosen target market. These are the Company's main strategies, which is to create sustainable economic growth that will result in a strong growth of the Company.

The Environment

Reflecting the operational guidelines regarding environmental maintenance and participation in community or social development. The Company takes part in stimulating environmental responsibility towards the Company's customers, employees, shareholders, community and partners. The Company's activities reflect the Company's responsibilities, which are in accordance with the Company's objectives for sustainable growth.

The Community

Reflecting the operational guidelines regarding treatment and participation in community or social development, Goodyear supports and campaigns for safety, children and families, education and hygienic services that are consistent with the values held by the Company.



The Company continued to develop its operational model in order to move toward being an industry leader that benefits the Company's employees, customers, shareholders, partners, community and environment. The Company takes into account the following eight rules of Corporate Social Responsibility according to guidelines set by the Stock Exchange of Thailand.

- 1) Conducting business fairly and ethically
- 2) Anti-corruption
- 3) Respect for human rights
- 4) Fair labor practices
- 5) Responsibility to the consumer
- 6) Environmental care
- 7) Participation in community and social development
- 8) Innovation and dissemination of innovation, which results from the Company's responsibility to society, the environment and stakeholders

1) Conducting Business Fairly and Ethically

The Company emphasizes conducting business fairly and ethically that the Company has been practicing accordingly by treating partners equitably, fairly, honestly and respecting intellectual property rights, promoting political rights, and upholding commitments to all stakeholders fairly and equitably.

Groups of stakeholders that the Company attaches importance to:

- Employee
- Community
- Dealers and Consumers
- Government Sector
- Shareholders
- Raw Material Suppliers
- The Media
- Non-Governmental Organizations

The Company has an ethics policy, which links to the Company's mission to be a leader in integrity through a covenant of integrity and by clearly communicating the policy with Company employees at all levels in order to maintain the highest ethical standards.

Code of Business Conduct Manual

Goodyear has prepared a Code of Business Conduct manual for Goodyear employees around the world in 26 languages. This manual compiles Code of Business Conduct standards and laws related to business operations. All employees of the Company must be aware of, understand and comply with these policies and code of conduct. Company employees receive training regarding the content of this manual from the time employees begin working at the Company. This includes learning to report concerns to the Company. Company's associates must go through training every year



Supplier's Code of Conduct Manual

Besides the Company, Goodyear requires those who conduct business with Goodyear, whether suppliers, contractors or other business entities, to read, and understand Goodyear's Code of Business Conduct and carefully comply with this Code of Conduct as stated on the Company's website. Specifically, suppliers must certify that they will comply with this Code of Conduct, which covers environmental protection, conflicts of interest, hygiene, safety, giving gifts, child labor and human trafficking.

Training of the Company's Code of Business Conduct

Goodyear continued to train employees around the world about the Company's Code of Business Conduct. The training focuses on operations that are in accordance with the Code of Business Conduct and Anti-Corruption Policy, which includes a risk assessment process regarding outsiders who conduct business with the Company. Employees who encounter or suspect that they have come across a violation of the Company's Code of Business Conduct are required to report the incident to the Company's Ethics Hotline, which is a toll-free number, available 24 hours a day, 7 days a week or report the incident via the internet. Employees can choose to reveal their identity or remain anonymous. All complaints will be verified and if confirmed that there is a real violation, the offender is disciplined appropriately. Goodyear provides protection to the complainants that there will be no retaliation of any kind.

2) Anti-Corruption

Policies and Guidelines, which Protect against being involved in Corruption

Goodyear's anti-bribery policy is set out in Goodyear's Code of Business Conduct. The policy prohibits Goodyear's employees, partners, or dealers from giving, receiving or accepting payments or inappropriate items of value to or from any person. The policy prohibits giving bribes or gifts, and receiving refunds, money, bribes, or other similar inducements in order to obtain or maintain business or an unfair business advantage. The Company will withdraw from any business opportunity acquired by improper or unlawful payments. The Company is required to comply with the Foreign Corrupt Practices Act (FCPA), which applies to directors, executives, employees, and dealers, which includes U.S. citizens or those who reside in the United States and those who work in foreign subsidiaries of U.S. companies. The Company established Goodyear's Integrity hotline in order to report any suspicious conduct or violations of the Company policies, laws or regulations at www.goodyear.ethicspoint.com.

The Company's employees and executives are required to receive annual training on this anti-bribery policy based on the online course that the Company established. This includes consistently communicating with employees through monthly employee meetings so that employees are continuously aware of the policy. According to this policy, the Company requires a Due Diligence Checklist to assess the risk of its partners, dealers, consultants or outsiders who act on behalf of the Company whether there is risk in the business operations or should monitor for the anti-corruption policy or bribery. The Company's Board of Directors is responsible to ensure that the Company complies with such policies and laws in regard to prohibitions against bribery and anti-corruption. The Board of Directors assigned the Audit Committee to review the Company's internal controls and the Internal Audit Report, which includes a review of the Company's external auditor who had been approved by the Shareholders at the Annual Meeting. In 2018, the Internal Auditor reviewed the Company's expense disbursement system, the control systems under the Sarbanes Oxley Act (SOX) of the United States (Internal Controls), and the compliance with laws and Company policies.



3) Respect for human rights

The company aims to promote and give importance to respecting human rights. Respect for the dignity of every human being by treating stakeholders, whether employees, communities and society around them. With respect to human values and not violating basic rights are an important foundation of human resource management and development. This is linked to the business in the form of value added that is an important factor of business in creating benefit and increasing productivity.

Implementation Guidelines

- 1) The Company promotes the regulatory compliance of human rights, which covers joint ventures and partners.
- 2) The Company protects employees' personal data. The disclosure or the transfer of employees' personal information to the public will only happen with the approval of the employee.
- 3) The Company promotes and gives opportunities to employees, the community and society to participate in expressing their opinion if there are any infringements of rights.

Discrimination

The Company has a policy against all forms of violence and maintains a workplace that is free from harassment and unlawful discrimination due to race, skin color, religion, sex, pregnancy, age, disability, or any other kind of differences. Employees that have been harassed and illegally discriminated against have the rights to report such harassment to Human Resources or the person in charge of the workplace. All reports must be properly investigated and considered.

Employment

Employees of the Company must be willing to work voluntarily. The Company prohibits any form of forced labor or human trafficking.

Child Labor

The Company has a policy against illegal labor. Child labor and exploitation of child labor are prohibited. Moreover, the Company supports student internship programs and other projects in the same manner as required by law.

Freedom of Association

Employees have the right to join any organization (such as a labor union) or withdraw from participating in an organization. All employees have the right to join labor unions, which was legally established and they have the right to participate in an agreement on employment conditions. The Company supports open communication as well as consideration from all parties. Therefore, the employees will not be dismissed, threatened, or discriminated against for joining a legitimate labor union.

Working Hours and Wages

The Company complies with laws and regulations regarding wages and working hours.



Workplace Safety

The Company continually gives importance to employee health care and safety by reducing the likelihood of accidents, injuries or health risks to employees in the workplace.

Lactation Room

With the increase in the number of female employees returning from maternity leave, Goodyear Thailand recognizes the importance of safety, hygiene and privacy for pumping breastmilk in the workplace for employees who have recently become mothers. The Company provided a lactation room for these employees to pump breastmilk. This room is equipped with a refrigerator to keep breastmilk, a sink, tables and a sofa. From an employee survey regarding the lactation room, the results found that most employees were greatly satisfied that the Company had placed an importance to this matter. This included both men and women who did not return from maternity leave.

Company Partners

Goodyear chose to conduct business with partners that uphold labor standards at the same level as the Company.

4) Fair Labor Practices

The Company treats employees fairly in regard to employment and does not violate fundamental rights, suitable payments, welfare provision that meets employees' needs, and the development of employee potential in aligning with corporate values.

The Company is aware of and gives importance to fair labor practices, respects and complies with laws and ethics principles without discrimination and does not use forced labor or child labor. Employees also have freedom of association. The Company has taken into account the health and safety of employees. Thus, improving working environment, giving good quality of life, giving opportunities to employees to show their potential and giving all employees equal opportunities to practice and improve their skills are the corporate values that the Company has upheld long-term and continuously.

