

The TORAY logo is displayed in a bold, white, sans-serif font with a distinctive double-prime symbol (‘) on either side of the word.

Innovation by Chemistry

บริษัท โทเร เท็กซ์ไทล์ (ประเทศไทย) จำกัด (มหาชน)
TORAY TEXTILES (THAILAND) PUBLIC COMPANY LIMITED

Financial statements in which the equity method is applied

for the year ended 31 March 2020

and

Separate financial statement

for the period

1 July 2019 (the date of amalgamation) to 31 March 2020



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Independent Auditor's Report

To the Shareholders of Toray Textiles (Thailand) Public Company Limited

Opinion

I have audited the financial statements in which the equity method is applied and separate financial statement of Toray Textiles (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 2020, the statements of income and comprehensive income in which the equity method is applied for year ended 31 March 2020 and the separate statement of income and comprehensive income for the period 1 July 2019 (the day of amalgamation) to 31 March 2020, the statement of changes in equity and cash flows in which the equity method is applied for year ended 31 March 2020 and the separate statement of change in equity and cash flow for the period 1 July 2019 (the day of amalgamation) to 31 March 2020, 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 statement present fairly, in all material respects, the financial position of the Company as at 31 March 2020 and its financial performance and cash flows for the year ended 31 March 2020 and for the period 1 July 2019 (the day of amalgamation) to 31 March 2020 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 Statement* 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 statement, 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 statement 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 statement 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 3 (e) and 8 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 1 to the financial statements describing the Company was established in accordance with the amalgamation resolution between Luckytex (Thailand) Public Company Limited and Thai Toray Textile Mills Public Company Limited. The amalgamation is considered as amalgamation under common control, accordingly, the financial statements in which the equity method is applied are presented as if the amalgamation had been taken place since 1 April 2017. 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 Statement

Management is responsible for the preparation and fair presentation of the financial statements in which the equity method is applied and separate financial statement 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 statement 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 statement, 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 Statement

My objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied and separate financial statement 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 statement.

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 statement, 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 statement 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 statement, including the disclosures, and whether the financial statements in which the equity method is applied and separate financial statement 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 statement 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.', is located below the main text. The signature is fluid and cursive.

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
27 May 2020

Statement of financial position

Toray Textiles (Thailand) Public Company Limited

Assets	Note	Financial statements in which the equity method is applied		Separate
		31 March		financial statement
		2020	2019	31 March
				2020
			(in Baht)	
Current assets				
Cash and cash equivalents	5	1,265,361,012	916,149,078	1,265,361,012
Trade accounts receivable	4, 6	1,631,766,416	1,683,435,366	1,631,766,416
Other receivables	4, 7	129,227,469	53,007,348	129,227,469
Inventories	8	1,435,039,952	1,284,878,967	1,435,039,952
Total current assets		4,461,394,849	3,937,470,759	4,461,394,849
Non-current assets				
Available-for-sale investments	9	42,427,250	81,774,440	42,427,250
Investment in associate	10	1,528,359,701	1,456,493,601	503,989,845
Other long-term investments	9	75,447,170	77,549,942	75,447,170
Investment properties		4,039,226	4,920,195	4,039,226
Property, plant and equipment	11	3,979,853,195	4,505,076,346	3,979,853,195
Intangible assets		72,647,385	81,239,848	72,647,385
Deferred tax assets	20	94,072,763	50,384,751	94,072,763
Other non-current assets		11,165,568	15,882,806	11,165,568
Total non-current assets		5,808,012,258	6,273,321,929	4,783,642,402
Total assets		10,269,407,107	10,210,792,688	9,245,037,251

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

Statement of financial position

Toray Textiles (Thailand) Public Company Limited

	Note	Financial statements in which the equity method is applied		Separate
		31 March		financial statement
		2020	2019	31 March
Liabilities and equity				2020
		<i>(in Baht)</i>		
Current liabilities				
Trade accounts payable	4, 12	573,725,802	536,658,637	573,725,802
Other payables	4, 13	319,907,812	326,952,461	319,907,812
Current portion of long-term loans				
from financial institution	14	984,894,000	-	984,894,000
Current portion of finance lease liabilities	14	21,041,531	19,850,502	21,041,531
Current tax payable		29,889,469	45,750,980	29,889,469
Total current liabilities		1,929,458,614	929,212,580	1,929,458,614
Non-current liabilities				
Long-term loans from financial institution	14	-	959,355,000	-
Non-current deferred income	4	31,957,509	36,891,068	31,957,509
Finance lease liabilities	14	323,722,844	344,764,375	323,722,844
Non-current provisions for employee benefits	15	328,990,665	278,866,671	328,990,665
Total non-current liabilities		684,671,018	1,619,877,114	684,671,018
Total liabilities		2,614,129,632	2,549,089,694	2,614,129,632
Equity				
Share capital				
Authorised share capital (57,840,000 ordinary shares, par value at Baht 10 per share)		578,400,000	578,400,000	578,400,000
Issued and paid-up share capital (57,840,000 ordinary shares, par value at Baht 10 per share)		578,400,000	578,400,000	578,400,000
Share premium	16	333,489,160	333,489,160	333,489,160
Retained earnings:				
Appropriated				
Legal reserve	16	72,840,000	72,840,000	72,840,000
General reserve	16	825,000,000	825,000,000	825,000,000
Unappropriated		5,822,353,191	5,797,297,615	4,798,045,734
Other components of equity	16	23,195,124	54,676,219	23,132,725
Total equity		7,655,277,475	7,661,702,994	6,630,907,619
Total liabilities and equity		10,269,407,107	10,210,792,688	9,245,037,251

