



Goodyear (Thailand) Public Company Limited
50/9 Moo 3, Paholyothin Road KM 36,
Klong Nueng Sub-District, Klong Luang District,
Pathumthani 12120, Thailand.
Registration No. 0107537001188
Tel. +66 2909 8080

บริษัท กู๊ดเยียร์ (ประเทศไทย) จำกัด (มหาชน)
50/9 หมู่ที่ 3 ถนนพหลโยธิน กม. 36
ตำบลคลองหนึ่ง อำเภอคลองหลวง
จังหวัดปทุมธานี 12120
ทะเบียนเลขที่ 0107537001188
โทรศัพท์ 0 2909 8080

17 September 2020

Subject: Notification of the Resolution of the Board of Directors' Meeting on the Connected Transaction ([Revised](#))

To: President
The Stock Exchange of Thailand

Goodyear (Thailand) Public Company Limited (the "**Company**" or "**Goodyear Thailand**") wishes to inform you that the Board of Directors' meeting No. 4A/2020, held on 17 September 2020 by electronic meeting has resolved to approve to purchase machine "VMI 248" for tire building to produce radial passenger tires on the land in Pathumthani province on which the existing factory is located ("**Project**"). The cost is expected to be about THB 96 million (THB 40 million of which is the value of the VMI 248 machine, and THB 56 million of which is the engineering expenses). The Board of Directors has also approved the undertaking of transactions in relation to the Project, which are considered the connected transactions between Goodyear Thailand and Goodyear Dalian Tire Company Limited ("**Goodyear China**"), a subsidiary by The Goodyear Tire & Rubber Company ("**Goodyear USA**").

This Project is considered as the connected transactions, pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction, dated 31 August 2008 (including any amendment thereto) and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transaction, dated 19 November 2003 (including amendment thereto) (collectively referred to as the "**Rules on Connected Transaction**"), and the value thereof is 2.7% of NTA which is lower than 3% of the Company's net tangible assets (NTA) of THB 3,504 million (3% of which equals to THB 105 million) as stated in the reviewed Financial Statement for the six-month period ended 30 June 2020 reviewed by the Company's auditor.



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Therefore, under the Rules on the Connected Transaction, the Company is required to disclose the information regarding the Investment to the Stock Exchange of Thailand ("SET").

Acquisition of the VMI 248 machine under the Project is also considered as an acquisition of asset transaction. Upon calculation of the transaction size under the Notification of the Capital Market Supervisory Board No. Tor. Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 and Notification of the Board of Governors Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 dated 29 October 2004 (the "Rules on Acquisition or Disposition"), the size of Project is 1.5% percent, as calculated based on the rule no.3 (the total consideration value method). The Company does not enter into any other acquisition of asset transaction during 6 months prior to this Board of Directors' approval date. Therefore, the Company is not required to disclose the information regarding the entering into transaction of Project to the SET, and to hold a board of directors' meeting and to hold a general meeting of shareholders to approve the entering into Project.

Information Memorandum on the Connected Transaction

1. Expected transaction date

September 2020 onwards

The Company did not have the other connected transactions with the same connected person happening between the 6-month before the date on which the Project takes place.

The previous transaction with Goodyear China approved by the Board of Directors in February 2020 is not related to and not intentionally separated from the Project. Transfer of VMI 248 approved by the Board of Directors in September 2020 is part of the investment in capacity and capabilities required to deliver against OEMs nominations. Transfer of Hex Bead and VMI approved by the Board of Directors in February 2020 is required to meet other OEMs requirements.



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2. The parties involved and their relationships with the Company

The Company intends to undertake the connected transactions relating thereto with Goodyear China for purchasing machine and equipment (i.e. the VMI 248 machine) (Connected Transaction)

Buyer:	Goodyear Thailand
Seller:	Goodyear China

The brief information of the connected companies and its relationships with the Company are as followings:

(1) *The Goodyear Tire & Rubber Company, USA (Goodyear USA)*

Goodyear USA is a major shareholder of Goodyear Thailand, currently holding 66.79% of the issued shares in Goodyear Thailand.

Goodyear USA is one of the world's leading tire and aviation tire manufacturer with 49 manufacturing facilities in 22 countries. It operates approximately 1,100 service centers that sell tires and provide auto repair services and is also one of the largest commercial truck service and tire retreading operators. Goodyear USA grants Goodyear Thailand the right to use its trademarks, manufacturing patents and technical services with respect to machinery, raw materials, information technology and management.

(2) *Goodyear Dalian Tire Company Limited (Goodyear China)*

Goodyear China is an entity in which Goodyear USA, the major shareholder of the Company, indirectly holds 78.32% of the total number of its voting rights through Goodyear S.A.