1) The Company attaches importance to employment without discrimination. The Company does not use differences in race, religion, sex, age, disability, national status, educational status or educational institution as factors in determining and judging employment.

2) The Company treats employees fairly in terms of rewards, appointments, relocation and potential development as well as morality development in order to enable employees to be capable and become a good person in society. For example, giving appropriate remuneration based on capabilities, caring for and treating pregnant women by considering their health and safety.

3) The Company is attentive to the safety and hygiene of its employees and its stakeholders. The Company aims to promote and instill consciousness a sense of security, occupational health and a safe working environment. The Company's goal is to prevent any loss caused by accidents or illnesses at work. This was done by preparing a workplace accidental prevention plan, promoting participation, eradicating dangers and continually making improvements in order to create a safe working culture for employees at all levels and stakeholders.



5) Responsibility to the Consumer

The Company has a policy to promote customer satisfaction. The Company sells quality products and services in accordance with international standards and fair prices. The Company places an importance on being attentive to customer feedback by responding to customers' needs and expectations in a timely and appropriate manner As well as using the information necessary to develop quality and service in order to build confidence in the Company's products and services.

6) Environmental care

Environment, Occupational Health and Safety

The mission that the Company adheres to is to maintain the environment and community, support good occupational health and safety at work and outside of work. As a global enterprise, the Company operates its business with ethical standards and strictly abide by the laws.

In regard to operations, the Company gives importance to improving the quality of life of its employees, families, communities and society as well as protecting the environment in order to achieve sustainable economic development. The Company's desire is that employees work in a safe and secure working environment. Thus we

- Comply with regulations and laws regarding safety, occupational health and the environment. This includes regulatory compliance with Goodyear's standards regarding safety, occupational health and the environment, which have been set for global operations.
- Develop business operations in order to build standards for safety, occupational health and the environment. The Company's aim is to reduce the impact on the environment while improving the efficiency of operations in order to increase the stability in production and products.
- Always take into account the impact on the environment, safety, and occupational health while making decisions and conducting business.
- Deliver safe products when stored properly and create understanding among partners on how to use each product throughout the life of each product.
- Reduce environmental impact and power consumption by reducing water usage, waste, weather conditions, limiting gas emissions as well as reusing, recycling and saving energy throughout the life of the tire.
- Support and educate employees about environmental awareness and energy conservation ideas. Keep the workplace safe and hygienic.
- Publish an annual report on the goals and achievements regarding safety, occupational health and the environment.
- Achieving the shared responsibility to the environment of the Goodyear employees around the world

7) Participation in Community and Social Development

The Company is committed to being a good member of society and conducting business with an awareness of social responsibility by sharing part of the Company's profits in order to give back and build the community and society which makes the business, community, and society grow sustainably together through various activities and projects.



Social and Environmental Activities

Goodyear Thailand conducts business by taking into account social responsibility in which Goodyear has a working group that works specifically on social responsibility. In 2018, Goodyear organized activities that benefited society and the environment as follows:

- Continuing Youth Development Program by providing professional training, donating appliances and doing voluntary work for the community at Thanyaporn Home for Girls.
- Collaborating with National Science Technology and Innovation Policy Office in order to operate the Work-Integrated Learning Project (WiL).
- Organizing activities to raise awareness on safe driving during the New Year and Songkran holidays.

8) Innovation and Dissemination of Innovation from the Company's Social and Environmental Responsibility and Stakeholders

Goodyear has brought excellent innovation, product development and business innovation that can create benefits as well as increased competitiveness and create additional value for business and society while simultaneously being responsible to society, the environment and stakeholders.

Business Operation that affect CSR

Goodyear had no complaints prior or by the year 2018 from the environmental community. The Company issued a letter to check for complaints at Pathumthani Provincial Industry Office and Klong Luang municipal office.

Legal Disputes

-none-



Internal Control and Risk Management

Internal Control and Monitoring

Opinion of the Board of Directors on the Company's Internal Control System

In 2018, the Board of Directors assessed the adequacy of the internal control system in accordance with the adequacy of the internal control system, which included risk management that was provided on the website of the Securities and Exchange Commission, and passed the review of the Audit Committee and the Nomination and Governance Committee. The Committees agreed that Company has an adequate and suitable internal control system, which has been practiced regularly. The summary is as follows:

- (1) Internal Control
- (2) Risk Assessment
- (3) Control of Operations
- (4) Information and Communication Systems
- (5) Follow Up System

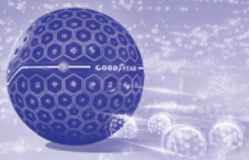
(1) Internal Control in the Organization

The Company systematized the organizational structure and set up appropriate authority, duties and responsibilities to be in line with the business conditions and efficient operations. The Company set policies, goals and plans by taking into account the fairness to partners, customers, society and the environment through the Board of Directors. The Board of Directors are independent from the Management and have the responsibility to ensure that policies are complied with by setting clear, measurable business goals in order to achieve the set objectives and long-term benefits of the Company as well as all stakeholders. This includes the values and ethics of the organization.

The Company gives importance to the establishment of the Company's internal control system and emphasizes on effective supervision. The Board of Directors assigned the Audit Committee to oversee and review the appropriateness and effectiveness of the internal control system in order to ensure that the Company's internal control system was adequate and appropriate to protect the Company's assets and prevent the illegal exploitation of executives. The information was sufficiently disclosed to ensure transparency and accountability in accordance with good corporate governance practices for the greatest benefit of the shareholders based on the fairness of the interests of all stakeholders.

The Company believes that the internal control system is sufficient to protect the Company's assets and any risk that may arise because of the misuse of authority or the insufficient authority of the Executives. The Company does not find any defect related to the internal control system. The Company has an effective internal control system at both the management level and operational level. Therefore, the Company clearly set the duties and the authority of operations of the executives in written form.

The Board of Directors is responsible for the financial statements of the Company. The financial statements were prepared in accordance with Thailand's generally accepted accounting standards. The Company always complies with accounting policies, prepared its financial statements with caution and disclosed sufficient information in the notes of the financial statements. The Company maintained an effective internal control system to ensure that the accounting records were accurate,



complete and adequate in order to maintain assets and identify weaknesses to prevent any fraud or significant unusual conduct.

In this regard, the Board of Directors appointed an Audit Committee, which consisted of non-Executive Directors to be responsible for the quality of financial reports, internal controls and the opinion of the Audit Committee. The Board of Directors is of the opinion that the overall internal control system is satisfactory and can build confidence in the reliability of the Company's financial statements as of December 31, 2018.

The Company is aware of both the Company's financial and non-financial information affects the decision-making process of the Company's investors and stakeholders. Therefore, the Management is required to deal with matters related to the disclosure of information with completeness, accuracy, reliability and timeliness. Management of the Company has always paid attention to and adhered to these matters. In terms of investor relations, the Company has not yet established an investor relation department because there are not many activities in this area. The Company Secretary has been assigned to contact shareholders and the relevant government agencies. Investors can receive this information from

Tel. 0-2909-8080 Email: GYTH_COSC@goodyear.com or
[http://www.goodyear.co.th/about/investor relations.asp](http://www.goodyear.co.th/about/investor%20relations.asp)

Opinions of the Audit Committee that differ from the opinions of the Board of Directors

-None-

(2) Risk Assessment

The Company identified risk at the corporate level as well as the activity level or work process level, which is supervision by the executives and the individuals responsible for activities or work processes. This is monitored by the Head of Internal Unit in order to assess control and jointly plan risk management measures that may still exist.

(3) Control of Operations

The Company set the overall plan and the work plan for various departments. The Company also reported the performance against the periodically set targets, which the Board of Directors monitors quarterly, and monthly. In regards to the operations at the operational level, the Company assigned the Head of Internal Audit to act as an internal auditor to review various work in processes according to the annual audit plan, which approved by the Audit Committee. This audit plan concluded that there were no fraudulent actions or errors that could cause serious damage nor were the Company's assets misused.