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

Statement of income

Toray Textiles (Thailand) Public Company Limited

		Financial statements in which the equity method is applied Year ended 31 March		Separate financial statement For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	Note	2020	2019	
		<i>(in Baht)</i>		
Revenues				
Revenue from sale of goods	4	8,710,157,298	9,535,301,008	6,471,088,405
Dividend income	4	2,473,905	2,439,160	60,223,560
Interest income		7,787,074	3,269,921	5,790,038
Other income	4	31,063,797	51,769,133	22,420,544
Net foreign exchange gain		13,247,721	51,717,925	11,269,144
Total revenues		8,764,729,795	9,644,497,147	6,570,791,691
Expenses				
Cost of sale of goods	4, 8, 19	8,038,381,348	8,581,350,432	5,982,134,159
Distribution costs	4, 19	306,328,930	283,717,202	238,496,225
Administrative expenses	4, 19	264,441,662	315,307,286	191,355,991
Finance costs		41,487,496	43,599,315	31,011,864
Total expenses		8,650,639,436	9,223,974,235	6,442,998,239
Share of profit of associate	10	131,423,543	118,015,130	-
Profit before income tax expense		245,513,902	538,538,042	127,793,452
Tax expense	20	16,459,536	81,768,765	11,109,695
Profit for the year/period		229,054,366	456,769,277	116,683,757
Basic earnings per share (in Baht)	21	3.96	7.90	2.02

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

Statement of comprehensive income

Toray Textiles (Thailand) Public Company Limited

		Financial statements in which the equity method is applied	Separate financial statement	
		Year ended 31 March	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020	
	<i>Note</i>	2020	2019	
		<i>(in Baht)</i>		
Profit for the year/period		229,054,366	456,769,277	116,683,757
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	<i>10</i>	(3,343)	1,148,895	-
Loss on remeasurement of available-for-sale investments	<i>9</i>	(39,347,190)	(3,338,580)	(38,423,295)
Income tax relating to item that will be reclassified subsequently to profit or loss	<i>20</i>	7,869,438	667,716	7,684,659
Total items that will be reclassified subsequently to profit or loss		(31,481,095)	(1,521,969)	(30,738,636)
<i>Items that will not be reclassified subsequently to profit or loss</i>				
(Loss) gain on remeasurement of defined benefit plans	<i>15</i>	(9,178,487)	35,618,888	(9,178,487)
Income tax relating to item that will not be reclassified subsequently to profit or loss	<i>20</i>	1,835,697	(7,123,777)	1,835,697
Total items that will not be reclassified subsequently to profit or loss		(7,342,790)	28,495,111	(7,342,790)
Other comprehensive (expense) income for the year/period, net of income tax		(38,823,885)	26,973,142	(38,081,426)
Total comprehensive income for the year/period		190,230,481	483,742,419	78,602,331

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

Statement of changes in equity

Toray Textiles (Thailand) Public Company Limited

Financial statements in which the equity method is applied

	Note	Retained earnings						Other components of equity				Total equity	
		Appropriated			Unappropriated			Translating foreign operations	Available-for-sale investments	Total other components of equity			
		Issued and paid-up share capital	Share premium	Legal reserve	General reserve	<i>(in Baht)</i>							
For the year ended 31 March 2019													
Balance at 1 April 2018	1	578,400,000	333,489,160	72,840,000	825,000,000	5,488,552,177	(1,083,153)	57,281,341	56,198,188				7,354,479,525
Transactions with owners, recorded directly in equity													
Dividends	22	-	-	-	-	(176,518,950)	-	-	-	-	-	-	(176,518,950)
Total transactions with owners, recorded directly in equity		-	-	-	-	(176,518,950)	-	-	-	-	-	-	(176,518,950)
Comprehensive income for the year													
Profit		-	-	-	-	456,769,277	-	-	-	-	-	-	456,769,277
Other comprehensive income		-	-	-	-	28,495,111	1,148,895	(2,670,864)	(1,521,969)				26,973,142
Total comprehensive income for the year		-	-	-	-	485,264,388	1,148,895	(2,670,864)	(1,521,969)				483,742,419
Balance at 31 March 2019		578,400,000	333,489,160	72,840,000	825,000,000	5,797,297,615	65,742	54,610,477	54,676,219				7,661,702,994
For the year ended 31 March 2020													
Balance at 1 April 2019		578,400,000	333,489,160	72,840,000	825,000,000	5,797,297,615	65,742	54,610,477	54,676,219				7,661,702,994
Transactions with owners, recorded directly in equity													
Dividends	22	-	-	-	-	(196,656,000)	-	-	-	-	-	-	(196,656,000)
Total transactions with owners, recorded directly in equity		-	-	-	-	(196,656,000)	-	-	-	-	-	-	(196,656,000)
Comprehensive income for the year													
Profit		-	-	-	-	229,054,366	-	-	-	-	-	-	229,054,366
Other comprehensive expense		-	-	-	-	(7,342,790)	(3,343)	(31,477,752)	(31,481,095)				(38,823,885)
Total comprehensive income for the year		-	-	-	-	221,711,576	(3,343)	(31,477,752)	(31,481,095)				190,230,481
Balance at 31 March 2020		578,400,000	333,489,160	72,840,000	825,000,000	5,822,353,191	62,399	23,132,725	23,195,124				7,655,277,475

