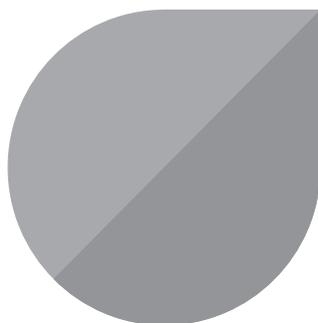
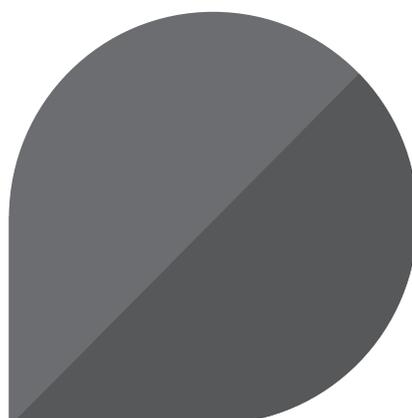




บริษัท ลัคกี้เท็กซ์ (ไทย) จำกัด (มหาชน)
LUCKYTEX (THAILAND) PUBLIC COMPANY LIMITED



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019**



KPMG Phoomchai Audit Ltd.
 50th Floors, Empire Tower,
 1 South Sathorn Road, Yannawa
 Sathorn, Bangkok 10120, Thailand
 Tel +66 2677 2000
 Fax +66 2677 2222
 Website : kpmg.com/th

บริษัท เคพีเอ็มจี ภูมิภาคไทย สอบบัญชี จำกัด
 ชั้น 50 เอ็มไพร์ทาวเวอร์
 1 ถนนสาทรใต้ แขวงยานนาวา
 เขตสาทร กรุงเทพฯ 10120
 โทร +66 2677 2000
 แฟกซ์ +66 2677 2222
 เว็บไซต์ : kpmg.com/th

Independent Auditor's Report

To the Shareholders of Luckytex (Thailand) Public Company Limited

Opinion

I have audited the financial statements in which the equity method is applied and separate financial statements of Luckytex (Thailand) Public Company Limited (the "Company"), which comprise the statement of financial position in which the equity method is applied and separate statement of financial position as at 31 March 2019, the related statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements in which the equity method is applied and separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2019 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

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 in which the Equity Method is Applied and Separate Financial Statements* section of my report. I am independent of the Company in accordance with Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the financial statements in which the equity method is applied and separate 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.



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 in which the equity method is applied and separate financial statements of the current period. These matters were addressed in the context of my audit of the financial statements in which the equity method is applied and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of inventories	
Refer to Note 4 (e) and 9 to financial statements.	
The key audit matter	How the matter was addressed in the audit
The Company operates in a highly competitive market, which is impacting the fluctuation of selling price in relevance to market price. The Company is required to measure its inventories at the lower of cost and net realisable value. In this regard, the Company considers its slow-moving inventories and declining in value of inventories. The estimation of net realisable value of inventories involves management's judgement, and the Company's ending balance of inventories are significant. Therefore, this was an area of focus in my audit.	My audit procedures included the following: <ul style="list-style-type: none"> - inquired of the management to obtain an understanding of the management's judgments and assumptions used to estimate net realisable value of inventories, including the design and implementation of the related internal controls; - verified the accuracy of the inventory aging report on a sample basis with supporting documents; - evaluated the management's assumptions used to identify slow-moving inventories with supporting documents; - sampling items to test the estimated net realisable value of inventories and related selling expenses with supporting documents; and - evaluated the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to note 2 to the financial statements regarding to an amalgamation. At the extraordinary meeting of the Company's shareholders held on 31 January 2019, the Company's shareholders approved the amalgamation between the Company and Thai Toray Textile Mills Public Company Limited to be transformed as a new company, and their common shares are to be listed on the Stock Exchange of Thailand (the "SET"). The completion of the amalgamation is subject to the satisfaction of fulfilment of the conditions necessary for or relating to the amalgamation. The Company is in the process of preparing documents for requiring to approve the New Company's shares as listed stocks by SET. My opinion is not modified in respect of this matter.

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 in which the equity method is applied and separate 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 in which the equity method is applied and separate 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 in which the equity method is applied and separate 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 in which the equity method is applied and separate 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 those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Financial Statements in which the Equity Method is Applied and Separate Financial Statements

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

In preparing the financial statements in which the equity method is applied and separate 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements in which the Equity Method is Applied and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied and separate 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 in which the equity method is applied and separate 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 in which the equity method is applied and separate 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's 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 in which the equity method is applied and separate 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 in which the equity method is applied and separate financial statements, including the disclosures, and whether the financial statements in which the equity method is applied and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of equity-accounted investees of the Company to express an opinion on the financial statements in which the equity method is applied. I am responsible for the direction, supervision and performance of the financial statements in which the equity method is applied. I remain solely responsible for my audit opinion.

I communicate with those charged with governance 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 those charged with governance 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 those charged with governance, I determine those matters that were of most significance in the audit of the financial statements in which the equity method is applied and separate 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.

A handwritten signature in black ink, appearing to read 'Munchupa S.' with a stylized flourish.

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
16 May 2019

STATEMENT OF FINANCIAL POSITION

Luckytex (Thailand) Public Company Limited

Assets	<i>Note</i>	Financial statements in which the equity method is applied		Separate financial statements	
		31 March		31 March	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	<i>6</i>	388,271,712	153,762,302	388,271,712	153,762,302
Trade accounts receivable	<i>5, 7</i>	1,452,905,650	1,365,877,638	1,452,905,650	1,365,877,638
Other receivables	<i>5, 8</i>	29,813,218	32,032,269	29,813,218	32,032,269
Inventories	<i>9</i>	1,103,758,106	1,213,489,419	1,103,758,106	1,213,489,419
Total current assets		<u>2,974,748,686</u>	<u>2,765,161,628</u>	<u>2,974,748,686</u>	<u>2,765,161,628</u>
Non-current assets					
Available-for-sale investments	<i>5, 10</i>	81,084,440	120,140,020	81,084,440	120,140,020
Investment in associate	<i>5, 11</i>	1,434,426,533	1,361,707,069	1,434,426,533	1,361,707,069
Other long-term investments	<i>10</i>	70,607,170	86,607,170	70,607,170	86,607,170
Property, plant and equipment	<i>12</i>	3,854,301,558	4,340,377,883	3,854,301,558	4,340,377,883
Intangible assets	<i>13</i>	27,593,102	25,726,236	27,593,102	25,726,236
Deferred tax assets	<i>14</i>	57,155,264	48,859,030	57,155,264	48,859,030
Other non-current assets		9,856,436	12,586,703	9,856,436	12,586,703
Total non-current assets		<u>5,535,024,503</u>	<u>5,996,004,111</u>	<u>4,595,031,714</u>	<u>5,128,730,786</u>
Total assets		<u><u>8,509,773,189</u></u>	<u><u>8,761,165,739</u></u>	<u><u>7,569,780,400</u></u>	<u><u>7,893,892,414</u></u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Luckytex (Thailand) Public Company Limited

Liabilities and equity	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 March		31 March	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
Current liabilities					
Short-term loans from financial institutions	15	-	314,063,000	-	314,063,000
Trade accounts payable	5, 16	462,769,775	631,726,877	462,769,775	631,726,877
Other payables	5, 17	278,486,220	284,143,691	278,486,220	284,143,691
Current portion of finance lease liabilities	15	19,850,502	18,726,888	19,850,502	18,726,888
Current tax payable		41,746,754	70,895,678	41,746,754	70,895,678
Total current liabilities		802,853,251	1,319,556,134	802,853,251	1,319,556,134
Non-current liabilities					
Long-term loans from financial institution	15	959,355,000	942,189,000	959,355,000	942,189,000
Non-current deferred income	5	36,891,068	18,834,879	36,891,068	18,834,879
Finance lease liabilities	15	344,764,375	364,614,877	344,764,375	364,614,877
Provisions for employee benefits	18	251,270,140	290,414,488	251,270,140	290,414,488
Total non-current liabilities		1,592,280,583	1,616,053,244	1,592,280,583	1,616,053,244
Total liabilities		2,395,133,834	2,935,609,378	2,395,133,834	2,935,609,378
Equity					
Share capital	19				
Authorised share capital		518,400,000	518,400,000	518,400,000	518,400,000
Issued and paid-up share capital		518,400,000	518,400,000	518,400,000	518,400,000
Share premium	19	333,489,160	333,489,160	333,489,160	333,489,160
Retained earnings:					
Appropriated					
Legal reserve	20	51,840,000	51,840,000	51,840,000	51,840,000
General reserve		211,000,000	211,000,000	211,000,000	211,000,000
Unappropriated		4,945,583,045	4,634,386,523	4,005,654,929	3,766,047,662
Other components of equity	20	54,327,150	76,440,678	54,262,477	77,506,214
Total equity		6,114,639,355	5,825,556,361	5,174,646,566	4,958,283,036
Total liabilities and equity		8,509,773,189	8,761,165,739	7,569,780,400	7,893,892,414

The accompanying notes are an integral part of these financial statements.