(4) Information and Communication Systems

The Company provided adequate, important information to the Board of Directors and the Management to make appropriate decisions. The minutes of the meeting were recorded and summarized in the minutes of each meeting. The Company provided information systems to effectively communicate with employees at all levels within the organization. The Company's accounting documents were kept in accordance with the law. Meetings were held between the Audit Committee and a Certified Auditor to review accounting policies under the Generally Accepted Accounting Principles so that they are in line with the business of the Company. This also included the consideration of the significant information according to the Certified Auditor's Report.



(5) Follow up System

The Company has an Ordinary Meeting of the Company's Board of Directors four times per year, with additional Extraordinary Meetings held on occasions deemed necessary or appropriate. The Executive Board's meetings are held monthly in order to review and monitor the Management's performance to be in accordance with the targets. At a meeting of the Board of Directors and a meeting of the Executive Board in which performance has differed from targets, the meeting will resolve and that the related department will take further corrective action.

In addition, the Company provides follow up and review of the operations according to the Company's regulations, ethical standards and good internal control system. The Company assigned the Head of Internal Audit to review the audit plan approved by the Audit Committee. In the case that the internal auditor finds defects or issues that should be rectified, the internal auditor is required to immediately report them to the senior executives and the executives responsible for corrective action as well as the Audit Committee every quarter.

The Audit Committee has 4 Ordinary Meetings per year and the Audit Committee reports the audit results to the Board of Directors on a quarterly basis.

For 2018, the Head of Internal Audit found that no actions taken to corroborate corruption or cause any errors that might cause severe damage or misuse of the Company's assets.

Head of Internal Audit Information

The Head of Internal Audit of the Company is Ms. Maxine Mae J. Escoto, Internal Audit Manager, Asia Pacific Region. The profile posts in the details of Board of Directors, Profile of the Directors and Management, and the Company Secretary.

The Audit Committee has the opinion that the Head Internal Audit of the Company has the appropriate and adequate qualifications, experience, and training to fulfill the duties. In regards to the appointment, removal and relocation of the Head of Internal Audit, when changes are made, it will be reported to the Audit Committee.



Connected Transactions

The Company established a policy and procedures regarding connected transactions in order to make transactions transparent between individuals, and juristic persons who may have a conflict of interest, as well as protect the interests of the Company. The Company will comply with the laws regarding the Securities and the Stock Exchange, which includes the acts, notifications, orders, or regulations required by the Capital Market Supervisory Board and the Stock Exchange of Thailand regarding connected transactions. Therefore, executives or stakeholders shall not partake in the approval of the connected transactions. In case that the law requires the approval from the Board of Directors' meeting, the Company will arrange for the Audit Committee to attend the meeting in order to consider and give opinion on the necessity and the reasonableness of the transaction. As a result, business transactions with general business conditions and non-general business conditions are required to apply the following principles.

Business Transactions with General Trade Agreement in general business Conditions

The Management has the ability to approve connected transactions, which are trade agreement with general business conditions between the Company and affiliated companies – entities under the same control with directors, executives or related persons and criteria was approved by the Board of Directors. If the said transaction has a trade agreement in the same manner as the ordinary person should do with the general contractor in the same situation, without the influence on of having a status as directors, executives or related persons.

Business Transactions with Non-General Business Conditions

The Audit Committee must review and consider Business transactions with non-general business conditions prior to submit for approval by the Board of Directors and/or Shareholders' meeting. Therefore, there must be regulatory compliance with laws regarding the Securities and the Stock Exchange, and the acts, notifications, orders or regulations required by the Capital Market Supervisory Board and the Stock Exchange of Thailand. This includes regulatory compliance with any required regulations regarding the disclosure of information regarding connected transactions.

In the event that the Audit Committee does not have expertise in considering any connected transactions that may occur, the Company will appoint independent experts or the Company's auditor to give an opinion concerning the connected transactions for the Audit Committee and/or the Board of Directors and/or the shareholders to consider as the case may be. This is in order to ensure that the connected transactions are necessary and reasonable, taking into account the interests of the Company. Therefore, the Company will disclose any connected transactions in the Annual Report in the notes to the Financial Statement that have audited by the Company's auditor.

Policies or Tendencies of Future Connected Transactions

In the case that the Company has connected transactions with a person who has conflict of interest with the Company, the Audit Committee will provide opinion whether it is necessary for the Company to make such a transaction. The Audit Committee will make an assessment to ensure that such transactions have the regulations and conditions accompanied with the general market guidelines, and the cost for such transaction has evaluated and compared to the market price. In the case that no market price is available for comparison, the Audit Committee will make sure that the cost for such a transaction is reasonable and made for the best interest of the Company and its shareholders.



If the Audit Committee does not have adequate expertise in this matter, the Company will appoint an independent expert to review the assessment of the connected transaction and give an opinion concerning the connected transaction. In this case, the Board of Directors or the Audit committee, depending on a situation, will consider the opinion of the independent expert when making a consideration concerning the connected transaction. Directors, who are stakeholders in such transactions, shall not cast a vote when considering the approval of the connected transaction. Besides this, the Company is required to disclose information on connected transactions in the notes to the Financial Statements, which had assessed or reviewed by the Company. This includes the Annual Report or Annual Registration Statement (Form 56-1).

Connected Transactions

In regard to the consideration of the relationship between individuals or affiliated companies in each transaction, the Company takes into account the content of the relationship rather than legal form.

The Company is under the control of The Goodyear Tire and Rubber Company, which is located in the United States of America. This Company holds 66.79 percent of all the Company's issued shares. The normal persons hold the remaining 33.21 percent of shares.

The following transactions are materially significant in regard to related business.

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 66.79% of the Company's issued shares. The remaining 33.21% of the shares are widely held.

Related party transactions

The following material transactions were carried out with related parties:

i) Sales of Goods

Sales of Goods (For the year ended 31 December, 2018)	2018 (Baht)	2017 (Baht)
Revenue from sales of finished goods		
ParentCompany	576,778,968	465,211,271
Related parties - same common control	1,909,208,784	1,801,392,879
Total revenue from sales of finished goods	2,485,987,752	2,266,604,150
Revenue from sales of assets and spare parts		
ParentCompany	919,843	-
Related parties - same common control	3,721,794	5,357,821
Total Revenue from sales of assets and spare parts	4,641,637	5,357,821



ii) Purchase of goods and services

Purchase of goods and services (For the year ended 31 December, 2018)	2018 (Baht)	2017 (Baht)
Purchase of raw materials and finished goods		
ParentCompany	121,169,736	183,858,663
Related parties - same common control	322,597,053	288,687,390
Total Purchase of raw materials and finished goods	443,766,789	472,546,053
Purchase of machinery and spare parts		
ParentCompany	102,506,022	394,324,234
Related parties - same common control	78,299,360	26,545,475
Total Purchase of machinery and spare parts	180,805,382	420,869,709
Royalty fee		
ParentCompany	167,245,056	180,487,608
Production service fee		
ParentCompany	31,936,616	19,838,334
Management fee		
Related parties - same common control	157,607,558	172,637,191

iii) Outstanding balances arising from the purchase and sale of goods and services

Outstanding balances arising from sales/ purchases of goods/services (As at 31 December, 2018)	2018 (Baht)	2017 (Baht)
Trade receivables - related parties:		
ParentCompany	167,985,625	113,654,311
Related parties - same common control	230,716,309	425,349,335
Total trade receivables	398,701,934	539,003,646
Amounts due from related parties		
ParentCompany	74,375,503	49,498,597
Related parties - same common control	28,455,318	36,127,471
Total Amounts due	102,830,821	85,626,068
Trade payables - related parties		
ParentCompany	29,143,243	33,391,020
Related parties - same common control	89,605,530	62,453,623
Total Trade payables	118,748,773	95,844,643
Amounts due to related parties		
ParentCompany	34,691,290	49,065,194
Related parties - same common control	14,011,971	15,616,963
Total Amounts due	48,703,261	64,682,157
Payable from purchases of property and equipment:		
ParentCompany	32,028,451	159,746,891
Related parties - same common control	12,860,429	353,441
Total Payable from purchases of property and equipment:	44,888,880	160,100,332



iv) Directors and key management's compensation

Directors' and key management's compensation (For the year ended 31 December, 2018)	2018 (Baht)	2017 (Baht)
Salaries and other short-term benefits	29,770,247	28,880,156
Retirement funds and retirement benefits	16,536,117	9,980,346
Total remuneration for directors and management	46,306,364	38,860,502



Management's Discussion and Analysis: MD&A

In 2018, we continued to face challenging economic conditions, with higher raw material costs and volatile industry dynamics. The consumer replacement market declined with increase pricing competition and margins erosion.