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

Statement of changes in equity

Toray Textiles (Thailand) Public Company Limited

	Separate financial statement							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 period 1 July 2019 (the date of amalgamation) to 31 March 2020								
Balance at 1 July 2019 (the date of amalgamation)	578,400,000	333,489,160	72,840,000	825,000,000	4,885,360,767	53,871,361	53,871,361	6,748,961,288
Transactions with owners, recorded directly in equity								
Dividends	-	-	-	-	(196,656,000)	-	-	(196,656,000)
Total transactions with owners, recorded directly in equity	-	-	-	-	(196,656,000)	-	-	(196,656,000)
Comprehensive income for the period								
Profit	-	-	-	-	116,683,757	-	-	116,683,757
Other comprehensive expense	-	-	-	-	(7,342,790)	(30,738,636)	(30,738,636)	(38,081,426)
Total comprehensive income for the period	-	-	-	-	109,340,967	(30,738,636)	(30,738,636)	78,602,331
Balance at 31 March 2020	578,400,000	333,489,160	72,840,000	825,000,000	4,798,045,734	23,132,725	23,132,725	6,630,907,619

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

Statement of cash flow

Toray Textiles (Thailand) Public Company Limited

	Financial statements in which the equity method is applied	Separate financial statement	
	Year ended 31 March	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020	
Note	2020	2019	
	<i>(in Baht)</i>		
<i>Cash flows from operating activities</i>			
Profit before income tax expense for the year/period	245,513,902	538,538,042	127,793,452
<i>Adjustments to reconcile profit to cash receipts (payments)</i>			
Finance costs	41,487,496	43,599,315	31,011,864
Depreciation and amortisation	723,008,562	751,217,444	540,306,823
Reversal of impairment losses on equipment	11 (1,320,316)	(7,025,501)	(1,320,316)
Impairment losses on other long-term investments	9 1,082,772	16,000,000	1,082,772
Provision for claim	12,572,531	-	12,572,531
Provision for employee benefits	15 70,083,941	30,519,030	21,514,164
Unrealised loss (gain) on foreign exchange rate	11,544,915	(6,063,388)	18,613,209
Losses (reversal of) on inventories devaluation	8 29,889,876	(11,705,474)	30,831,990
Loss on disposals of plant and equipment and intangible assets	3,206,075	5,831,191	4,886,690
Loss on disposal of other long-term investments	9 520,000	-	520,000
Recognised of deferred income	(4,933,559)	(4,933,559)	(3,700,169)
Share of profit of associate	10 (131,423,543)	(118,015,130)	-
Dividends income	(2,473,905)	(2,439,160)	(60,223,560)
Interest income	(7,787,074)	(3,269,921)	(5,790,038)
	<u>990,971,673</u>	<u>1,232,252,889</u>	<u>718,099,412</u>
<i>Change in operating assets and liabilities</i>			
Trade accounts receivable	75,276,987	(63,648,977)	(68,778,777)
Other receivables	(76,363,924)	4,367,460	(33,976,282)
Inventories	(180,050,861)	144,601,436	12,819,876
Other non-current assets	1,437,788	2,440,679	1,329,009
Trade accounts payable	36,131,432	(253,102,477)	(155,631,079)
Other payables	(15,651,257)	8,713,418	(28,655,916)
Net cash generated from operating	831,751,838	1,075,624,428	445,206,243
Employee benefits paid	15 (29,138,434)	(32,754,549)	(19,114,761)
Income tax paid	(66,303,924)	(130,116,923)	(66,059,759)
Income tax received	-	775,368	-
Net cash from operating activities	736,309,480	913,528,324	360,031,723
<i>Cash flows from investing activities</i>			
Proceed from disposals of other long-term investments	500,000	-	500,000
Proceed from deferred income	-	25,544,164	-
Acquisition of plant and equipment	(200,386,646)	(153,614,265)	(153,160,852)
Proceed from disposals of plant and equipment and intangible assets	4,235,654	5,855,190	2,554,885
Acquisition of intangible assets	(4,235,470)	(9,683,108)	(1,594,366)
Dividends received	62,028,005	56,125,861	60,223,560
Interest received	7,388,233	3,134,572	5,253,486
Net cash used in investing activities	(130,470,224)	(72,637,586)	(86,223,287)

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

Statement of cash flow

Toray Textiles (Thailand) Public Company Limited

		Financial statements		Separate
		in which the equity		financial statement
		method is applied		For the period
		Year ended 31 March		1 July 2019 (the date
	<i>Note</i>	2020	2019	of amalgamation)
			(in Baht)	to 31 March 2020
Cash flows from financing activities				
Decrease in short-term loans from financial institution		-	(314,063,000)	-
Payment by a lessee for reduction of the outstanding liability relating to a finance lease		(19,850,502)	(18,726,888)	(14,995,781)
Dividends paid to owners of the Company	22	(196,656,000)	(176,518,950)	(196,656,000)
Finance costs paid		(41,611,802)	(43,980,871)	(36,225,506)
Net cash used in financing activities		(258,118,304)	(553,289,709)	(247,877,287)
Net increase in cash and cash equivalents, before effect of exchange rates		347,720,952	287,601,029	25,931,149
Effect of exchange rate changes on cash and cash equivalents		1,490,982	2,811,776	1,490,982
Net increase in cash and cash equivalents		349,211,934	290,412,805	27,422,131
Cash and cash equivalents at beginning of year/period		916,149,078	625,736,273	1,237,938,881
Cash and cash equivalents at ending of year/period	5	1,265,361,012	916,149,078	1,265,361,012
Supplemental disclosures of cash flows information:				
Property, plant and equipment purchased during the year/period are detailed as follows:				
Increase in property, plant and equipment during the year/period	11	187,211,035	191,171,625	162,099,949
Less - capitalised interest	11	(53,884)	(214,491)	-
Changes in payables for purchase of machinery and equipment		13,229,495	(37,342,869)	(8,939,097)
Purchase of property, plant and equipment paid by cash		200,386,646	153,614,265	153,160,852

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

Notes to the financial statements

For the year ended 31 March 2020 and
For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
Toray Textiles (Thailand) Public Company Limited

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For the year ended 31 March 2020 and

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Toray Textiles (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 27 May 2020.