STATEMENT OF INCOME

Luckytex (Thailand) Public Company Limited

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		Year ended 31 March		Year ended 31 March	
		2019	2018	2019	2018
<i>(in Baht)</i>					
Revenues					
Revenue from sale of goods	5	8,220,114,195	8,690,760,765	8,220,114,195	8,690,760,765
Dividend income	5	3,514,460	3,040,560	56,326,777	58,507,923
Interest income		1,478,043	3,529,039	1,478,043	3,529,039
Other income	5, 10	82,823,717	28,931,577	82,823,717	28,931,577
Net foreign exchange gain		46,338,054	42,133,212	46,338,054	42,133,212
Total revenues		8,354,268,469	8,768,395,153	8,407,080,786	8,823,862,516
Expenses					
Cost of sales of goods	5, 9	7,461,905,913	7,764,699,497	7,461,905,913	7,764,699,497
Distribution costs	5, 22	227,416,066	201,845,015	227,416,066	201,845,015
Administrative expenses	5, 23	232,949,212	202,225,725	232,949,212	202,225,725
Finance costs		43,425,627	56,910,042	43,425,627	56,910,042
Total expenses		7,965,696,818	8,225,680,279	7,965,696,818	8,225,680,279
Share of profit of associate	11	124,401,572	102,579,397	-	-
Profit before income tax expense		512,973,223	645,294,271	441,383,968	598,182,237
Tax expense	26	74,751,812	102,870,079	74,751,812	102,870,079
Profit for the year		438,221,411	542,424,192	366,632,156	495,312,158
Basic earnings per share (in Baht)	27	8.45	10.46	7.07	9.55

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Luckytex (Thailand) Public Company Limited

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		Year ended 31 March		Year ended 31 March	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
Profit for the year		438,221,411	542,424,192	366,632,156	495,312,158
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations	11	1,130,209	-	-	-
Gain on remeasurement of available-for-sale investments	10	15,406,420	7,627,285	15,406,420	7,627,285
Net change in fair value of available-for-sale investments transferred to profit or loss	10	(44,461,091)	-	(44,461,091)	-
Income tax relating to item that will be reclassified subsequently to profit or loss	26	5,810,934	(1,525,457)	5,810,934	(1,525,457)
Total items that will be reclassified subsequently to profit or loss		(22,113,528)	6,101,828	(23,243,737)	6,101,828
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gains on remeasurement of defined benefit plans	18	35,618,888	-	35,618,888	-
Income tax relating to item that will not be reclassified subsequently to profit or loss	26	(7,123,777)	-	(7,123,777)	-
Total items that will not be reclassified subsequently to profit or loss		28,495,111	-	28,495,111	-
Other comprehensive income for the year, net of income tax		6,381,583	6,101,828	5,251,374	6,101,828
Total comprehensive income for the year		444,602,994	548,526,020	371,883,530	501,413,986

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Luckytex (Thailand) Public Company Limited

	Retained earnings						Other components of equity			
	Issued and paid-up share capital	Share premium	Appropriated			Translating foreign operations	Available-for-sale investments	Total other components of equity	Total equity	
			Legal reserve	General reserve	Unappropriated (in Baht)					
For the year ended 31 March 2018										
Balance at 1 April 2017	518,400,000	333,489,160	51,840,000	211,000,000	4,221,562,331	(1,065,536)	71,404,386	70,338,850	5,406,630,341	
Transactions with owners, recorded directly in equity										
Dividends	-	-	-	-	(129,600,000)	-	-	-	(129,600,000)	
Total transactions with owners, recorded directly in equity	-	-	-	-	(129,600,000)	-	-	-	(129,600,000)	
Comprehensive income for the year										
Profit	-	-	-	-	542,424,192	-	-	-	542,424,192	
Other comprehensive income	-	-	-	-	-	-	6,101,828	6,101,828	6,101,828	
Total comprehensive income for the year	-	-	-	-	542,424,192	-	6,101,828	6,101,828	548,526,020	
Balance at 31 March 2018	518,400,000	333,489,160	51,840,000	211,000,000	4,634,386,523	(1,065,536)	77,506,214	76,440,678	5,825,556,361	
For the year ended 31 March 2019										
Balance at 1 April 2018	518,400,000	333,489,160	51,840,000	211,000,000	4,634,386,523	(1,065,536)	77,506,214	76,440,678	5,825,556,361	
Transactions with owners, recorded directly in equity										
Dividends	-	-	-	-	(155,520,000)	-	-	-	(155,520,000)	
Total transactions with owners, recorded directly in equity	-	-	-	-	(155,520,000)	-	-	-	(155,520,000)	
Comprehensive income for the year										
Profit	-	-	-	-	438,221,411	-	-	-	438,221,411	
Other comprehensive income	-	-	-	-	28,495,111	1,130,209	(23,243,737)	(22,113,528)	6,381,583	
Total comprehensive income for the year	-	-	-	-	466,716,522	1,130,209	(23,243,737)	(22,113,528)	444,602,994	
Balance at 31 March 2019	518,400,000	333,489,160	51,840,000	211,000,000	4,945,583,045	64,673	54,262,477	54,327,150	6,114,639,355	

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Luckytex (Thailand) Public Company Limited

	Separate financial statements							Total equity
	Retained earnings			Other components of equity				
	Issued and paid-up share capital	Share premium	Legal reserve	General reserve	Unappropriated reserve (in Baht)	Available-for-sale investments	Total other components of equity	
For the year ended 31 March 2018								
Balance at 1 April 2017	518,400,000	333,489,160	51,840,000	211,000,000	3,400,335,504	71,404,386	71,404,386	4,586,469,050
Transactions with owners, recorded directly in equity								
Dividends	-	-	-	-	(129,600,000)	-	-	(129,600,000)
Total transactions with owners, recorded directly in equity	-	-	-	-	(129,600,000)	-	-	(129,600,000)
Comprehensive income for the year								
Profit	-	-	-	-	495,312,158	-	-	495,312,158
Other comprehensive income	-	-	-	-	-	6,101,828	6,101,828	6,101,828
Total comprehensive income for the year	-	-	-	-	495,312,158	6,101,828	6,101,828	501,413,986
Balance at 31 March 2018	518,400,000	333,489,160	51,840,000	211,000,000	3,766,047,662	77,506,214	77,506,214	4,958,283,036
For the year ended 31 March 2019								
Balance at 1 April 2018	518,400,000	333,489,160	51,840,000	211,000,000	3,766,047,662	77,506,214	77,506,214	4,958,283,036
Transactions with owners, recorded directly in equity								
Dividends	-	-	-	-	(155,520,000)	-	-	(155,520,000)
Total transactions with owners, recorded directly in equity	-	-	-	-	(155,520,000)	-	-	(155,520,000)
Comprehensive income for the year								
Profit	-	-	-	-	366,632,156	-	-	366,632,156
Other comprehensive income	-	-	-	-	28,495,111	(23,243,737)	(23,243,737)	5,251,374
Total comprehensive income for the year	-	-	-	-	395,127,267	(23,243,737)	(23,243,737)	371,883,530
Balance at 31 March 2019	518,400,000	333,489,160	51,840,000	211,000,000	4,005,654,929	54,262,477	54,262,477	5,174,646,566

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Luckytex (Thailand) Public Company Limited