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3. General characteristics of the transactions

3.1 Details of the connected transaction

Objective	It is a part of the investment in capacity and capabilities required to deliver against OE nominations with customers.
Details of VMI 248 machine	VMI 248 is a tire building and curing machine. This machine perfectly matches the existing production platform in Thailand and is fully aligned with customers' requirements.
Location	The machine will be located on the existing Goodyear Thailand property of the existing buildings, in Pathumthani.
Products to be manufactured	Radial passenger tires
Target customers	Car manufacturer and consumers.
Project timeframe	September 2020 The source of funds will be utilized in the following order: <ol style="list-style-type: none">1. The Company's existing cash on hand2. Future cash flow from operations including existing base business and the new radial aviation tire business.

3.2 Characteristics of the connected transactions

Purchase of VMI 248 machine

Estimated transaction value: THB 96 Million



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Description:

Goodyear Thailand will purchase VMI 248 machine from Goodyear China to manufacture radial passenger tires and enhance production efficiency. Purchased VMI perfectly matches the existing production platform in Thailand and is fully aligned with customers' requirements. Therefore, this transaction enables efficient operations as the operating procedures are the same, so there is no need for additional training of manpower, and this gives flexibility in deployment of manpower. Further, the spare parts are interchangeable which will enhance production as well.

3.3 Connected transaction

The following table shows the calculation of the connected transactions' value as stated in the Rules on Connected Transaction.

Calculation of transaction size for connected transaction		Unit: THB million
Execution of equipment and services supply agreement		
Value of connected transaction (estimated)		96
Net tangible assets ("NTA") of Goodyear Thailand*		3,504
Size of connected transaction (% of NTA)		2.7%

* Based on the reviewed Financial Statements of Goodyear Thailand for the six-month period ended 30 June 2020 reviewed by the Company's auditor.



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The connected transactions constitute the transaction size of 2.7% of the Net Tangible Asset value (NTA) of the Company which is lower than 3 percent of the NTA of the Company, calculated based on the reviewed Financial Statements of Goodyear Thailand for the six-month period ended 30 June 2020 reviewed by the Company's auditor. Therefore, under the Rules on Connected Transaction, the Company is required to disclose the information regarding the Project to the SET.

4. Total value of consideration and payment method

Connected transactions

Purchase of VMI 248 machine

i. Total value of consideration

Approximately THB 96 Million

ii. Payment method

The Payment is expected to be executed through the existing intercompany payment system between Goodyear Thailand, Goodyear China.

5. Rules of total value of consideration

Connected Transaction

Goodyear Thailand will purchase used machine to manufacture radial passenger tires. The reference of the market price for this used machine cannot be made. The purchase price is based on 30% of original purchased price in line with the current Goodyear Transfer Pricing Policy. The Company has reviewed the original purchased price of Goodyear China and the purchase price is reasonable for the used machine with a remaining useful life.

Example:

The original purchased price = 100

The purchase price = 30 which is based on 30% of original purchased price



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6. Source of funds

The Company expects to utilize the following sources of funds to proceed with the Investment in the following order:

1. The Company's existing cash on hand
2. Future cash flow from operations including existing base business and the new radial aviation tire business

7. Director who have interest

Name	Position	Relationship
Mr. Luca Crepaccioli	Managing director of the Company	● Director nominated by Goodyear USA
Mr. Gino Garzarella	Director of the Company	● Director nominated by Goodyear USA
Mr. Michael Martens	Director of the Company	● Director nominated by Goodyear USA
Mr. WeeHong Kek	Director of the Company	● Director nominated by Goodyear USA
Mr. Michael Dreyer	Director of the Company	● Director nominated by Goodyear USA

8. Characteristics and scope of interests of connected person upon agreement to enter into such connected transaction

Goodyear USA which is a major shareholder of the Company, holding 66.79% of shares in the Company, have a conflict of interest in the connected transaction in addition to 5 directors mentioned in section 7. "Directors who have interest".

Goodyear China is major shareholding and controlling by Goodyear USA.



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9. Meeting attendance and voting of directors having interest/are connected persons

The 5 directors mentioned in section 7. "Directors who have interest" are directors having interest in the connected transactions who were absent from the meeting room to consider and approve the connected transactions in connection with the Project of the Board of Directors' meeting No. 4A/2020 and have no right to vote in the meeting to approve the connected transactions.

10. Opinion of the Board of Directors concerning a decision to enter into a transaction

The Board of Directors' meeting No. 4A/2020 was of the opinion that the Project and the connected transactions were beneficial for the Company and the shareholders as a whole and made under fair and reasonable terms and conditions. Therefore, the meeting considered and unanimously approved the Project and the connected transactions relating thereto. The directors who have an interest in the connected transactions did not participate in the vote.

11. Opinion of the Company's Audit Committee and/or directors which are different from the opinions of the Board of Directors under section 10.

None

Please be informed accordingly.

Yours Sincerely,

-signed-

(Ms. Wasuwat Siripongmongkol)

Company Secretary

Tel. 0 2909 8080 ext. 249