1 General information and amalgamation

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

The ultimate parent company during the financial period 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, woven fabric, knitted fabric and denim yarn; and industrial material product consisting of cord for rubber material reinforcement, fabric for airbags, canvas and car seat fabric.

The Company has established from the amalgamation between Luckytex (Thailand) Public Company Limited and Thai Toray Textile Mills Public Company Limited which both are the manufacturing and distributing in textiles business in order to generate synergies for the Company, by way of improving the efficiencies and enhancing competitiveness.

The amalgamation was considered as business combination of entities under common control, in which Toray Industries, Inc. has been the ultimate parent company of those amalgamated companies. Under the accounting standards, the financial statements in which the equity method is applied was presented as if the amalgamation had been taken place since 1 April 2017 for the benefit of comparison. The Company accounts for the merged assets and liabilities using carrying amount of each entity at the presumed amalgamation date, although the legal establishment of those companies under amalgamation will have been subsequently legal registered.

The Company was registered in Thailand and was listed on the Stock Exchange of Thailand on 1 July 2019 (the date of amalgamation).

2 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.

In addition, the Federation of Accounting Professions has issued a number of new and revised TFRS which 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 25 to the financial statements.

Notes to the financial statements

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(b) Functional and presentation currency

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

(c) 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 the Company's accounting policies. 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 14 to the financial statements Lease: whether an arrangement containing a lease.

Assumptions and estimation uncertainties

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

Note 9 and 11 Impairment test: key assumptions underlying recoverable amounts and
Note 15 Measurement of defined benefit obligations: key actuarial assumptions

3 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 and 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.

Notes to the financial statements

For the year ended 31 March 2020 and

For the period 1 July 2019 (the date of amalgamation) to 31 March 2020

Toray Textiles (Thailand) Public Company Limited

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.

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

A receivable is recognised when the Company has an unconditional right to receive consideration. If revenue has been recognised before the Company has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an 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

Investments in associate in the separate financial statement 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 2020 and
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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) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Buildings and building improvements	10, 12 and 20	years
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No depreciation is provided on freehold land.

(h) *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.

Notes to the financial statements

For the year ended 31 March 2020 and

For the period 1 July 2019 (the date of amalgamation) to 31 March 2020

Toray Textiles (Thailand) Public Company Limited

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. 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.

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 building improvements	5 - 30	years
Machinery and equipment	5 - 20	years
Furniture, fixtures and office equipment	3 - 15	years
Vehicles	5 and 10	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.

(i) 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.

Notes to the financial statements

For the year ended 31 March 2020 and
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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 3 - 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.

(j) 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.

(k) 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.

Notes to the financial statements

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Toray Textiles (Thailand) Public Company Limited

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.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised at cost.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) 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.

(o) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed through the related service period 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.

Notes to the financial statements

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Toray Textiles (Thailand) Public Company Limited

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.

(p) 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.

(q) Measurement of fair values

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 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 or indirectly.
- Level 3: inputs for the asset or liability that are based on 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.

(r) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Notes to the financial statements

For the year ended 31 March 2020 and

For the period 1 July 2019 (the date of amalgamation) to 31 March 2020

Toray Textiles (Thailand) Public Company Limited

(s) Investment income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(t) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

(u) Other income

Other income is recognised in profit or loss as it accrues.

(v) 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.

(w) Lease payments

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

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.

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.

(x) 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.

Notes to the financial statements

For the year ended 31 March 2020 and
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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.

(y) 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.

(z) Related parties

A related party is a person or entity that has direct or indirect control or has significant influence over the financial and managerial decision-making of the Company; a person or entity that are under common control or under the same significant influence as the Company; or the Company has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(aa) 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.

Notes to the financial statements

For the year ended 31 March 2020 and

For the period 1 July 2019 (the date of amalgamation) to 31 March 2020

Toray Textiles (Thailand) Public Company Limited

4 Related parties

Relationships with associate are described in note 10 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
CMT Dyeing Company Limited	Thailand	Shareholding and common directorship
Chori Co., Ltd.	Japan	Subsidiary of the parent company
Ichimura Sangyo Co., Ltd.	Japan	Subsidiary of the parent company
Penfabric Sdn. Berhad	Malaysia	Subsidiary of the parent company
Penfibre Sdn. Berhad	Malaysia	Subsidiary of the parent company
P.T. Century Textile Industry Tbk	Indonesia	Subsidiary of the parent company
P.T. Easterntex	Indonesia	Subsidiary of the parent company
P.T. Indonesia Synthetics Textile Mills	Indonesia	Subsidiary of the parent company
P.T. Indonesia Toray Synthetics	Indonesia	Subsidiary of the parent company
P.T. Toray International Indonesia	Indonesia	Subsidiary of the parent company
Toray Advanced Textile Mexico, S.A. de C.V.	Mexico	Subsidiary of the parent company
Toray Fibers (Nantong) Co., Ltd.	China	Subsidiary of the parent company
Toray Industries (H.K.) Ltd.	Hong Kong	Subsidiary of the parent company
Toray International Europe GmbH	Germany	Subsidiary of the parent company
Toray International Italy S.r.l	Italy	Subsidiary of the parent company
Toray International Vietnam Co., Ltd.	Vietnam	Subsidiary of the parent company
Toray International (America) Inc.	United states of America	Subsidiary of the parent company
Toray International (China) Co., Ltd.	China	Subsidiary of the parent company
Toray International, Inc.	Japan	Subsidiary of the parent company
Toray Kusumgar Advanced Textile Private Limited	India	Subsidiary of the parent company
Toray Monofilament Ltd.	Japan	Subsidiary of the parent company
Toray Sakai Weaving & Dyeing (Nantong) Co., Ltd.	China	Subsidiary of the parent company
Toray Textiles Central Europe s.r.o.	Czech Republic	Subsidiary of the parent company