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		Year ended 31 March		Year ended 31 March	
		2019	2018	2019	2018
<i>(in Baht)</i>					
Cash flows from operating activities					
Profit before income tax expense for the year		512,973,223	645,294,271	441,383,968	598,182,237
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Finance costs		43,425,627	56,910,042	43,425,627	56,910,042
Depreciation and amortisation		629,627,078	654,754,793	629,627,078	654,754,793
Impairment losses on equipment	12	-	7,025,501	-	7,025,501
Impairment loss on other long-term investments	10	16,000,000	-	16,000,000	-
Reversal of provision for claim		-	(45,152,835)	-	(45,152,835)
Provision for employee benefits	18	27,555,772	26,869,248	27,555,772	26,869,248
Unrealised (gain) loss on foreign exchange rate		(6,052,851)	13,485,335	(6,052,851)	13,485,335
Reversal of losses on inventories devaluation	9	(6,746,554)	(11,899,973)	(6,746,554)	(11,899,973)
Gain on disposals of plant and equipment and intangible assets		(4,147,172)	(2,981,682)	(4,147,172)	(2,981,682)
Gain on disposal of available-for-sale investments	10	(46,138,771)	-	(46,138,771)	-
Recognised of deferred income		(4,933,559)	(2,577,405)	(4,933,559)	(2,577,405)
Share of profit of associate	11	(124,401,572)	(102,579,397)	-	-
Dividends income	10, 11	(3,514,460)	(3,040,560)	(56,326,777)	(58,507,923)
Interest income		(1,478,043)	(3,529,039)	(1,478,043)	(3,529,039)
		<u>1,032,168,718</u>	<u>1,232,578,299</u>	<u>1,032,168,718</u>	<u>1,232,578,299</u>
<i>Change in operating assets and liabilities</i>					
Trade accounts receivable		(85,275,346)	304,997,081	(85,275,346)	304,997,081
Other receivables		2,219,051	14,471,571	2,219,051	14,471,571
Inventories		116,477,867	195,093,737	116,477,867	195,093,737
Other non-current assets		230,845	(2,055,249)	230,845	(2,055,249)
Trade accounts payable		(208,450,985)	(129,301,065)	(208,450,985)	(129,301,065)
Other payables		<u>11,185,727</u>	<u>(55,416,295)</u>	<u>11,185,727</u>	<u>(55,416,295)</u>
Net cash generated from operating		868,555,877	1,560,368,079	868,555,877	1,560,368,079
Employee benefits paid	18	(31,081,232)	(20,947,581)	(31,081,232)	(20,947,581)
Income taxes paid		<u>(113,509,813)</u>	<u>(75,486,298)</u>	<u>(113,509,813)</u>	<u>(75,486,298)</u>
Net cash from operating activities		723,964,832	1,463,934,200	723,964,832	1,463,934,200
Cash flows from investing activities					
Proceed from disposal of available-for-sale investments	10	56,139,680	-	56,139,680	-
Acquisition of other long-term investments	10	-	(5,966,800)	-	(5,966,800)
Proceed from deferred income		25,544,164	23,791,426	25,544,164	23,791,426
Acquisition of plant and equipment		(97,681,204)	(186,428,013)	(97,681,204)	(186,428,013)
Proceed from disposals of plant and equipment and intangible assets		4,784,521	4,230,016	4,784,521	4,230,016
Acquisition of intangible assets	13	(6,742,108)	(1,092,533)	(6,742,108)	(1,092,533)
Dividends received	10, 11	56,326,777	58,507,923	56,326,777	58,507,923
Interest received		<u>1,478,043</u>	<u>3,529,039</u>	<u>1,478,043</u>	<u>3,529,039</u>
Net cash from (used in) investing activities		39,849,873	(103,428,942)	39,849,873	(103,428,942)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Luckytex (Thailand) Public Company Limited

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		Year ended 31 March		Year ended 31 March	
		2019	2018	2019	2018
<i>(in Baht)</i>					
Cash flows from financing activities					
Decrease in short-term loans from financial institution		(314,063,000)	(567,671,500)	(314,063,000)	(567,671,500)
Repayment of long-term loan from financial institution	15	-	(500,000,000)	-	(500,000,000)
Payment by a lessee for reduction of the outstanding liability relating to a finance lease		(18,726,888)	(17,666,875)	(18,726,888)	(17,666,875)
Dividends paid to owners of the Company	28	(155,520,000)	(129,600,000)	(155,520,000)	(129,600,000)
Finance costs paid		(43,807,183)	(63,530,677)	(43,807,183)	(63,530,677)
Net cash used in financing activities		(532,117,071)	(1,278,469,052)	(532,117,071)	(1,278,469,052)
Net increase in cash and cash equivalents, before effect of exchange rate		231,697,634	82,036,206	231,697,634	82,036,206
Effect of exchange rate changes on cash and cash equivalents		2,811,776	1,178,189	2,811,776	1,178,189
Net increase in cash and cash equivalents		234,509,410	83,214,395	234,509,410	83,214,395
Cash and cash equivalents at beginning of year		153,762,302	70,547,907	153,762,302	70,547,907
Cash and cash equivalents at ending of year	6	388,271,712	153,762,302	388,271,712	153,762,302
Supplemental disclosures of cash flows information:					
Property, plant and equipment purchased during the year are detailed as follows:					
Increase in property, plant and equipment during the year	12	136,813,438	173,303,783	136,813,438	173,303,783
Less - capitalised interest	12	(214,491)	(677,263)	(214,491)	(677,263)
Changes in payables for purchase of machinery and equipment		(38,917,743)	13,801,493	(38,917,743)	13,801,493
Purchase of property, plant and equipment paid by cash		97,681,204	186,428,013	97,681,204	186,428,013

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Note	Contents
1	General information
2	Amalgamation
3	Basis of preparation of the financial statements
4	Significant accounting policies
5	Related parties
6	Cash and cash equivalents
7	Trade accounts receivable
8	Other receivables
9	Inventories
10	Other long-term investments
11	Investment in associate
12	Property, plant and equipment
13	Intangible assets
14	Deferred tax
15	Interest-bearing liabilities
16	Trade accounts payable
17	Other payables
18	Provisions for employee benefits
19	Share capital
20	Reserves
21	Segment information
22	Distribution costs
23	Administrative expenses
24	Employee benefit expenses
25	Expenses by nature
26	Tax expense
27	Basic earnings per share
28	Dividends
29	Financial instruments
30	Commitments with non-related parties
31	Events after the reporting period
32	Thai Financial Reporting Standards not yet adopted
33	Reclassification of accounts

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Directors on 16 May 2019.

1 General information

Luckytex (Thailand) Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 20, Bubhakit Building, 5th Floor, North Sathorn Road, Bangrak, Bangkok, 10500, Thailand.

The Company was listed on the Stock Exchange of Thailand in March 1989.

The ultimate parent company during the financial year was Toray Industries, Inc. which was incorporated in Japan.

The principal activities of the Company are the manufacturing of textile consisting of spun fabric, filament fabric and denim yarn; and industrial material product consisting of cord for rubber material reinforcement and fabric for airbags.

2 Amalgamation

At the extraordinary meeting of the Company’s shareholders held on 31 January 2019, the Company’s shareholders approved the amalgamation between the Company and Thai Toray Textile Mills Public Company Limited to be transformed as a new company (the “New Company”), and their common shares are to be listed on the Stock Exchange of Thailand (the “SET”). The completion of the amalgamation is subject to the satisfaction of fulfilment of the conditions necessary for or relating to the amalgamation.

As at 31 March 2019, the Company is in the process of having obtained the approval, authorisation, consent, or waiver from relevant regulators including the Company’s creditors which are necessary for or relating to the amalgamation and in process of preparing documents for requiring to approve the New Company’s shares as listed stocks by SET. In this regard, the Company’s management expected that the completion of the conditions necessary for or relating to the amalgamation and the New Company will be established within July 2019.

3 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions; and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Company’s accounting policies. These changes have no material effect on the financial statements.

In addition a number of new and revised TFRS are not yet effective for current periods. The Company has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Company’s operations are disclosed in note 32 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

<i>Items</i>	<i>Measurement bases</i>
Derivatives	Fair value
Available-for-sale investments	Fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in Note 4 (n) to the financial statements

(c) *Functional and presentation currency*

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to financial statements to the nearest thousand unless otherwise stated.

(d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 15 to the financial statements Lease: whether an arrangement containing a lease.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the year ending 31 March 2020 is included in the following notes:

Note 10 and 12	Impairment test: key assumptions underlying recoverable amounts and
Note 18	Measurement of defined benefit obligations: key actuarial assumptions

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the Chief Financial Officers.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Significant valuation issues are reported to the Company's Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 29 to the financial statements Financial instruments.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currencies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(b) Derivatives

Derivatives are used to manage exposure to foreign exchange, interest rate risks arising from operational, financing and investment activities. Derivatives mainly comprise foreign currency forward contracts, cross currency swap contracts and interest rate swap contracts and are not used for trading purposes.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Foreign currency forward contracts and cross currency swap contracts

Foreign currency forward contracts and cross currency swap contracts protect the Company from risks in fluctuation of exchange rates. The gain or loss on measurement to fair value is recognised immediately in profit or loss.