Our replacement consumer business declined in line with the market trend. In addition, some of the OE supply contracts expired generating a contraction in overall production and export sales.

However, the Company continued in 2018 the successful expansion of the Goodyear Autocare Network with the opening of an additional 12 new stores. The branded retail stores are a major revenue sources for Goodyear and significantly increased Goodyear's brand exposure on the roads of Thailand.

There has been significant progress of the investment of radial aviation tire factory in Pathumthani Province since the project has been approved in 2016. The first phase of the three-phase expansion was completed ahead of schedule and commenced operation by 2018 to meet market demand as commercial airlines are rapidly converting their fleets from bias to radial tires.

In summary, adverse market condition in the consumer tire replacement market impacted the Goodyear Thailand performance in 2018 despite the increase revenues from the sales of the new radial aviation tires started in August.

Highlight of 2018 Operations

1) Revenue from Sales: The Company's Net Sales for the year ended 31 December 2018 was Baht 3,859 Million a decrease when compared to the same period of 2017 of Baht 141 Million or 3.5%. This was driven by a decrease of domestic sales partially offset by an increase of export sales.

2) Cost of Sales: The Company's Cost of Goods Sold for the year ended 31 December 2018 represented 84% of net sales which was higher when compared to the same period of 2017, which was 81%. This was driven by raw material cost increases of natural rubber and synthetic rubber including an impact of foreign currency translation.

3) Selling and Administration Expenses: The Company's Selling and Administration Expenses for the year ended 31 December 2018 was Baht 554 Million.

4) Assets: The Company's Total Assets for the year ended 31 December 2018 was Baht 6,124 Million an increase of Baht 448 Million from the year ended period ended 31 December 2017 or 8%. This was due to Equipment and Machinery acquisition under the Aviation Investment Project.

5) Net Profit: The Company's Net Profit for the year ended 31 December 2018 was Baht 34 Million a decrease when compared to the same period of 2017 of Baht 104 Million or 75%. This was mainly due to challenging consumer market conditions in Thailand and the raw material cost increases.



Financial Analysis

Upon an analysis of the Company's financial statements, its financial status and operations can be summarized as follows:

(1) Liquidity

In 2018 liquidity ratio decreased from 2017 because of lower cash flow. The average collection period in 2018 (76.72 days) increased from 2017 (68.61 days). The average sales days in 2018 (98.92 days) increased as compared to 2017 (89.35 days). In addition, the overall cash conversion cycle of 2018 (42.25days) decreased from 2017 (44.37 days).

(2) Profitability Ratio

The gross margin ratio in 2018 (15.54 percent) decreased from 2017 (19.32 percent) due to the higher cost of sales from raw material cost increased.

(3) Efficiency in operation

The Return on Asset (ROA) ratio and Return to Fixed Asset (ROFA) ratio of the year 2018 decreased when compared with year 2017.

(4) Financial Policy

Our debt to equity ratio increased from 0.42 times in 2017 to 0.59 times in 2018.

(5) Summary

The Company's operations were impacted by the unfavorable market conditions in Thailand and the increase in raw material prices (Natural Rubber and Synthetic Rubber). The sales revenue slightly declined over the previous year.

Impact Factor to the future business operations

In 2019, the tire market is expected to stabilize following the trend of the automobile industry. Regarding the business growth of Aviation tires, it is expected to grow alongside the continual growth of airline businesses in Asia which resulted in the expansion of airline fleets in China, Indonesia and India. However, there are other risk factors which may affect the expansion of the market economically:

- Domestic political uncertainty
- Uncertain outlooks for major advanced economies
- Volatile capital flows, asset prices, and exchange rates

Investors can find more information about the Company from the form 56-1 which will be published in www.sec.or.th or Company's website <http://www.goodyear.co.th/about/investor-relations.asp>

GOODYEAR (THAILAND) PUBLIC COMPANY LIMITED

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2018





Independent Auditor's Report

To the shareholders of Goodyear (Thailand) Public Company Limited

My opinion

In my opinion, the financial statements of Goodyear (Thailand) Public Company Limited (the Company) present fairly, in all material respects, the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2018;
- 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 a summary of significant accounting policies.

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 Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I determine one key audit matter: *Appropriateness of capitalisation of factory, machinery and equipment*. The 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 the matter.

Key audit matter	How my audit addressed the key audit matter
Appropriateness of capitalisation of factory, machinery and equipment	
<p>During 2018, the Company recorded additions in assets under construction and installation of Baht 731 million. These mostly relate to the construction of a radial aviation tyre factory and the acquisition of new machinery and equipment to expand production capacity. There are other expenses related to the construction of this factory; for example, costs related to machine testing during installation and factory construction. The management need to use their judgment and consider whether these expenses should be capitalised as costs of assets under Thai Accounting Standard No. 16, Property, plant and equipment.</p> <p>Determining whether this expenditure is considered costs of assets or expenses relies on management's judgment. Also, the factory construction is not a recurring event, but it does involve a significant amount of money. Therefore, there is a risk of errors in the accounting, which might have a significant impact on the operating result.</p>	<p>I tested the capitalised costs of factory, machinery and other expenses related to the construction of this factory, for example, costs related to machine testing during installation and factory construction, to assess whether the Company appropriately recognised these transactions in accordance with Thai Accounting Standard No. 16, Property, plant and equipment.</p> <p>My testing, on a sample basis, consisted of examining the supporting documents and challenging responsible management and staff. This is to assess whether these expenses were actual direct costs and whether they were appropriately recognised as costs of assets.</p> <p>Based on the procedures I performed, I determine that the costs of assets under construction and installation were appropriately recognised.</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 TFRSs, 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 judgment and maintain professional skepticism 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
21 February 2019

Goodyear (Thailand) Public Company Limited
 Statements of Financial Position
 As at 31 December 2018

		31 December 2018 Baht	31 December 2017 Baht
	Notes		
Assets			
Current assets			
Cash and cash equivalents	4	198,977,897	192,878,223
Trade and other receivables, net	5	707,033,352	915,176,194
Inventories, net	6	913,026,812	853,488,992
Refundable value added tax within one year		223,710,580	90,277,783
Other current assets		3,204,059	5,516,992
Total current assets		2,045,952,700	2,057,338,184
Non-current assets			
Property, plant and equipment, net	7	3,873,494,262	3,429,151,177
Computer software, net	8	424,166	599,789
Deferred tax assets	18	23,074,524	8,075,515
Refundable value added tax, net		171,839,209	175,882,525
Other non-current assets		9,381,317	4,944,425
Total non-current assets		4,078,213,478	3,618,653,431
Total assets		6,124,166,178	5,675,991,615

The accompanying notes on pages 11 to 36 are an integral part of these financial statements.

Goodyear (Thailand) Public Company Limited
Statements of Financial Position
As at 31 December 2018

		31 December 2018 Baht	31 December 2017 Baht
	Notes		
Liabilities and equity			
Current liabilities			
Short-term loan from a financial institution	9	165,000,000	-
Trade and other payables	10	1,132,885,469	1,421,450,152
Withholding tax payables		20,392,705	14,122,623
Current income tax payable		9,081,112	39,259,072
Other current liabilities		4,987,713	5,317,213
Total current liabilities		1,332,346,999	1,480,149,060
Non-current liabilities			
Long-term loan from a financial institution	11	687,670,960	-
Employee benefit obligations	12	244,608,761	187,768,315
Total non-current liabilities		932,279,721	187,768,315
Total liabilities		2,264,626,720	1,667,917,375
Equity			
Share capital			
Authorised share capital			
7,400,000 ordinary shares at par value of Baht 10 each		74,000,000	74,000,000
Issued and paid-up share capital			
7,400,000 ordinary shares fully paid-up of Baht 10 each	13	74,000,000	74,000,000
Premium on share capital	13	92,000,000	92,000,000
Retained earnings			
Appropriated - Legal reserve	14	7,400,000	7,400,000
Unappropriated		3,686,139,458	3,834,674,240
Total equity		3,859,539,458	4,008,074,240
Total liabilities and equity		6,124,166,178	5,675,991,615

The accompanying notes on pages 11 to 36 are an integral part of these financial statements.