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Toray Industries (Thailand) Co., Ltd.	Thailand	Subsidiary of the parent company and/or common directorship
Chori Middle East FZE	United Arab Emirates	Indirect subsidiary of the parent company
Penovate Sdn. Berhad	Malaysia	Indirect subsidiary of the parent company
P.T. Chori Indonesia	Indonesia	Indirect subsidiary of the parent company
So-wa textile Co., Ltd.	Japan	Indirect subsidiary of the parent company
Thai Chori Co., Ltd.	Thailand	Indirect subsidiary of the parent company
Toray Hybrid Cord (Thailand) Co., Ltd.	Thailand	Indirect subsidiary of the parent company and/or common directorship
Toray International Trading (Hong Kong) Co., Ltd.	Hong Kong	Indirect subsidiary of the parent company
Toray International Trading (Thailand) Co., Ltd.	Thailand	Associate of the parent company and/or common directorship
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 (whether executive or otherwise) of the Company.

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
Dividend income	Upon declaration
Other income and deferred income	Contractually agreed prices
Purchase of machinery and equipment	Contractually agreed prices
Commission expense	Contractually agreed prices
Management service fee and other expenses	Contractually agreed prices
Audit committee's remuneration	Amounts approved by the Company's shareholders

Notes to the financial statements

For the year ended 31 March 2020 and

For the period 1 July 2019 (the date of amalgamation) to 31 March 2020

Toray Textiles (Thailand) Public Company Limited

Significant transactions for the years ended 31 March 2020 and 2019 and for the period 1 July 2019 (the date of amalgamation) to 31 March 2020 with related parties were as follows:

	Financial statements in which the equity method is applied		Separate financial statement
	For the years ended 31 March 2020	2019	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht)</i>		
Parent			
Sale of goods	189,989	152,429	100,729
Other income and deferred income	7,501	7,988	5,617
Purchase of goods	3,272	91,564	1,671
Commission expense	51,310	43,846	40,617
Other expense	8,953	9,258	7,177
Associate			
Sale of goods	35	615	-
Dividend income	-	-	59,555
Other income	4,694	4,530	3,527
Purchase of goods	2,168,305	1,923,587	1,555,886
Other related parties			
Sale of goods	2,091,017	2,171,104	1,639,453
Other income	8,423	9,815	6,394
Purchase of goods	1,676,577	1,861,627	1,203,266
Purchase of machinery and equipment	1,062	1,846	944
Commission expense	24,010	23,607	18,589
Management service fee	32,669	30,443	24,377
Other expense	22,017	23,282	17,333
Audit committee's remuneration	743	1,166	450
Key management personnel			
Key management personnel compensation	60,361	86,721	37,468

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

	Financial statements in which the equity method is applied		Separate financial statement
	2020	2019	2020
	<i>(in thousand Baht)</i>		
Trade accounts receivable			
Parent	5,572	19,821	5,572
Associate	556	-	556
Other related parties	452,425	387,972	452,425
Total	458,553	407,793	458,553
Other receivables			
Parent	658	1,692	658
Associate	4,592	5,212	4,592
Other related parties	1,914	2,855	1,914
Total	7,164	9,759	7,164

Notes to the financial statements

For the year ended 31 March 2020 and
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	Financial statements in which the equity method is applied		Separate financial statement
	2020	2019 (in thousand Baht)	2020
Trade accounts payable			
Associate	170,222	179,700	170,222
Other related parties	179,092	102,223	179,092
Total	349,314	281,923	349,314
Other payables			
Parent	36,794	25,964	36,794
Associate	97	1,163	97
Other related parties	11,632	9,463	11,632
Total	48,523	36,590	48,523
Deferred income			
Parent			
- Current (recorded in the account “other payables”)	4,934	4,934	4,934
- Non-current	31,958	36,891	31,958
Total	36,892	41,825	36,892

Significant agreements with related parties

Trademark license agreement

The Company has a trademark license agreement with the ultimate parent company, Toray Industries, Inc., whereby the latter agrees to grant the Company the right to use of the corporate name and brand of “Thai Toray with Golden Eagle” with respect to the sales in Thailand. In consideration thereof, the Company is committed to pay a trademark license fee to the ultimate parent company at the rate of USD 0.01 per yard for the articles sold under the trademark. The trademark license agreement is available to use for Thailand, Bahrain, Cyprus, Japan, Kuwait, Singapore, Syria, Saudi Arabia and United Arab Emirates. In the case that the Company requires to use the trademark license in other countries not stipulated herein, the Company is required to obtain the written approval from the ultimate parent company in advance. This agreement shall be effective unless either party thereto gives written notice to the other of its intention to terminate this agreement 3 months in advance.

Management service agreement

The Company entered into a management service agreement with a related company, Toray Industries (Thailand) Co., Ltd., 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.

Notes to the financial statements

For the year ended 31 March 2020 and

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Rental, utilities and service agreements

The Company has rental, utilities and service agreements with three related companies, Thai Toray Synthetics Co., Ltd., CMT Dyeing Company Limited and Toray Hybrid Cord (Thailand) Co., Ltd., whereby the Company agrees to grant the rental factory and/or land, utilities and service to the related companies. Under the terms of the agreements, the related companies are committed to pay the rental, utilities and service fees to the Company at a certain amount as stipulated in the agreements. These agreements shall be effective unless either party thereto gives written notice to the other of its intention to terminate these agreements 2, 3 and 6 months in advance.