The fair value of forward contracts and cross currency swap contracts is based on broker quotes at the reporting date.

Interest rate swap contracts

Interest rate swap contracts protect the Company from risks in fluctuation of interest rates. The differences under interest rate swaps are recorded as adjustments to the interest expense relating to the financial obligations in profit or loss.

The fair value of interest rate swap contracts is based on broker quotes at the reporting date.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments.

(d) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(f) Investments

Investment in associate

Investment in associate in the separate financial statements of the Company is accounted for using the cost method. Investment in associate in the financial statements in which the equity method is applied is accounted for using the equity method.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Investments in other equity securities

Marketable equity securities are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value which is determined using quoted bid price at the reporting date. The changes, therein, other than impairment losses, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(g) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Leased assets

Leases in terms of which the Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and land improvements	20	years
Machinery and equipment	10 - 15	years
Furniture, fixtures and office equipment	3 and 5	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(h) Intangible assets

Intangible assets that are acquired by the Company are software licences, and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual values.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of software licences of 10 years.

No amortisation is provided on intangible assets under development.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Leasehold right

Leasehold right is measured at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the lease term of 30 years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

(j) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Interest-bearing liabilities

Interest-bearing liabilities are recognised at cost.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

(m) *Deferred income*

Deferred income represents a cash received from parent company as an unconditional subsidy in respect of the cost of purchase of new machines for increasing the efficiency in production and reducing air pollution from production. The deferred income will be recognised as income in profit or loss on the straight-line basis over the estimated useful life of the machines of 10 years from the date that they are ready for use.

(n) *Employee benefits*

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

(o) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Dividend income

Dividend income is recognised in the profit or loss on the date the Company's right to receive payments is established.

Interest and other income

Interest and other income are recognised in profit or loss as they accrue.

(q) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the statement of income using the effective interest rate method.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Company's incremental borrowing rate.

(s) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

(t) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(u) Segment reporting

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly are corporate assets and head office expenses.

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with associate are described in note 11 to the financial statements. Relationships with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Toray Industries, Inc.	Japan	Parent company and/or common directorship
Thai Toray Synthetics Co., Ltd.	Thailand	Associate and/or common directorship
Toray International Trading (Hong Kong) Co., Ltd.	Hong Kong	Indirect subsidiary of the parent company
Toray International, Inc.	Japan	Subsidiary of the parent company
Toray International (America) Inc.	United states of America	Subsidiary of the parent company
Toray Textiles Central Europe s.r.o.	Czech Republic	Subsidiary of the parent company
Thai Toray Textile Mills Public Company Limited	Thailand	Subsidiary of the parent company
Penfabric Sdn. Berhad	Malaysia	Subsidiary of the parent company
Penovate Sdn. Berhad	Malaysia	Subsidiary of the parent company
Penfibre Sdn. Berhad	Malaysia	Subsidiary of the parent company
Toray Sakai Weaving & Dyeing (Nantong) Co., Ltd.	China	Subsidiary of the parent company
Toray International Europe GmbH	Germany	Subsidiary of the parent company
Thai Chori Co., Ltd.	Thailand	Subsidiary of the parent company
Chori Co., Ltd.	Japan	Subsidiary of the parent company

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Name of entities	Country of incorporation/ nationality	Nature of relationships
Chori Middle East FZE	United Arab Emirates	Subsidiary of the parent company
Toray International (China) Co., Ltd.	China	Subsidiary of the parent company
P.T. Indonesia Toray Synthetics	Indonesia	Subsidiary of the parent company
P.T. Easterntex	Indonesia	Subsidiary of the parent company
Toray International Italy S.r.l	Italy	Subsidiary of the parent company
Toray Kusumgar Advanced Textile Private Limited	India	Subsidiary of the parent company
Toray Hybrid Cord, Inc.	Japan	Subsidiary of the parent company
Toray Fibers (Nantong) Co., Ltd.	China	Subsidiary of the parent company
Toray Advanced Textile Mexico, S.A. de C.V.	Mexico	Subsidiary of the parent company
Toray International Vietnam Co., Ltd.	Vietnam	Subsidiary of the parent company
Ichimura Sangyo Co., Ltd.	Japan	Subsidiary of the parent company
Toray Industries (Thailand) Co., Ltd.	Thailand	Subsidiary of the parent company and/or common directorship
Toray Hybrid Cord (Thailand) Co., Ltd.	Thailand	Indirect subsidiary of the parent company and/or common directorship
Toray International Trading (Thailand) Co., Ltd.	Thailand	Associate of the parent company
Key management personnel	Thailand/ Japan	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company (whether executive or otherwise).

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sale and purchase of goods	Market prices or, where no market price exists, at contractually agreed prices
Purchase of machine and equipment	Market prices or, where no market price exists, at contractually agreed prices
Audit committee's remuneration	Amounts approved by the Company's shareholders
Dividend income	Upon declaration
Commission expense	Contractually agreed prices
Management service fee and other expenses	Contractually agreed prices
Other income and deferred income	Contractually agreed prices
Gain on disposal of available-for-sale investments	Contractually agreed prices which approximate market prices

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Significant transactions for the years ended 31 March with related parties were as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Parent				
Sale of goods	250	6,436	250	6,436
Other income and deferred income	7,988	5,186	7,988	5,186
Gain on disposal of available-for-sale investments	46,139	-	46,139	-
Commission expense	40,961	45,120	40,961	45,120
Other expense	2,337	1,471	2,337	1,471
Associate				
Purchase of goods	1,922,583	1,714,447	1,922,583	1,714,447
Dividend income	-	-	52,812	55,467
Other related parties				
Sale of goods	1,760,131	1,703,466	1,760,131	1,703,466
Other income	3,570	5,841	3,570	5,841
Purchase of goods	1,650,671	2,108,003	1,650,671	2,108,003
Purchase of machine and equipment	1,846	102,234	1,846	102,234
Commission expense	22,142	25,832	22,142	25,832
Management service fee	25,525	27,696	25,525	27,696
Dividend income	1,096	626	1,096	626
Other expense	8,231	9,724	8,231	9,724
Audit committee's remuneration	756	728	756	728
Key management personnel				
Key management personnel compensation	40,763	49,482	40,763	49,482

Balances as at 31 March with related parties were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Trade accounts receivable		
Other related parties	310,946	322,994
Total	310,946	322,994
Other receivables		
Parent	720	1,174
Other related parties	1,332	1,870
Total	2,052	3,044
Trade accounts payable		
Associate	179,631	171,995
Other related parties	83,813	301,813
Total	263,444	473,808

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Other payables		
Parent	18,960	22,240
Associate	58	-
Other related parties	8,405	8,155
Total	27,423	30,395
Deferred income		
Parent		
- Current (recorded in the account "other payables")	4,934	2,379
- Non-current	36,891	18,835
Total	41,825	21,214

Significant agreement with related party

Management service agreement

The Company entered into a management service agreement with Toray Industries (Thailand) Co., Ltd. a related company, whereby the related company agrees to provide certain services as agreed in the agreement to the Company. In this regard, the Company is committed to pay the monthly service fee at the rate specified in the agreement. This agreement shall be effective unless either party thereto gives written notice to the other of its intention to terminate this agreement 30 days in advance.

6 Cash and cash equivalents

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Cash on hand	309	2,944
Cash at bank - current and savings accounts	387,963	150,818
Total	388,272	153,762

7 Trade accounts receivable

	Note	Financial statements in which the equity method is applied/ Separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Related parties	5	310,946	322,994
Other parties		1,141,960	1,042,884
Total		1,452,906	1,365,878

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Aging analyses for trade accounts receivable were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Related parties		
Within credit terms	310,934	322,994
Overdue:		
Less than 3 months	12	-
	<u>310,946</u>	<u>322,994</u>
Other parties		
Within credit terms	1,115,876	1,037,742
Overdue:		
Less than 3 months	26,084	5,142
	<u>1,141,960</u>	<u>1,042,884</u>
Total	<u>1,452,906</u>	<u>1,365,878</u>

The normal credit term granted by the company ranges from 30 days to 60 days.