Goodyear (Thailand) Public Company Limited
Statements of Income
For the year ended 31 December 2018

	Notes	2018 Baht	2017 Baht
Sales	25	3,858,845,069	4,000,311,036
Cost of sales		(3,259,162,168)	(3,227,379,157)
Gross profit		599,682,901	772,931,879
Other income	16	8,302,712	9,128,024
Selling expenses		(382,434,174)	(403,565,325)
Administrative expenses		(171,990,066)	(155,151,042)
Exchange loss, net		(6,382,991)	(45,834,807)
Profit before finance cost and income tax		47,178,382	177,508,729
Finance costs		(345,566)	-
Profit before income tax		46,832,816	177,508,729
Income tax	18	(13,028,095)	(39,464,385)
Net profit for the year		<u>33,804,721</u>	<u>138,044,344</u>
Basic earnings per share (Baht)	19		
Net profit for the year		<u>4.57</u>	<u>18.65</u>

The accompanying notes on pages 11 to 36 are an integral part of these financial statements.

Goodyear (Thailand) Public Company Limited
 Statements of Comprehensive Income
 For the year ended 31 December 2018

	Notes	2018 Baht	2017 Baht
Net profit for the year		<u>33,804,721</u>	<u>138,044,344</u>
Item that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	12	(42,924,379)	(6,994,253)
Income tax on item that will not be reclassified to profit or loss	18	<u>8,584,876</u>	<u>1,398,851</u>
Total comprehensive income (loss) for the year		<u><u>(534,782)</u></u>	<u><u>132,448,942</u></u>

The accompanying notes on pages 11 to 36 are an integral part of these financial statements.

Goodyear (Thailand) Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2018

	Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Total Baht
				Legal reserve Baht	Unappropriate Baht	
Beginning balance as at 1 January 2017		74,000,000	92,000,000	7,400,000	3,850,225,298	4,023,625,298
Changes in equity for the year						
Total comprehensive income for the year		-	-	-	132,448,942	132,448,942
Dividends paid	20	-	-	-	(148,000,000)	(148,000,000)
Ending balance as at 31 December 2017		74,000,000	92,000,000	7,400,000	3,834,674,240	4,008,074,240
Beginning balance as at 1 January 2018		74,000,000	92,000,000	7,400,000	3,834,674,240	4,008,074,240
Changes in equity for the year						
Total comprehensive income (loss) for the year		-	-	-	(534,782)	(534,782)
Dividends paid	20	-	-	-	(148,000,000)	(148,000,000)
Ending balance as at 31 December 2018		74,000,000	92,000,000	7,400,000	3,686,139,458	3,859,539,458

The accompanying notes on pages 11 to 36 are an integral part of these financial statements.

Goodyear (Thailand) Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2018

	Notes	2018 Baht	2017 Baht
Cash flows generated from operating activities	21	303,759,112	220,863,204
Cash flows from investing activities			
Restricted short-term investment		-	65,000,000
Purchases of plant and equipment		(1,006,894,861)	(956,890,746)
Purchases of computer software	8	-	(485,000)
Proceeds from disposals of equipment		2,639,965	1,317,937
Net cash used in investing activities		(1,004,254,896)	(891,057,809)
Cash flows from financing activities			
Net cash receipts from short-term loan from a financial institution	1	165,000,000	-
Cash receipts from long-term loan from a financial institution	11	692,113,430	-
Dividends paid to shareholders	20	(148,000,000)	(148,000,000)
Net cash receipts from (used in) financing activities		709,113,430	(148,000,000)
Net increase (decrease) in cash and cash equivalents		8,617,646	(818,194,605)
Cash and cash equivalents at the beginning of the year		192,878,223	1,011,225,314
Exchange loss on cash and cash equivalents		(2,517,972)	(152,486)
Cash and cash equivalents at the end of the year	4	198,977,897	192,878,223
Non-cash transactions			
Payable from purchases of property and equipment	10	172,513,261	446,617,790

The accompanying notes on pages 11 to 36 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, Kongluang, 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 21 February 2019.

2 Accounting policies

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

2.1 Basis for preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

An English-language version of the financial statements has 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.

2.2 Revised financial reporting standards

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which are relevant to the Company.

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash

2 Accounting policies (Continued)

2.2 Revised financial reporting standards (Continued)

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Company. (Continued)

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

The management assessed and considered that the above revised standards will not have a material impact on the Company.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Company has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

2 Accounting policies (Continued)

2.2 Revised financial reporting standards (Continued)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Continued)

- 2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

TFRIC 22 Foreign Currency Transactions and Advance Consideration

The TFRIC 22 interpretation provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

- 2.2.2.3 The group of financial reporting standards related to financial instruments is effective for annual periods beginning on or after 1 January 2020. They comprise accounting standards and financial reporting standards as shown below. The early application is permitted only for the period beginning on or after 1 January 2019

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

2 Accounting policies (Continued)

2.2 Revised financial reporting standards (Continued)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Continued)

2.2.2.3 The group of financial reporting standards related to financial instruments is effective for annual periods beginning on or after 1 January 2020. They comprise accounting standards and financial reporting standards as shown below. The early application is permitted only for the period beginning on or after 1 January 2019. (Continued)

TFRS 9 Financial Instruments establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:

- The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
- Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
- Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
- Derivatives are classified and measured at fair value through profit or loss.

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit-impaired consideration.

- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

The Company's management is currently assessing the impact of initial adoption of these standards

2 Accounting policies (Continued)

2.3 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Baht, which is the Company's functional and presentation currencies.

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 valuation where items are re-measured. 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 statement of income.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in the statement of income, any exchange component of that gain or loss is recognised in the statement of income.

2.4 Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, short-term investment, trade and other receivables and other financial assets. Financial liabilities carried on the statement of financial position include trade and other payables and other financial liabilities. The methods adopted are disclosed in the individual policy statement associated with each item.

Disclosures related to financial instruments to which the Company is a party are provided in Note 22.

2.5 Cash and cash equivalents

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

2.6 Trade receivable

Trade receivable are carried at the original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the statement of income as administrative expenses.

2 Accounting policies (Continued)

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their costs 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.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

2.9 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.

2 Accounting policies (Continued)

2.10 Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Leases - where the Company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2.12 Borrowings

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 end of reporting date.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expense in the period in which they are incurred.

2 Accounting policies (Continued)

2.13 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company operates and generates taxable income. 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 is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income 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 income tax is provided on temporary differences arising from depreciation of equipment and accrued expenses, except 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 assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.14 Employee benefits

The Company provides for a savings fund and retirement benefits, payable to employees under the Company's policy and Thai Labour Law, respectively. The present value of employee benefit liabilities recognised in the statement of financial position is determined on the Projected Unit Credit method. The assumptions used in determining the liabilities include discount rate, rates of salary increase and employee turnover. The discount rate represents the current market yield of government bonds. The Company records the reserves for savings fund and retirement benefits as a non-current liability and charges expenditure to the statement of income in the year to which it relates.

Remeasurement gains and losses arising from changes in actuarial assumptions and experience adjustments are charged or credited to equity in other comprehensive income in the period in which they arise.

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

2 Accounting policies (Continued)

2.15 Provisions

Provisions (excluding employee benefits) 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 not recognised for future operating.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense

2.16 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.

2.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods and service in the ordinary course of the Company's activities. Revenue is shown net of value added tax, returns, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income is recognised on accrual basis using the effective interest method. Other income is recognised on an accrual basis.

2.18 Dividends distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the interim dividends are approved by the Board of Directors and the annual dividends are approved by the Company's shareholders.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Managing Director that makes strategic decisions.

3 Critical accounting estimates, and judgments

Estimates and judgments 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.