Technical service agreement

The Company has a technical service agreement with the ultimate parent company, Toray Industries, Inc. whereby the latter agrees to provide the Company certain technical service support and assistance with respect to business of the Company. In consideration thereof, the Company is committed to pay a service fee to the ultimate parent company at the rate as 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 60 days in advance.

License memorandum

The Company has a license memorandum with the ultimate parent company, Toray Industries, Inc. whereby the latter agrees to grant the Company the right of production and distribution of products. In consideration thereof, the Company is committed to pay license fee for to the ultimate parent company at the agreed prices as specified in the agreement.

Commitments

As at 31 March, the Company had the following commitments with related parties.

	Financial statements in which the equity method is applied		Separate financial statement
	2020	2019	2020
	<i>(in thousand Baht)</i>		
<i>Capital commitments</i>			
Contracted but not provided for machinery and equipment	-	117	-
<i>Other commitments</i>			
Contracted commitment for purchase of raw material and factory supplies	43,148	60,254	43,148

Sale commission expenses

The Company had commitments to pay a sales commission to Toray Industries, Inc., the ultimate parent company, and certain related companies at the specific amount which calculated based on the quantity of sales, or at the specific rates as specified in the sale invoice that ordered by its intermediary for customers in certain areas.

Notes to the financial statements

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5 Cash and cash equivalents

	Financial statements in which the equity method is applied		Separate financial statement
	2020	2019	2020
	<i>(in thousand Baht)</i>		
Cash on hand	447	1,200	447
Cash at bank - current and savings accounts	864,912	814,949	864,912
Highly liquid short-term investments	400,002	100,000	400,002
Total	1,265,361	916,149	1,265,361

6 Trade accounts receivable

	Note	Financial statements in which the equity method is applied		Separate financial statement
		2020	2019	2020
		<i>(in thousand Baht)</i>		
Related parties				
Within credit terms		394,411	394,072	394,411
Overdue:				
Less than 3 months		63,949	13,721	63,949
3 - 6 months		193	-	193
Total	4	458,553	407,793	458,553
Other parties				
Within credit terms		1,140,782	1,219,028	1,140,782
Overdue:				
Less than 3 months		29,383	54,980	29,383
3 - 6 months		3,048	1,634	3,048
Total		1,173,213	1,275,642	1,173,213
Grand total		1,631,766	1,683,435	1,631,766

The normal credit term granted by the company ranges from 30 days to 120 days.

7 Other receivables

	Note	Financial statements in which the equity method is applied		Separate financial statement
		2020	2019	2020
		<i>(in thousand Baht)</i>		
Related parties	4	7,164	9,759	7,164
Other parties				
Refundable value added tax		99,427	15,357	99,427
Prepaid expenses		9,984	15,355	9,984
Advance to suppliers		6,138	7,474	6,138
Others		6,514	5,062	6,514
		122,063	43,248	122,063
Total		129,227	53,007	129,227

Notes to the financial statements

For the year ended 31 March 2020 and

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8 Inventories

	Financial statements in which the equity method is applied		Separate financial statement
	2020	2019	2020
	<i>(in thousand Baht)</i>		
Finished goods	352,340	284,007	352,340
Work in progress	720,774	598,975	720,774
Raw materials	154,047	201,789	154,047
Spare parts and supplies	178,526	188,276	178,526
Raw materials and spare parts in transit	95,796	48,385	95,796
	<u>1,501,483</u>	<u>1,321,432</u>	<u>1,501,483</u>
Less allowance for losses on decline in value of inventories	<u>(66,443)</u>	<u>(36,553)</u>	<u>(66,443)</u>
Net	<u>1,435,040</u>	<u>1,284,879</u>	<u>1,435,040</u>
Inventories recognised in 'cost of sale of goods':			
- Cost	8,008,491	8,593,055	5,951,302
- Write-down to net realisable value (reversal of)	29,890	(11,705)	30,832
Net total	<u>8,038,381</u>	<u>8,581,350</u>	<u>5,982,134</u>

9 Other long-term investments

	Financial statements in which the equity method is applied		Separate financial statement
	2020	2019	2020
	<i>(in thousand Baht)</i>		
Equity securities available-for-sale	42,427	81,774	42,427
Other long-term investments	97,642	98,662	97,642
Less impairment loss	(22,195)	(21,112)	(22,195)
	<u>75,447</u>	<u>77,550</u>	<u>75,447</u>
Net	<u>117,874</u>	<u>159,324</u>	<u>117,874</u>

Movement of the other long-term investments were as follows:

	Financial statements in which the equity method is applied				
	At 1 April 2019	Disposal	Fair value adjustment	Impairment loss	At 31 March 2020
	<i>(in thousand Baht)</i>				
Equity securities available-for-sale	81,774	-	(39,347)	-	42,427
Other long-term investments	77,550	(1,020)	-	(1,083)	75,447
Total	<u>159,324</u>	<u>(1,020)</u>	<u>(39,347)</u>	<u>(1,083)</u>	<u>117,874</u>

Notes to the financial statements

For the year ended 31 March 2020 and
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Financial statements in which the equity method is applied

	At 1 April 2018	Disposal	Fair value adjustment <i>(in thousand Baht)</i>	Impairment loss	At 31 March 2019
Equity securities available-for-sale	85,113	-	(3,339)	-	81,774
Other long-term investments	93,550	-	-	(16,000)	77,550
Total	178,663	-	(3,339)	(16,000)	159,324

Separate financial statement

	At 1 July 2019 (the date of amalgamation)	Disposal	Fair value adjustment <i>(in thousand Baht)</i>	Impairment loss	At 31 March 2020
Equity securities available-for-sale	80,850	-	(38,423)	-	42,427
Other long-term investments	77,550	(1,020)	-	(1,083)	75,447
Total	158,400	(1,020)	(38,423)	(1,083)	117,874

Equity securities available-for-sale

Financial statements in which the equity method is applied

The Company received dividends from equity securities available-for-sale for the year ended 31 March 2020 amounted to Baht 2.5 million (2019: Baht 2.4 million).

