

February 25, 2020

Re: Management discussion and analysis for the year ended 31 December 2019

To: The President
The Stock Exchange of Thailand

Goodyear (Thailand) Public Company Limited (“Company”) would like to explain the reasons for the more than 20% change in revenue and/or net profit for the year ended 31 December 2019 when compared to the same period of the year 2018:

- 1) **Revenue from Sales:** The Company’s Net Sales for the year ended 31 December 2019 was Baht 3,892.2 Million - an increase when compared to the same period of 2018 of Baht 3,858.8 Million or +1%.
- 2) **Cost of Sales:** The Company’s Cost of Goods Sold for the year ended 31 December 2019 represented 86.6% of net sales which was higher when compared to the same period of 2018, which was 84.5%. This was driven by higher raw material costs and an adjustment of pension fund according to the new Labour Protection Act.
- 3) **Selling and Administration Expenses:** The Company’s Selling and Administration Expenses for the year ended 31 December 2019 was Baht 578.2 Million.
- 4) **Assets:** The Company’s Total Assets for the year ended 31 December 2019 was Baht 6,302 Million an increase of Baht 178 Million from the year ended period ended 31 December 2018 or 3%. This was due to Equipment and Machinery acquisition.
- 5) **Net Profit:** The Company’s loss for the year ended 31 December 2019 was Baht 61 Million a decrease when compared to the same period of 2018 of Baht 94.4 Million or 279%. This was because higher raw material costs, an adjustment of a pension fund under the new Labor Protection Act and higher raw material cost.

Above is for your information.

Yours sincerely,

Luca Crepaccioli

Managing Director