Carrying value of property, plant and equipment

The estimated useful economic lives and residual values of property, plant and equipment are based upon management's judgment and experience. When management identifies that actual useful lives and residual values differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. Due to the significance of investment in property, plant and equipment by the Company, variations between actual and estimated useful lives and residual values could affect operating results both positively or negatively.

Management considers the recoverable amount of machinery and equipment by assessing the impairment indicators from internal and external source of information. For example, the significant change which has negative effect to the Company during the period or in the near future, and the obsolescence or physical damage. These factors may affect to the recoverable amount or impairment.

Capitalisation of factory, machinery and equipment

The capitalisation of factory, machinery and equipment includes purchases of new machinery and equipment and other expenses related to the construction. This requires management's judgment to consider whether these expenses should be capitalised as cost of assets under Thai Accounting Standard No. 16, Property, plant and equipment.

Employee 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 other is disclosed in Note 12.

4 Cash and cash equivalents

	2018 Baht	2017 Baht
Cash on hand	250,000	250,000
Deposits held at banks - current accounts	37,529,690	28,304,418
- savings accounts	161,198,207	164,323,805
	198,977,897	192,878,223

As at 31 December 2018, the weighted average interest rate of savings accounts was 0.23% per annum (2017: 0.35% per annum).

5 Trade and other receivables, net

	2018 Baht	2017 Baht
Trade receivables - third parties	195,934,860	278,304,003
<u>Less</u> Allowance for doubtful accounts	<u>(8,389,118)</u>	<u>(35,245,120)</u>
	187,545,742	243,058,883
Trade receivables - related parties (Note 24)	398,701,934	539,003,646
Amounts due from related parties (Note 24)	102,830,821	85,626,068
Prepayments	6,841,978	4,932,575
Advance payments	4,921,086	2,314,697
Other receivables	6,191,791	40,240,325
Total trade and other receivables, net	<u>707,033,352</u>	<u>915,176,194</u>

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

	2018 Baht	2017 Baht
Not yet due	176,694,956	237,039,015
Up to 3 months	10,780,678	5,392,416
3 - 12 months	7,649,803	4,076,744
Over 12 months	809,423	31,795,828
	195,934,860	278,304,003
<u>Less</u> Allowance for doubtful accounts	<u>(8,389,118)</u>	<u>(35,245,120)</u>
	<u>187,545,742</u>	<u>243,058,883</u>

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

	2018 Baht	2017 Baht
Not yet due	381,822,072	513,373,743
Up to 3 months	16,345,381	21,465,870
3 - 12 months	410,663	3,223,690
Over 12 months	123,818	940,343
	398,701,934	539,003,646

6 Inventories, net

	2018 Baht	2017 Baht
Raw materials	237,506,443	190,887,632
Spare parts	243,559,339	256,024,681
Work in progress	53,520,637	38,209,214
Finished goods	238,689,186	282,047,032
Goods in transits	163,812,134	99,973,080
	937,087,739	867,141,639
<u>Less</u> Provision for net realisable value and obsolescence		
- spare parts	(17,014,611)	(8,008,629)
- finished goods	(7,046,316)	(5,644,018)
Total inventories, net	<u>913,026,812</u>	<u>853,488,992</u>

The cost of inventories recognised as expense and included in 'cost of sales' amounted to Baht 3,274,308,022 (2017: Baht 3,233,550,494).

7 Property, plant and equipment, net

As at 1 January 2017

Cost	1,129,375,999	4,927,695,334	88,481,349	15,441,540	726,396,457	6,887,390,679
Less Accumulated depreciation	(478,399,901)	(3,880,448,013)	(46,382,963)	(8,922,517)	-	(4,414,153,394)
Allowance for impairment loss	-	(16,392,388)	(30)	-	-	(16,392,418)
Net book amount	650,976,098	1,030,854,933	42,098,356	6,519,023	726,396,457	2,456,844,867

For the year ended 31 December 2017

Opening net book amount	650,976,098	1,030,854,933	42,098,356	6,519,023	726,396,457	2,456,844,867
Additions	-	-	-	-	1,223,358,462	1,223,358,462
Transfers	55,266,432	515,115,906	2,343,298	-	(573,210,636)	(485,000)
Disposals, net	-	(943,471)	-	-	-	(943,471)
Write off, net	-	(6,079,371)	-	-	-	(6,079,371)
Impairment loss	-	(7,750,339)	-	-	-	(7,750,339)
Depreciation charges (Note 15)	(28,929,467)	(193,258,805)	(12,634,420)	(971,279)	-	(235,793,971)
Closing net book amount	677,313,063	1,337,938,853	31,807,234	5,547,744	1,376,544,283	3,429,151,177

As at 31 December 2017

Cost	1,184,642,431	5,435,788,398	90,824,647	15,441,540	1,376,544,283	8,103,241,299
Less Accumulated depreciation	(507,329,368)	(4,073,706,818)	(59,017,383)	(9,893,796)	-	(4,649,947,365)
Allowance for impairment loss	-	(24,142,727)	(30)	-	-	(24,142,757)
Net book amount	677,313,063	1,337,938,853	31,807,234	5,547,744	1,376,544,283	3,429,151,177

7 Property, plant and equipment, net (Continued)

	Land, land improvements and building Baht	Machinery and equipment Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Construction in progress and assets under installation Baht	Total Baht
For the year ended 31 December 2018						
Opening net book amount	677,313,063	1,337,938,853	31,807,234	5,547,744	1,376,544,283	3,429,151,177
Additions	-	-	1,373,369	-	731,416,963	732,790,332
Transfers	359,346,423	1,106,537,452	-	-	(1,465,883,875)	-
Disposals, net	-	(2,239,330)	-	-	-	(2,239,330)
Write off, net	-	(1,377,284)	-	-	-	(1,377,284)
Impairment loss	-	(18,646,709)	-	-	-	(18,646,709)
Depreciation charges (Note 15)	(35,643,647)	(218,606,095)	(11,120,016)	(814,166)	-	(266,183,924)
Closing net book amount	1,001,015,839	2,203,606,887	22,060,587	4,733,578	642,077,371	3,873,494,262
As at 31 December 2018						
Cost	1,543,988,854	6,536,224,533	92,198,016	15,441,540	642,077,371	8,829,930,314
Less Accumulated depreciation	(542,973,015)	(4,289,828,210)	(70,137,399)	(10,707,962)	-	(4,913,646,586)
Allowance for impairment loss	-	(42,789,436)	(30)	-	-	(42,789,466)
Net book amount	1,001,015,839	2,203,606,887	22,060,587	4,733,578	642,077,371	3,873,494,262

Depreciation expense of Baht 266,183,924 has been charged in 'cost of goods sold' of Baht 246,223,723 (2017: Baht 218,774,790) and in 'selling expenses and administrative expenses' of Baht 19,960,201 (2017: Baht 17,019,181).

The impairment charge of Baht 18.65 million was made during the year because the assets have not been used. The Company set up the provision for impairment loss in full amount.

Borrowing costs of Baht 5.40 million were capitalised during the year and are included in "additions". A capitalisation rate of 4.67% per annum was used, which was the actual borrowing cost of the loan.