Separate financial statement

The Company received dividends from equity securities available-for-sale for the period 1 July 2019 (the date of amalgamation) to 31 March 2020 amounted to Baht 0.7 million.

Other long-term investments

Financial statement in which the equity method is applied (For the year ended 31 March 2020) and separate financial statement (For the period 1 July 2019 (the date of amalgamation) to 31 March 2020)

Toray Kusumgar Advanced Textile Private Ltd. (“TKAT”) increased its share capital and sold to other shareholders. Consequently, the Company’s ownership interest in TKAT decreased from 5.26% to 5.00%.

The Company sold Golf memberships in Other long-term investments, with the carrying amount of Baht 1.02 million with loss on sale of investment amounting to Baht 0.52 million recognised in the statement of income.

The Company recognised impairment loss on investment in CMT Dyeing Company Limited of Baht 1.08 million in the statement of income as a result of recoverable amount was less than its carrying amount.

Financial statement in which the equity method is applied (For the year ended 31 March 2019)

Kaihara (Thailand) Co., Ltd. (“Kaihara”) increased its share capital and sold to other shareholder. Consequently, the Company’s ownership interest in Kaihara decreased from 2.88% to 2.00%.

The Company recognised impairment loss on investment in Kaihara of Baht 16.0 million in the statement of income as a result of recoverable amount was less than its carrying amount.

Notes to the financial statements

For the year ended 31 March 2020 and

For the period 1 July 2019 (the date of amalgamation) to 31 March 2020

Toray Textiles (Thailand) Public Company Limited

10 Investment in associate

	Financial statements in which the equity method is applied		Separate financial statement
	2020	2019 <i>(in thousand Baht)</i>	2020
Beginning balance	1,456,494	1,391,016	503,990
Share of profit of associate	131,424	118,015	-
Dividend income	(59,555)	(53,686)	-
Exchange differences on translating foreign operations	(3)	1,149	-
Ending balance	<u>1,528,360</u>	<u>1,456,494</u>	<u>503,990</u>

During the years ended 31 March 2020 and 2019, there were no acquisitions and disposals of investment in associate.

Investment in associate accounted for using the equity method as at 31 March 2020 and 2019 were as follows:

	Type of business	Relationship	Ownership interest (%)	Paid-up capital	Investment	
					Cost method	Equity method
Thai Toray Synthetics Co., Ltd.	Manufacture of yarn	Shareholding			<i>(in thousand Baht)</i>	
- 31 March 2020			<u>19.06</u>	<u>3,078,141</u>	<u>503,990</u>	<u>1,528,360</u>
- 31 March 2019			<u>19.06</u>	<u>3,078,141</u>	<u>503,990</u>	<u>1,456,494</u>

The Company's associate was incorporated in Thailand.

None of the Company's associate is publicly listed and consequently do not have published price quotations.

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The following table summarises the financial information of the associate 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.

	Financial statements in which the equity method is applied	
	For the years ended 31 March	
	2020	2019
	<i>(in thousand Baht)</i>	
Revenue	8,713,102	9,343,084
Profit	691,564	607,042
Other comprehensive (expense) income	(17)	6,028
Total comprehensive income (100%)	691,547	613,070
Total comprehensive income of the Company's interest	131,809	116,851
Elimination of unrealised profit on upstream sales (Sales inventories to the Company)	(388)	2,313
Company's share of total comprehensive income	131,421	119,164
	Financial statements in which the equity method is applied	
	2020	
	2020	2019
	<i>(in thousand Baht)</i>	
Current assets	3,971,969	3,606,128
Non-current assets	5,169,149	5,609,960
Current liabilities	(908,162)	(1,411,922)
Non-current liabilities	(179,526)	(129,852)
Net assets (100%)	8,053,430	7,674,314
Company's share of net assets	1,535,455	1,463,201
Elimination of unrealised profit on upstream sales (Sales inventories to the Company)	(7,095)	(6,707)
Carrying amount of interest in associate	1,528,360	1,456,494

Notes to the financial statements

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11 Property, plant and equipment

Financial statements in which the equity method is applied

	Land	Building and building improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
Cost							
At 1 April 2018	63,320	2,604,819	14,682,995	556,114	16,883	73,536	17,997,667
Additions	-	65	3,372	5,931	-	181,804	191,172
Transfers	-	25,611	147,991	9,375	-	(182,977)	-
Disposals	-	(40,991)	(390,573)	(107,504)	(99)	-	(539,167)
At 31 March 2019 and 1 April 2019	63,320	2,589,504	14,443,785	463,916	16,784	72,363	17,649,672
Additions	-	108	2,541	2,302	-	182,260	187,211
Transfers	386	16,064	355,298	(203,585)	-	(168,163)	-
Disposals	-	(2,847)	(399,536)	(3,564)	(1,144)	-	(407,091)
At 31 March 2020	63,706	2,602,829	14,402,088	259,069	15,640	86,460	17,429,792
Depreciation and impairment losses							
At 1 April 2018	-	1,796,874	10,670,704	460,425	15,312	-	12,943,315
Depreciation charge for the year	-	76,493	619,601	39,587	420	-	736,101
Reverse of impairment losses	-	-	(6,644)	(382)	-	-	(7,026)
Disposals	-	(40,456)	(380,518)	(106,721)	(99)	-	(527,794)
At 31 March 2019 and 1 April 2019	-	1,832,911	10,903,143	392,909	15,633	-	13,144,596
Depreciation charge for the year	-	74,280	619,068	12,547	417	-	706,312
Reverse of impairment losses	-	-	(1,320)	-	-	-	(1,320)
Transfers	-	-	160,945	(160,945)	-	-	-
Disposals	-	(832)	(394,109)	(3,564)	(1,144)	-	(399,649)
At 31 March 2020	-	1,906,359	11,287,727	240,947	14,906	-	13,449,939