8 Other receivables

	<i>Note</i>	Financial statements in which the equity method is applied/ Separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Related parties	5	<u>2,052</u>	<u>3,044</u>
Other parties			
Refundable value added tax		11,875	12,874
Prepaid expenses		7,513	6,871
Advances to suppliers		3,853	4,278
Loan to employee		3,219	3,494
Others		1,301	1,471
		<u>27,761</u>	<u>28,988</u>
Total		<u>29,813</u>	<u>32,032</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

9 Inventories

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Finished goods	364,251	412,397
Work in progress	371,035	369,486
Raw materials	188,874	273,137
Spare parts and supplies	162,194	165,012
Raw materials and spare parts in transit	45,773	28,573
	<u>1,132,127</u>	<u>1,248,605</u>
Less allowance for decline in value	(28,369)	(35,116)
Net	<u>1,103,758</u>	<u>1,213,489</u>
Inventories recognised as an expense in 'cost of sale of goods':		
- Cost	7,468,653	7,776,599
- Reversal of write-down to net realisable value	(6,747)	(11,900)
Net total	<u>7,461,906</u>	<u>7,764,699</u>

10 Other long-term investments

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Equity securities available-for-sale	81,084	120,140
Other long-term investments	86,607	86,607
Less impairment loss	(16,000)	-
	<u>70,607</u>	<u>86,607</u>
Total	<u>151,691</u>	<u>206,747</u>

Movement during the years ended 31 March of the other long-term investments were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Beginning balance	206,747	193,153
Additions	-	5,967
Valuation adjustment	15,406	7,627
(Loss) Reversal of losses on impairment	(16,000)	130
Disposal	(10,001)	(130)
Net change in fair value transferred to profit or loss from disposal	(44,461)	-
Ending balance	<u>151,691</u>	<u>206,747</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

The following table summarises the financial information of the associates as included in their own financial statements, adjusted for differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Company's interest in this company.

	2019	2018
	<i>(in thousand Baht)</i>	
Revenue	9,317,743	9,481,624
Profit	648,135	581,644
Other comprehensive income	6,028	-
Total comprehensive income (100%)	654,163	581,644
Total comprehensive income (18.75% hold)	122,656	109,058
Elimination of unrealised profit on upstream sales (Sales assets to the Company)	2,876	(6,479)
Company's share of total comprehensive income	125,532	102,579
Current assets	3,610,583	3,679,426
Non-current assets	5,598,375	5,654,870
Current liabilities	(1,404,395)	(1,881,944)
Non-current liabilities	(127,747)	(126,056)
Net assets (100%)	7,676,816	7,326,296
Company's share of net assets (18.75% hold)	1,439,403	1,373,681
Elimination of unrealised profit on upstream sales (Sales assets to the Company)	(4,976)	(11,974)
Carrying amount of interest in associate	1,434,427	1,361,707

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019
Luckytex (Thailand) Public Company Limited

12 Property, plant and equipment

	Financial statements in which the equity method is applied/Separate financial statements						Total
	Land	Building and land improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	
<i>Cost</i>							
At 1 April 2017	57,032	2,013,884	12,741,673	517,068	8,679	93,333	15,431,669
Additions	-	-	232	2,766	-	170,306	173,304
Transfers	-	66,321	185,981	80	-	(252,382)	-
Disposals	-	(853)	(1,340,792)	(17,028)	(898)	-	(1,359,571)
At 31 March 2018 and 1 April 2018	57,032	2,079,352	11,587,094	502,886	7,781	11,257	14,245,402
Additions	-	-	3,075	4,737	-	129,001	136,813
Transfers	-	14,230	84,900	8,256	-	(107,386)	-
Disposals	-	(40,072)	(272,008)	(102,161)	(99)	-	(414,340)
At 31 March 2019	57,032	2,053,510	11,403,061	413,718	7,682	32,872	13,967,875
<i>Depreciation and impairment losses</i>							
At 1 April 2017	-	1,334,862	8,878,688	386,345	8,668	-	10,608,563
Depreciation charge for the year	-	64,264	538,214	45,272	8	-	647,758
Impairment losses	-	-	6,644	382	-	-	7,026
Disposals	-	(853)	(1,339,572)	(17,000)	(898)	-	(1,358,323)
At 31 March 2018 and 1 April 2018	-	1,398,273	8,083,974	414,999	7,778	-	9,905,024
Depreciation charge for the year	-	61,473	524,116	36,975	3	-	622,567
Reversal of impairment losses	-	-	(6,644)	(382)	-	-	(7,026)
Disposals	-	(40,072)	(265,315)	(101,506)	(99)	-	(406,992)
At 31 March 2019	-	1,419,674	8,336,131	350,086	7,682	-	10,113,573

(in thousand Baht)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Financial statements in which the equity method is applied/Separate financial statements

	Land	Building and land improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<i>Net book value</i>							
At 1 April 2017							
Owned assets	57,032	679,022	3,466,724	130,723	11	93,333	4,426,845
Assets under finance leases	-	-	396,261	-	-	-	396,261
	57,032	679,022	3,862,985	130,723	11	93,333	4,823,106
At 31 March 2018 and 1 April 2018							
Owned assets	57,032	681,079	3,133,877	87,887	3	11,257	3,971,135
Assets under finance leases	-	-	369,243	-	-	-	369,243
	57,032	681,079	3,503,120	87,887	3	11,257	4,340,378
At 31 March 2019							
Owned assets	57,032	633,836	2,724,705	63,632	-	32,872	3,512,077
Assets under finance leases	-	-	342,225	-	-	-	342,225
	57,032	633,836	3,066,930	63,632	-	32,872	3,854,302

(in thousand Baht)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 March 2019 amounted to Baht 6,646.5 million (2018: Baht 6,369.6 million).

During the year ended 31 March 2019, the Company capitalised interest expense as cost of assets under construction and installation totalling Baht 0.2 million (2018: Baht 0.7 million), with a capitalisation rate of 1.91% to 1.96% per annum (2018: 1.75% to 2.04% per annum).

13 Intangible assets

	Financial statements in which the equity method is applied/ Separate financial statements		
	Software licences	Software under development (in thousand Baht)	Total
Cost			
At 1 April 2017	66,357	-	66,357
Additions	1,093	-	1,093
At 31 March 2018 and 1 April 2018	67,450	-	67,450
Additions	4,200	2,541	6,741
Disposals	(340)	-	(340)
At 31 March 2019	71,310	2,541	73,851
Amortisation			
At 1 April 2017	37,101	-	37,101
Amortisation charge for the year	4,623	-	4,623
At 31 March 2018 and 1 April 2018	41,724	-	41,724
Amortisation charge for the year	4,560	-	4,560
Disposals	(26)	-	(26)
At 31 March 2019	46,258	-	46,258
Net book value			
At 1 April 2017	29,256	-	29,256
At 31 March 2018 and 1 April 2018	25,726	-	25,726
At 31 March 2019	25,052	2,541	27,593

14 Deferred tax

Deferred tax assets and liabilities as at 31 March were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	(in thousand Baht)			
Total	91,926	97,392	(34,771)	(48,533)
Set off of tax	(34,771)	(48,533)	34,771	48,533
Net deferred tax assets	57,155	48,859	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Movements in total deferred tax assets and liabilities during the years ended 31 March 2019 and 2018 were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements			
	At 1 April 2018	(Charged) / Credited to:		At 31 March 2019
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Inventories	7,023	(1,349)	-	5,674
Other provisions	1,405	(1,405)	-	-
Provisions for employee benefits	58,083	(705)	(7,124)	50,254
Unrealised loss from derivatives	24,122	(3,845)	-	20,277
Provision for impairment of other long-term investments	-	3,200	-	3,200
Others	6,759	5,762	-	12,521
Total	97,392	1,658	(7,124)	91,926
Deferred tax liabilities				
Property, plant and equipment	(29,157)	7,951	-	(21,206)
Available-for-sale investments	(19,376)	-	5,811	(13,565)
Total	(48,533)	7,951	5,811	(34,771)
Net	48,859	9,609	(1,313)	57,155
	Financial statements in which the equity method is applied/ Separate financial statements			
	At 1 April 2017	(Charged) / Credited to:		At 31 March 2018
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Inventories	9,403	(2,380)	-	7,023
Other provisions	12,419	(11,014)	-	1,405
Provisions for employee benefits	56,899	1,184	-	58,083
Unrealised loss from derivatives	-	24,122	-	24,122
Others	663	6,096	-	6,759
Total	79,384	18,008	-	97,392
Deferred tax liabilities				
Property, plant and equipment	(38,456)	9,299	-	(29,157)
Available-for-sale investments	(17,851)	-	(1,525)	(19,376)
Others	(3,851)	3,851	-	-
Total	(60,158)	13,150	(1,525)	(48,533)
Net	19,226	31,158	(1,525)	48,859