8 Computer software, net

	Baht
As at 1 January 2017	
Cost	148,824,483
<u>Less</u> Accumulated amortisation	<u>(148,148,226)</u>
Net book value	<u>676,257</u>
For the year ended 31 December 2017	
Opening net book amount	676,257
Transfer	485,000
Amortisation charges (Note 15)	<u>(561,468)</u>
Closing net book amount	<u>599,789</u>
As at 31 December 2017	
Cost	149,309,483
<u>Less</u> Accumulated amortisation	<u>(148,709,694)</u>
Net book value	<u>599,789</u>
For the year ended 31 December 2018	
Opening net book amount	599,789
Amortisation charges (Note 15)	<u>(175,623)</u>
Closing net book amount	<u>424,166</u>
As at 31 December 2018	
Cost	149,309,483
<u>Less</u> Accumulated amortisation	<u>(148,885,317)</u>
Net book value	<u>424,166</u>

9 Short-term loan from a financial institution

As at 31 December 2018, the Company had a promissory note of Baht 165,000,000 with a financial institution in Thailand, bearing interest rate of 2.70% per annum. The outstanding principal and interest are due for payable on 3 January 2019

10 Trade and other payables

	2018 Baht	2017 Baht
Trade payables - third parties	619,336,316	590,539,575
Trade payables - related parties (Note 24)	118,748,773	95,844,643
Amounts due to related parties (Note 24)	48,703,261	64,682,157
Payables from purchases of property and equipment - third parties	127,624,381	286,517,458
Payables from purchases of property and equipment - related parties (Note 24)	44,883,880	160,100,332
Accrued expenses	173,583,858	223,765,987
Total trade and other payables	<u>1,132,885,469</u>	<u>1,421,450,152</u>

11 Long-term loan from a financial institution

The movements of a long-term loan from a financial institution during the year can be analysed as follows:

For the year ended 31 December

	2018 Baht	2017 Baht
Opening balance	-	-
Addition	692,113,430	-
Unrealised gain on foreign exchange rate	(4,442,470)	-
Closing balance	687,670,960	-

In May 2018, the Company entered into a long-term loan facility agreement of USD 21 million with a financial institution in Thailand for operation and construction of factory. This long-term loan shall be repaid within 72 months from the first drawdown date. The loan bears interest between BIBOR plus 2.40% per annum and LIBOR plus 2.80% per annum. The 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 effective interest rate at the statements of financial position date was 4.86% per annum.

The fair value of current 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

	2018 Baht	2017 Baht
Within 1 year	-	-
Between 1 and 5 years	644,691,525	-
Over 5 years	42,979,435	-
Closing balance	687,670,960	-

As at 31 December 2018, the unused loan facility is Baht 3.70 million.

12 Employee benefit obligations

	2018 Baht	2017 Baht
Statements of financial position		
Reserve for savings fund	92,193,493	76,973,592
Reserve for retirement benefits	152,415,268	110,794,723
	<u>244,608,761</u>	<u>187,768,315</u>
Statements of income		
Savings fund	18,643,810	14,704,718
Retirement benefits	12,431,299	10,963,138
	<u>31,075,109</u>	<u>25,667,856</u>

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

	2018 Baht	2017 Baht
At 1 January	187,768,315	181,875,392
Current service cost	26,580,563	21,593,241
Interest cost	4,494,546	4,074,615
Remeasurements:		
Loss from change in demographic assumption	-	538,308
Loss from change in financial assumption	-	6,455,945
Experience loss	42,924,379	-
Benefits paid	(17,159,042)	(26,769,186)
At 31 December	<u>244,608,761</u>	<u>187,768,315</u>

The principal of actuarial assumptions used was as follows:

	2018	2017
Discount rate	2.50%	2.50%
Salary increase rate	3.00%	3.00%
Retirement ages	55 and 60 years	55 and 60 years

	Change in assumption		Impact on defined benefit obligation			
	2018	2017	Increase in assumption		Decrease in assumption	
	2018	2017	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Discount rate	0.50%	0.50%	Decrease by 11,051,383	Decrease by 11,943,091	Increase by 10,444,809	Increase by 8,652,813
Salary increase rate	0.50%	0.50%	Increase by 8,327,628	Increase by 7,831,992	Decrease by 6,648,544	Decrease by 5,496,929

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 pension liability recognised within 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.

13 Share capital and premium on share capital

	Number of ordinary shares	Share capital Baht	Premium on share capital Baht
At 1 January 2017	7,400,000	74,000,000	92,000,000
Issue of shares	-	-	-
At 31 December 2017	7,400,000	74,000,000	92,000,000
Issue of shares	-	-	-
At 31 December 2018	7,400,000	74,000,000	92,000,000

Share capital represents authorised ordinary shares with a par value of Baht 10 per share (2017: Baht 10 per share). All issued shares are fully paid.

Under the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the issued shares' par value to a reserve account (share premium). The share premium is not available for dividend distribution.

14 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

15 Expenses by nature

	2018 Baht	2017 Baht
Raw materials and supplies used	1,389,137,829	1,529,162,791
Changes in inventories of finished goods and work in progress	37,380,825	26,910,642
Staff costs	624,704,753	570,000,313
Depreciation (Note 7)	266,183,924	235,793,971
Amortisation (Note 8)	175,623	561,468

16 Other income

	2018 Baht	2017 Baht
Interest income	482,241	1,741,162
Others	7,820,471	7,386,862
	8,302,712	9,128,024

17 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	
	2018	2017	2018	2017	2018	2017
	Baht	Baht	Baht	Baht	Baht	Baht
Domestic sales	-	-	1,372,857,317	1,733,706,886	1,372,857,317	1,733,706,886
Export sales	109,071,335	-	2,376,916,417	2,266,604,150	2,485,987,752	2,266,604,150
	<u>109,071,335</u>	<u>-</u>	<u>3,749,773,734</u>	<u>4,000,311,036</u>	<u>3,858,845,069</u>	<u>4,000,311,036</u>

18 Deferred income taxes and income tax

Deferred income taxes

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

	2018 Baht	2017 Baht
Deferred tax assets:		
Deferred tax assets to be recovered within 12 months	11,964,176	13,333,354
Deferred tax assets to be recovered after 12 months	<u>63,317,728</u>	<u>50,178,757</u>
	<u>75,281,904</u>	<u>63,512,111</u>
Deferred tax liabilities:		
Deferred tax liabilities to be settled within 12 months	(2,924,498)	-
Deferred tax liabilities to be settled after 12 months	<u>(49,282,882)</u>	<u>(55,436,596)</u>
	<u>(52,207,380)</u>	<u>(55,436,596)</u>
Net deferred income taxes	<u>23,074,524</u>	<u>8,075,515</u>

18 Deferred income taxes and income tax (Continued)

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

	2018 Baht	2017 Baht
As at 1 January	8,075,515	(2,145,243)
Charged (credited) to profit or loss	6,414,133	8,821,907
Charged (credited) relation to components of other comprehensive income	8,584,876	1,398,851
As at 31 December	23,074,524	8,075,515

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

	Provisions for receivables and inventories Baht	Provision liabilities Baht	Depreciation Baht	Impairment loss Baht	Total Baht
Deferred tax assets					
At 1 January 2017	7,181,434	46,612,652	-	3,278,484	57,072,570
Charged (credited) to					
- profit or loss	2,598,120	892,503	-	1,550,067	5,040,690
- other comprehensive income	-	1,398,851	-	-	1,398,851
At 31 December 2017	9,779,554	48,904,006	-	4,828,551	63,512,111
Charged (credited) to					
- profit or loss	(3,289,545)	2,745,120	-	3,729,342	3,184,917
- other comprehensive income	-	8,584,876	-	-	8,584,876
At 31 December 2018	6,490,009	60,234,002	-	8,557,893	75,281,904
Deferred tax liabilities					
At 1 January 2017	-	-	(59,217,813)	-	(59,217,813)
Charged (credited) to profit or loss	-	-	3,781,217	-	3,781,217
At 31 December 2017	-	-	(55,436,596)	-	(55,436,596)
Charged (credited) to profit or loss	-	-	3,229,216	-	3,229,216
At 31 December 2018	-	-	(52,207,380)	-	(52,207,380)
Deferred income tax, net	6,490,009	60,234,002	(52,207,380)	8,557,893	23,074,524

The Company only recognised those deferred tax assets that in management's judgment is more likely that the deferred tax assets will be realised, due to the operating profits generated by the Company's operations.

18 Deferred income taxes and income tax (Continued)

Income tax

	2018 Baht	2017 Baht
Current income tax:		
Current income tax on profits for the year	20,754,698	47,077,303
Adjustment in respect of prior year	(1,312,471)	1,208,989
Total current income tax	19,442,227	48,286,292
Deferred income tax:		
Decrease in deferred tax assets	(3,184,916)	(5,040,690)
Increase in deferred tax liabilities	(3,229,216)	(3,781,217)
Total deferred income tax	(6,414,132)	(8,821,907)
Income tax expenses	13,028,095	39,464,385

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate of 20% (2017: 20%) as follow:

	2018 Baht	2017 Baht
Profit before income tax	46,832,816	177,508,729
Income tax at statutory tax rates	9,366,563	35,501,746
Tax effect of:		
Expenses not deductible for tax purposes	4,974,003	2,753,650
Adjustment in respect of prior year	(1,312,471)	1,208,989
Income tax expenses	13,028,095	39,464,385

19 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.