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

15 Interest-bearing liabilities

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Current - Unsecured		
Short-term loans from financial institutions	-	314,063
Current portion of finance lease liabilities	19,851	18,727
Non-current - Unsecured		
Long-term loans from financial institution	959,355	942,189
Finance lease liabilities	344,764	364,615
Total	<u>1,323,970</u>	<u>1,639,594</u>

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 March were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Within one year	-	314,063
After one year but within five years	959,355	942,189
Total	<u>959,355</u>	<u>1,256,252</u>

Long-term loans from financial institution

On 9 May 2014, the Company entered into a long-term loan agreement with a local branch of foreign financial institution amounting to USD 15.43 million which bears interest at LIBOR plus 0.25% per annum. This loan is repayable in May 2017. At the same date, the Company entered into a cross currency rate swap agreement to swap long-term loan principal to Baht 500 million and the Company entered into an interest rate swap agreement with the same financial institution to swap interest rate to fixed interest rate of 2.80% per annum. This loan has been paid in May 2017.

On 18 March 2016, the Company entered into a long-term loan agreement with a local branch of foreign financial institution amounting to USD 15 million which bears interest at LIBOR plus 0.30% per annum. This loan is repayable in March 2021. At the same date, the Company entered into a cross currency rate swap agreement to swap long-term loan principal to Baht 534 million and the Company entered into an interest rate swap agreement with the same financial institution to swap interest rate to fixed interest rate of 2.09% per annum.

On 24 March 2016, the Company entered into a long-term loan agreement with a local branch of foreign financial institution amounting to USD 15 million which bears interest at LIBOR plus 0.30% per annum. This loan is repayable in March 2021. At the same date, the Company entered into a cross currency rate swap agreement to swap long-term loan principal to Baht 522.6 million and the Company entered into an interest rate swap agreement with the same financial institution to swap interest rate to fixed interest rate of 1.83% per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Under the term of the long-term loans agreements, the Company must comply with certain conditions as stated in the agreements such as default payment, financial information, and others etc.

As at 31 March 2019, the Company had unutilised credit facilities totalling USD 123 million and Baht 4,526 million (2018: USD 113 million and Baht 4,636 million).

Finance lease liabilities

Finance lease liabilities as at 31 March were payable as follows:

	Financial statements in which the equity method is applied/ Separate financial statements					
	2019			2018		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Due within one year	40,622	20,771	19,851	40,622	21,895	18,727
Due after one year but within five years	162,488	70,440	92,048	162,488	75,650	86,838
Due after 5 years	314,821	62,105	252,716	355,443	77,666	277,777
Total	517,931	153,316	364,615	558,553	175,211	383,342

Lease of power generator not in the legal form of a lease

The Company entered into an Energy Supply Agreement with a local company. The Company will receive electric power and steam from the latter to be used for the operation in the factory located in Samutprakarn. The agreement is for a period of 15 years commencing on 1 December 2016. In consideration thereof, the Company is committed to pay the fee as defined in the agreement. Under the terms of the agreement, the Company must comply with certain conditions as stated in the agreement such as lease of the business site and termination etc.

Due to the unusual nature of the asset, it is remote that one or more parties other than the Company will take more than insignificant amount of utility that will be generated by the asset during the term of arrangement. The power generator is located at the Company's factory in Samutprakarn which the Company has ability or right to control physical access to the asset. Accordingly, although the arrangement is not in the legal form of a lease, the Company concluded that the arrangement contains a lease of the power generator. The lease was classified as a finance lease. At inception of the arrangement, payments were split into lease payments and payments related to the other elements based on their relative fair values. The imputed finance costs on the liability were determined based on the Company's incremental borrowing rate (6%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

16 Trade accounts payable

	Note	Financial statements in which the equity method is applied/ Separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Related parties	5	263,444	473,808
Other parties		199,326	157,919
Total		462,770	631,727

17 Other payables

	Note	Financial statements in which the equity method is applied/ Separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Related parties	5	32,357	32,774
Other parties			
Derivative liability from forward contracts		101,387	120,609
Accrued utilities expense		64,557	67,833
Accrued operating expense		32,366	29,093
Advance received from customers		21,694	17,470
Accrued commission		11,780	11,490
Accrued professional fee		9,802	870
Others		4,543	4,005
		246,129	251,370
Total		278,486	284,144

18 Provisions for employee benefits

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Statement of financial position:		
Provisions for:		
Post-employment benefits	236,136	274,892
Other long-term employee benefits	15,134	15,522
Total	251,270	290,414

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
<i>(in thousand Baht)</i>		
For the years ended 31 March		
Statement of comprehensive income:		
Recognised in profit or loss:		
Post-employment benefits	25,507	24,797
Other long-term employee benefits	2,049	2,072
Total	27,556	26,869
Recognised in other comprehensive income:		
Actuarial gains recognised in the year	(35,619)	-

Post-employment benefits

The Company operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as interest rate risk.

Movement in the present value of the defined benefit obligations:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
<i>(in thousand Baht)</i>		
Beginning balance	274,892	268,815
Recognised in profit or loss:		
Current service cost	20,308	19,782
Interest on obligation	5,199	5,015
	25,507	24,797
Recognised in other comprehensive income:		
Actuarial gains	(35,619)	-
Other:		
Benefit paid	(28,644)	(18,720)
Ending balance	236,136	274,892

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Actuarial gains recognised in other comprehensive income arising from:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Demographic assumptions	(20,397)	-
Financial assumptions	(14,645)	-
Experience adjustment	(577)	-
Total	(35,619)	-

Other long-term employee benefits

Obligation in respect of other long-term employee benefits was based on pensionable remuneration and the Company's policy.

Movement in the present value of other long-term employee benefits:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Beginning balance	15,522	15,678
Recognised in profit or loss:		
Current service cost	1,722	1,735
Interest on obligation	327	337
	<u>2,049</u>	<u>2,072</u>
Other:		
Benefit paid	(2,437)	(2,228)
Ending balance	<u>15,134</u>	<u>15,522</u>

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(%)</i>	
Discount rate	2.75	2.0
Future salary increase	5 - 6	5 - 6
Employee turnover	3.5 - 22	2 - 20
Retirement age (<i>years old</i>)	55	55 - 60

Assumptions regarding future mortality are based on published statistics and mortality tables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below.

	Financial statements in which the equity method is applied/ Separate financial statements <i>(in thousand Baht)</i>	
	Increased	Decreased
At 31 March 2019		
Discount rate (1% movement)	(19,299)	21,872
Future salary growth (1% movement)	23,086	(20,562)
Employee turnover (20% movement)	(9,274)	10,573
At 31 March 2018		
Discount rate (1% movement)	(22,712)	26,094
Future salary growth (1% movement)	33,764	(29,154)
Employee turnover (20% movement)	(11,494)	13,354

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

19 Share capital

	Par value per share <i>(in Baht)</i>	Financial statements in which the equity method is applied/ Separate financial statements			
		2019		2018	
		Number	Amount	Number	Amount
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
Beginning balance					
- ordinary shares	10	<u>51,840</u>	<u>518,400</u>	<u>51,840</u>	<u>518,400</u>
Ending balance					
- ordinary shares	10	<u>51,840</u>	<u>518,400</u>	<u>51,840</u>	<u>518,400</u>
Issued and paid					
Beginning balance					
- ordinary shares	10	<u>51,840</u>	<u>518,400</u>	<u>51,840</u>	<u>518,400</u>
Ending balance					
- ordinary shares	10	<u>51,840</u>	<u>518,400</u>	<u>51,840</u>	<u>518,400</u>

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

20 Reserves

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation changes recognised in equity relate to foreign exchange differences arising on translation of the financial statements of foreign operations to Thai Baht to record investment in accounted for using equity method in financial statements in which the equity method is applied.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

21 Segment information

The Company has two reportable segments, as described below, which are the Company’s strategic divisions. The strategic divisions offer different products, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (“CODM”) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Company’s reportable segments.

- *Segment 1* Textile
- *Segment 2* Industrial material product

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the Company’s CODM. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Information about reportable segments

	Financial statements in which the equity method is applied					
	Segment 1		Segment 2		Total	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
External revenues	4,309,160	4,687,013	3,910,954	4,003,748	8,220,114	8,690,761
Cost of sales	(3,932,580)	(4,161,358)	(3,529,326)	(3,603,341)	(7,461,906)	(7,764,699)
Gross profit	376,580	525,655	381,628	400,407	758,208	926,062
Distribution costs					(227,416)	(201,845)
Administrative expenses					(232,949)	(202,226)
Finance costs					(43,426)	(56,910)
Other income					134,154	77,634
Share of profit of associate					124,402	102,579
Profit before income tax expense					512,973	645,294
Tax expense					(74,752)	(102,870)
Profit for the year					438,221	542,424

	Financial statements in which the equity method is applied					
	Segment 1		Segment 2		Total	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Reportable segment financial position						
Trade accounts receivable	573,894	458,362	879,012	907,516	1,452,906	1,365,878
Inventories						
- Allocated items	704,526	713,975	230,371	328,903	934,897	1,042,878
- Unallocated items	-	-	-	-	168,861	170,611
Total					1,103,758	1,213,489
Property, plant and equipment, net						
- Allocated items	2,899,227	3,262,226	804,747	912,870	3,703,974	4,175,096
- Unallocated items	-	-	-	-	150,328	165,282
Total					3,854,302	4,340,378
Unallocated other assets					2,098,807	1,841,421
Total assets					8,509,773	8,761,166

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Geographical segments

The Company managed on a worldwide basis but operates manufacturing facilities and sales offices solely in Thailand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers.

Geographical information

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Revenues		
Thailand	4,616,510	4,883,223
Japan	1,587,633	1,581,406
Bangladesh	609,656	423,950
United Arab Emirates	214,320	250,411
Others	1,191,995	1,551,771
Total	<u>8,220,114</u>	<u>8,690,761</u>

Segment assets

All segment assets of the Company are located in Thailand.

Major customer

Revenues from one customer of the Company's 1 and 2 segments represent approximately Baht 1,082 million (2018: Baht 1,163 million) of the Company's total revenues.

22 Distribution costs

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Commission expenses	94,651	102,642
Freight charges and shipping expenses	65,368	76,266
Employee benefit expenses	32,672	40,266
Claim (Reversal of) expenses	17,399	(37,818)
Bank charge	7,552	10,787
Transportation and vehicles rent	2,600	4,666
Others	7,174	5,036
Total	<u>227,416</u>	<u>201,845</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

23 Administrative expenses

	Note	Financial statements in which the equity method is applied/ Separate Financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Employee benefit expenses		76,146	81,109
Amalgamation expenses		43,269	-
Management service fee		25,525	27,696
Maintenance and technical fee		20,277	20,180
Loss on impairment of investment	10	16,000	-
Transportation and vehicles rent		10,688	8,697
Insurance expenses		9,401	8,444
Depreciation and amortisation		6,885	7,251
Loss on impairment of equipment	12	-	7,026
Others		24,758	41,823
Total		232,949	202,226

24 Employee benefit expenses

	Note	Financial statements in which the equity method is applied/ Separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Key management			
Wages and salaries		38,753	47,247
Bonus and other benefits		2,010	2,235
		40,763	49,482
Other employees			
Wages and salaries		506,159	550,178
Bonus and other benefits		146,987	148,068
Defined benefit plans	18	27,556	26,869
Defined contribution plans		9,199	9,312
		689,901	734,427
Total		730,664	783,909

Defined contribution plans

The defined contribution plans comprise provident funds established by the Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 5% of their basic salaries and by the Company at rates ranging from 3% to 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

25 Expenses by nature

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various Thai Financial Reporting Standards were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
<i>Included in cost of sales of goods:</i>		
Changes in inventories of finished goods and work in progress	46,597	189,185
Raw materials and consumables used	5,129,634	5,202,828
Utilities expenses	784,418	787,991
Depreciation and amortisation	622,162	646,614
Employee benefit expenses	621,846	662,534
Fuel and natural gas expenses	147,610	125,032
Reversal of write-down to net realisable value	(6,747)	(11,900)
<i>Included in distribution costs:</i>		
Commission expenses	94,651	102,642
Freight charges and shipping expenses	65,368	76,266
Employee benefit expenses	32,672	40,266
(Reversal of) Claim expenses	17,399	(37,818)
Depreciation and amortisation	257	468
<i>Included in administrative expenses:</i>		
Employee benefit expenses	76,146	81,109
Management service fee	25,525	27,696
Maintenance and technical fee	20,277	20,180
Transportation and vehicles rent	10,688	8,697
Insurance expenses	9,401	8,444
Depreciation and amortisation	6,885	7,251

26 Tax expense

Income tax recognised in profit or loss

	Note	Financial statements in which the equity method is applied/ Separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Current tax expense			
Current year		83,948	134,028
Adjustment for prior year		413	-
		<u>84,361</u>	<u>134,028</u>
Deferred tax expense			
Movements in temporary differences	14	(9,609)	(31,158)
Total		<u>74,752</u>	<u>102,870</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Income tax recognised in other comprehensive income

	Financial statements in which the equity method is applied					
	2019			2018		
	Before tax	Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	Tax expense	Net of tax
Exchange differences on translating foreign operations	1,130	-	1,130	-	-	-
Gain on remeasurement of available-for-sale investments	15,406	(3,081)	12,325	7,627	(1,525)	6,102
Net change in fair value of available-for-sale investments transferred to profit or loss	(44,461)	8,892	(35,569)	-	-	-
Gains on remeasurement of defined benefit plans	35,619	(7,124)	28,495	-	-	-
Total	7,694	(1,313)	6,381	7,627	(1,525)	6,102

	Separate financial statements					
	2019			2018		
	Before tax	Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	Tax expense	Net of tax
Gain on remeasurement of available-for-sale investments	15,406	(3,081)	12,325	7,627	(1,525)	6,102
Net change in fair value of available-for-sale investments transferred to profit or loss	(44,461)	8,892	(35,569)	-	-	-
Gains on remeasurement of defined benefit plans	35,619	(7,124)	28,495	-	-	-
Total	6,564	(1,313)	5,251	7,627	(1,525)	6,102

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Reconciliation of effective tax rate

	Financial statements in which the equity method is applied			
	Rate (%)	2019 (in thousand Baht)	Rate (%)	2018 (in thousand Baht)
Profit before income tax expense		512,973		645,294
Income tax using the Thai corporation tax rate	20	102,595	20	129,059
Share of profit from investment in associate	(5)	(24,880)	(3)	(20,516)
Income not subject to tax	-	(703)	-	(609)
Expenses not deductible for tax purposes	-	1,499	-	1,558
Expenses deductible at a greater amount	(1)	(4,172)	(1)	(4,227)
Under provided in previous year	-	413	-	-
Others	-	-	-	(2,395)
Total	14	74,752	16	102,870

	Separate financial statements			
	Rate (%)	2019 (in thousand Baht)	Rate (%)	2018 (in thousand Baht)
Profit before income tax expense		441,384		598,182
Income tax using the Thai corporation tax rate	20	88,277	20	119,636
Income not subject to tax	(2)	(11,265)	(2)	(11,702)
Expenses not deductible for tax purposes	-	1,499	-	1,558
Expenses deductible at a greater amount	(1)	(4,172)	(1)	(4,227)
Under provided in previous year	-	413	-	-
Others	-	-	-	(2,395)
Total	17	74,752	17	102,870

27 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 March 2019 and 2018 were based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the year	438,221	542,424	366,632	495,312
Number of ordinary shares outstanding	51,840	51,840	51,840	51,840
Basic earnings per share (in Baht)	8.45	10.46	7.07	9.55

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

28 Dividends

At the Board of directors' meeting of the Company held on 20 December 2018, the meeting approved the appropriation of interim dividends of Baht 1.50 per share for 51.84 million ordinary shares, amounting to Baht 77.76 million. This interim dividend payment was derived from retained earnings subjects to corporate income tax 30%. The dividends were paid to shareholders in January 2019.