	2018	2017
Net profit attributable to shareholders (Baht)	33,804,721	138,044,344
Weighted average of issued ordinary shares during the year (shares)	7,400,000	7,400,000
Basic earnings per share (Baht)	4.57	18.65

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

20 Dividends

At the Annual General Meeting of the Shareholders held on 25 April 2018, dividends in respect of the operating results and retained earnings of 2017 were declared at Baht 20 per share, totaling Baht 148 million. The dividend payment was paid on 24 May 2018.

At the Annual General Meeting of the Shareholders held on 25 April 2017, dividends in respect of the operating results and retained earnings of 2016 were declared at Baht 20 per share, totaling Baht 148 million. The dividend payment was paid on 24 May 2017

21 Cash flows from operating activities

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

	Notes	2018 Baht	2017 Baht
Net profit before income tax		46,832,816	177,508,729
Adjustments for:			
Allowance for doubtful accounts		(26,856,002)	11,998,927
Provision for net realisable value and obsolescence		10,408,278	991,669
Depreciation	7	266,183,924	235,793,971
Gains on disposals of machinery and equipment		(400,635)	(374,466)
Write off equipment	7	1,377,284	6,079,371
Impairment loss of assets	7	18,646,709	7,750,339
Amortisation	8	175,623	561,468
Interest income	16	(482,241)	(1,741,162)
Finance costs		345,566	-
Unrealised loss on exchange rate		7,131,294	8,272,523
Changes in operating assets and liabilities:			
- trade and other receivables		220,446,453	(104,693,419)
- inventories		(69,946,100)	(105,909,061)
- refundable value added tax		(129,389,481)	(106,621,415)
- other current assets		2,312,933	1,678,218
- other non-current assets		(4,436,892)	(1,856,716)
- trade and other payables		(9,309,120)	156,623,779
- accrued withholding tax		6,270,082	(4,367,591)
- other current liabilities		(329,500)	(1,078,257)
- reserves for employee benefit obligations, net of payments		13,916,067	(1,101,330)
Cash generated from operations		352,897,058	279,515,577
Interest received		482,241	1,741,162
Income taxes paid		(49,620,187)	(60,393,535)
Net cash generated from operating activities		303,759,112	220,863,204

22 Financial instruments

The principal financial risks faced by the Company are exchange rate risk, interest rate risk and credit risk. Exchange rate risk results from the Company's export sales and import purchases. Interest rate risk relates to the deposits of cash and cash equivalents in financial institutions and other investments. Credit risk arises when sales are made on deferred credit terms and in respect of deposits with financial institutions.

i) Exchange rate risk

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 2018.

ii) Interest rate risk

The Company earns interest on cash and cash equivalents, and short-term investment. The Company manages its interest rate risks by placing cash, cash equivalents and investments on various maturities and interest rates.

iii) Credit risk

Concentrations of credit risk with respect to trade accounts receivable are limited since the Company has large number of customers, covering manufacturing, distribution and end customers. Management believes that no additional credit risk apart from the amounts provided for collection losses in the Company's trade accounts receivable.

The Company does not expose to certain concentration of credit risk relating to its cash and cash equivalents. The Company places its cash with several high quality institutions. The Company's policy is not to invest with any one institution but invest with various institutions. The Company places its excess cash in low risk accounts, high credit quality accounts that matured 90 days. The Company has not experienced any losses on such accounts.

iv) Fair values

The carrying amounts of the following financial assets and financial liabilities approximate to their fair values: cash and cash equivalents, trade accounts receivable and payable, amounts due from and to related parties, other receivables and payable which are current assets and current liabilities.

v) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital

23 Commitments

Bank guarantees

As at 31 December 2018, the Company had commitments in respect of bank guarantees amounting to Baht 19.4 million and US Dollar 10,000 (2017: Baht 18.7 million and US Dollar 10,000).

Capital commitments

As at 31 December 2018, the Company has outstanding capital commitments in respect of the investment of machinery and equipment totaling Baht 92 million (2017: Baht 189.61 million).

Operating lease commitments - where the Company is the lessee

The future minimum lease payments under non-cancellable operating leases in respect of motor vehicles and office equipment are as follows:

	2018 Baht	2017 Baht
Not later than 1 year	17,380,614	14,099,953
Later than 1 year and not later than 5 years	18,807,150	21,370,297
	<u>36,187,764</u>	<u>35,470,250</u>

24 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 66.79% of the Company's issued shares. The remaining 33.21% of the shares are widely held.

24 Related party transactions (Continued)

The following material transactions were carried out with related parties:

i) Sales of goods

For the years ended 31 December	2018 Baht	2017 Baht
Sales of finished goods:		
Parent company	576,778,968	465,211,271
Related parties - same common control	1,909,208,784	1,801,392,879
	<u>2,485,987,752</u>	<u>2,266,604,150</u>
Sales of assets and spare parts:		
Parent company	919,843	-
Related parties - same common control	3,721,794	5,357,821
	<u>4,641,637</u>	<u>5,357,821</u>

ii) Purchases of goods and services

For the years ended 31 December	2018 Baht	2017 Baht
Purchases of raw materials and finished goods:		
Parent company	121,169,736	183,858,663
Related parties - same common control	322,597,053	288,687,390
	<u>443,766,789</u>	<u>472,546,053</u>
Purchases of machinery and spare parts:		
Parent company	102,506,022	394,324,234
Related parties - same common control	78,299,360	26,545,475
	<u>180,805,382</u>	<u>420,869,709</u>
Royalty fee:		
Parent company	<u>167,245,056</u>	<u>180,487,608</u>
Production service fee:		
Parent company	<u>31,936,616</u>	<u>19,838,334</u>
Management fee:		
Related parties - same common control	<u>157,607,558</u>	<u>172,637,191</u>

24 Related party transactions (Continued)

The following material transactions were carried out with related parties (Continued):

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

As at 31 December	2018 Baht	2017 Baht
Trade receivables - related parties		
Parent company	167,985,625	113,654,311
Related parties - same common control	230,716,309	425,349,335
	<u>398,701,934</u>	<u>539,003,646</u>
Amounts due from related parties:		
Parent company	74,375,503	49,498,597
Related parties - same common control	28,455,318	36,127,471
	<u>102,830,821</u>	<u>85,626,068</u>
Trade payables - related parties:		
Parent company	29,143,243	33,391,020
Related parties - same common control	89,605,530	62,453,623
	<u>118,748,773</u>	<u>95,844,643</u>
Amounts due to related parties:		
Parent company	34,691,290	49,065,194
Related parties - same common control	14,011,971	15,616,963
	<u>48,703,261</u>	<u>64,682,157</u>
Payable from purchases of property and equipment:		
Parent company	32,028,451	159,746,891
Related parties - same common control	12,860,429	353,441
	<u>44,888,880</u>	<u>160,100,332</u>

iv) Directors' and key management's compensation

For the years ended 31 December	2018 Baht	2017 Baht
Salaries and other short-term employee benefits	29,770,247	28,880,156
Employee benefit obligations	16,536,117	9,980,346
	<u>46,306,364</u>	<u>38,860,502</u>

25 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. Aero tires are principally export-based products and domestic sales are not significant. 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 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.

	Domestic sales Baht	Export sales Baht	Total Baht
Year ended 31 December 2018			
Sales	1,372,857,317	2,485,987,752	3,858,845,069
Segment gross profit	308,887,496	290,795,405	599,682,901
Unallocated costs/other income, net			(552,850,085)
Profit before income tax			46,832,816
Year ended 31 December 2017			
Sales	1,733,706,886	2,266,604,150	4,000,311,036
Segment gross profit	468,469,758	304,462,121	772,931,879
Unallocated costs/other income, net			(595,423,150)
Profit before income tax			177,508,729

26 Post statement of financial position event

On 21 February 2019, the Board of Directors of the Company passed a resolution to propose the dividend payment from unappropriated retained earnings of Baht 5 per share, totaling Baht 37 million. However, the approval for the dividend payment shall be proposed to the Annual General Shareholders' Meeting for further consideration and approval.



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