At the annual general meeting of the shareholders of the Company held on 24 July 2018, the Company's shareholders approved the appropriation of annual dividend for the year ended 31 March 2018 from retained earnings subject to 30% corporate income tax of Baht 2.75 per share for 51.84 million ordinary shares, totalling Baht 142.56 million, which was included the interim dividend paid to shareholders in January 2018 of Baht 1.25 per share, amounting to Baht 64.80 million. Consequently, the remaining dividends of Baht 1.50 per share, amounting to Baht 77.76 million, were paid to shareholders in August 2018.

At the Board of directors' meeting of the Company held on 21 December 2017, the meeting approved the appropriation of interim dividends of Baht 1.25 per share for 51.84 million ordinary shares, amounting to Baht 64.80 million. This interim dividend payment was derived from retained earnings subjects to corporate income tax 30%. The dividends were paid to shareholders in January 2018.

At the annual general meeting of the shareholders of the Company held on 25 July 2017, the Company's shareholders approved the appropriation of annual dividend for the year ended 31 March 2017 from retained earnings subject to 30% corporate income tax of Baht 2.50 per share for 51.84 million ordinary shares, totalling Baht 129.60 million, which was included the interim dividend paid to shareholders in January 2017 of Baht 1.25 per share, amounting to Baht 64.80 million. Consequently, the remaining dividends of Baht 1.25 per share, amounting to Baht 64.80 million, were paid to shareholders in August 2017.

29 Financial instruments

Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitor the return on capital and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. The Company is primarily exposed to interest rate risk from its borrowings (Note 15 to the financial statements) because loan interest rates are mainly floating. However, the Company mitigates this risk by entered into interest rate swap agreement to hedge such interest rates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

The effective interest rates of interest-bearing financial liabilities as at 31 March and the periods in which those liabilities mature were as follows:

	Effective interest rate (% per annum)	Financial statements in which the equity method is applied/ Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
2019					
Current					
Finance lease liabilities	6.00	19,851	-	-	19,851
Non-current					
Long-term loans	1.83 - 2.09	-	959,355	-	959,355
Finance lease liabilities	6.00	-	92,048	252,716	344,764
Total		19,851	1,051,403	252,716	1,323,970
2018					
Current					
Short-term loans	1.50 - 2.18	314,063	-	-	314,063
Finance lease liabilities	6.00	18,727	-	-	18,727
Non-current					
Long-term loans	1.83 - 2.09	-	942,189	-	942,189
Finance lease liabilities	6.00	-	86,838	277,777	364,615
Total		332,790	1,029,027	277,777	1,639,594

Foreign currency risk

The Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Company primarily utilises forward exchange contracts with maturities of less than one year and cross currency swap to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

As at 31 March, the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
United States Dollar (USD)		
Cash and cash equivalents	80,777	20,608
Trade accounts receivable	551,573	440,189
Other receivables	533	1,089
Interest-bearing liabilities	(959,355)	(1,256,252)
Trade accounts payable	(56,505)	(64,112)
Other payables	(8,836)	(9,563)
Gross statement of financial position exposure	(391,813)	(868,041)
Currency swaps	1,056,600	1,056,600
Currency forwards purchase	(475,039)	(140,352)
Net exposure	189,748	48,207

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Japanese Yen (JPY)		
Trade accounts receivable	5,301	12,315
Other receivables	763	535
Trade accounts payable	(33,415)	(238,900)
Other payables	(23,752)	(18,326)
Gross statement of financial position exposure	(51,103)	(244,376)
Currency forwards sale	57,850	102,581
Net exposure	6,747	(141,795)
Euro (EUR)		
Trade accounts receivable	4,144	1,591
Other receivables	20	75
Trade accounts payable	(46)	(450)
Gross statement of financial position exposure	4,118	1,216
Swiss Franc (CHF)		
Trade accounts payable	-	(150)
Gross statement of financial position exposure	-	(150)
Total exposure, net	200,613	(92,522)

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Company's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Carrying amount and fair values

The fair values of financial assets and liabilities, including their levels in the fair value hierarchy, together with the carrying values shown in the statement of financial position in which the equity method is applied and separate statement of financial position at 31 March were as follows:

	Carrying amount	Financial statements in which the equity method is applied/ Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousands Baht)</i>					
31 March 2019					
Financial assets and financial liabilities measured at fair value					
Available-for-sale investments	81,084	81,084	-	-	81,084
Derivatives	(101,387)	-	(101,387)	-	(101,387)
Financial assets and financial liabilities not measured at fair value					
Long-term loans from financial institution	(959,355)	-	(923,281)	-	(923,281)
Finance lease liabilities	(364,615)	-	(517,931)	-	(517,931)
31 March 2018					
Financial assets and financial liabilities measured at fair value					
Available-for-sale investments	120,140	120,140	-	-	120,140
Derivatives	(120,609)	-	(120,609)	-	(120,609)
Financial assets and financial liabilities not measured at fair value					
Long-term loans from financial institution	(942,189)	-	(889,334)	-	(889,334)
Finance lease liabilities	(383,342)	-	(558,553)	-	(558,553)

Measurement of fair values

Financial instruments measured at fair value

Type

Derivatives

Valuation technique

Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

Financial instruments not measured at fair value

Type	Valuation technique
Long-term loans from financial institution and Finance lease liabilities	<i>Discounted cash flows:</i> The fair values are calculated based on the present value of future principal cash flow, discounted at the market rate of interest at the reporting date.

The fair values of trade receivables and payables and the current portion of financial assets and liabilities are taken to approximate the carrying values due to the relatively short-term maturity of these financial instruments.

30 Commitments with non-related parties

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Capital Commitments		
<i>Contracted but not provided for:</i>		
Machinery and equipment	<u>1,648</u>	<u>-</u>
Future minimum lease payments under non-cancellable operating leases		
Within one year	2,527	2,903
After one year but within five years	<u>5,067</u>	<u>4,438</u>
Total	<u><u>7,594</u></u>	<u><u>7,341</u></u>

The Company has vehicle lease agreements with local companies for a periods of 4 to 5 years, which will expire during the year 2019 to 2023.

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Other commitments		
Letter of guarantees from financial institutions for electricity used	93,298	93,298
Contracted commitment for purchase of raw material	<u>66,501</u>	<u>19,063</u>
Total	<u><u>159,799</u></u>	<u><u>112,361</u></u>

31 Events after the reporting period

On 5 April 2019 the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Company will amend its retirement plan in accordance with the changes in the Labor Protection Act when this Act has become effective. In this regard, the Company will recognise increase of the provision for retirement benefits as at 30 June 2019 as well as past service cost for the three-month period then ended in the financial statements in which the equity method is applied and separate financial statements by an amount of Baht 38.54 million.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

32 Thai Financial Reporting Standards not yet adopted

A number of new and revised Thai Financial Reporting Standards (“TFRS”) which relevant to the Company’s operations are expected to have significant impact on the financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TFRS 16	Leases	2020
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* TFRS - Financial instruments standards

(a) *TFRS 15 Revenue from Contracts with Customers*

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

Management considered the potential impact of adopting and initially applying TFRS 15 on the financial statements that there will be no material impact on the financial statements in the period of initial application.

(b) *TFRS - Financial instruments standards*

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the financial statements.

(c) *TFRS 16 Leases*

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying TFRS 16 on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Luckytex (Thailand) Public Company Limited

33 Reclassification of accounts

Certain accounts in the financial statements for the year ended 31 March 2018 have been reclassified to conform to the presentation in the financial statements for the year ended 31 March 2019 as follows:

	Financial statements in which the equity method is applied/ Separate financial statements		
	2018		
	Before reclassification	Reclassification <i>(in thousand Baht)</i>	After reclassification
<i>Statement of financial position</i>			
Trade accounts payable	610,980	20,747	631,727
Other payables	304,891	<u>(20,747)</u>	284,144
Total		<u><u>-</u></u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.



บริษัท ลัคกี้เท็กซ์ (ไทย) จำกัด (มหาชน)

ชั้น 5 อาคารบุปผชาติ 20 ถนนสาทรเหนือ แขวงสีลม เขตบางรัก กรุงเทพฯ 10500
โทร : 0-2266-6600-7 โทรสาร : 0-2238-3957-8

LUCKYTEX (THAILAND) PUBLIC COMPANY LIMITED

5th Fl., Bubhajit Building, 20 North Sathorn Road, Silom, Bangrak, Bangkok 10500
Tel : 0-2266-6600-7 Fax : 0-2238-3957-8

Website : <http://www.toray.co.th>