Notes to the financial statements

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Financial statements in which the equity method is applied

	Land	Building and building improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
Net book value							
At 31 March 2019							
Owned assets	63,320	756,593	3,198,417	71,007	1,151	72,363	4,162,851
Assets under finance leases	-	-	342,225	-	-	-	342,225
	63,320	756,593	3,540,642	71,007	1,151	72,363	4,505,076
At 31 March 2020							
Owned assets	63,706	696,470	2,799,153	18,122	734	86,460	3,664,645
Assets under finance leases	-	-	315,208	-	-	-	315,208
	63,706	696,470	3,114,361	18,122	734	86,460	3,979,853

Notes to the financial statements

For the year ended 31 March 2020 and

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	Separate financial statement (in thousand Baht)						Total
	Land	Building and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	
Cost							
At 1 July 2019 (the date of amalgamation)	63,320	2,589,852	14,282,319	465,481	16,784	66,664	17,484,420
Additions	-	-	1,730	1,844	-	158,526	162,100
Transfers	386	15,825	329,403	(206,884)	-	(138,730)	-
Disposals	-	(2,848)	(211,364)	(1,372)	(1,144)	-	(216,728)
At 31 March 2020	63,706	2,602,829	14,402,088	259,069	15,640	86,460	17,429,792
Depreciation and impairment losses							
At 1 July 2019 (the date of amalgamation)	-	1,851,448	10,866,328	399,261	15,737	-	13,132,774
Depreciation charge for the period	-	55,743	462,360	9,355	313	-	527,771
Reverse of impairment losses	-	-	(1,320)	-	-	-	(1,320)
Transfers	-	-	166,297	(166,297)	-	-	-
Disposals	-	(832)	(205,938)	(1,372)	(1,144)	-	(209,286)
At 31 March 2020	-	1,906,359	11,287,727	240,947	14,906	-	13,449,939
Net book value							
At 1 July 2019 (the date of amalgamation)	63,320	738,404	3,080,520	66,220	1,047	66,664	4,016,175
Owned assets	-	-	335,471	-	-	-	335,471
Assets under finance leases	63,320	738,404	3,415,991	66,220	1,047	66,664	4,351,646
At 31 March 2020							
Owned assets	63,706	696,470	2,799,153	18,122	734	86,460	3,664,645
Assets under finance leases	-	-	315,208	-	-	-	315,208
At 31 March 2020	63,706	696,470	3,114,361	18,122	734	86,460	3,979,853

Notes to the financial statements

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The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 March 2020 amounted to Baht 9,085.4 million (2019: Baht 8,872.3 million).

During the year ended 31 March 2020, the Company capitalised interest expense as cost of assets under construction and installation totalling Baht 0.1 million (2019: Baht 0.2 million), with a capitalisation rate of 1.96% per annum (2019: 1.91% to 1.96% per annum).

12 Trade accounts payable

	Note	Financial statements in which the equity method is applied		Separate financial statement
		2020	2019 (in thousand Baht)	2020
Related parties	4	349,314	281,923	349,314
Other parties		224,412	254,736	224,412
Total		573,726	536,659	573,726

13 Other payables

	Note	Financial statements in which the equity method is applied		Separate financial statement
		2020	2019 (in thousand Baht)	2020
Related parties	4	53,457	41,524	53,457
Other parties				
Derivative liability from forward contracts		104,054	101,334	104,054
Accrued utilities expense		71,826	81,448	71,826
Accrued operating expense		39,359	39,920	39,359
Advance received from customers		13,918	21,694	13,918
Provision for claim		12,573	-	12,573
Accrued commission		8,394	11,780	8,394
Accrued professional fee		2,904	9,802	2,904
Others		13,423	19,450	13,423
		266,451	285,428	266,451
Total		319,908	326,952	319,908

Notes to the financial statements

For the year ended 31 March 2020 and

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14 Interest-bearing liabilities

	Financial statements in which the equity method is applied		Separate financial statement
	2020	2019	2020
	<i>(in thousand Baht)</i>		
Current - Unsecured			
Current portion of long-term loans from financial institution	984,894	-	984,894
Current portion of finance lease liabilities	21,042	19,851	21,042
Non-current - Unsecured			
Long-term loans from financial institution	-	959,355	-
Finance lease liabilities	323,723	344,764	323,723
Total	1,329,659	1,323,970	1,329,659

Long-term loans from financial institution

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.

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 2020, the Company had unutilised credit facilities totalling USD 78 million and Baht 4,733 million (2019: USD 123 million and Baht 4,526 million).

Finance lease liabilities

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

	Financial statements in which the equity method is applied					
	2020			2019		
	Minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Minimum lease payments	Interest	Present value of minimum lease payments
<i>Maturity period</i>						
Within 1 year	40,622	19,580	21,042	40,622	20,771	19,851
1 - 5 years	162,488	64,916	97,572	162,488	70,440	92,048
After 5 years	274,199	48,048	226,151	314,821	62,105	252,716
Total	477,309	132,544	344,765	517,931	153,316	364,615

Notes to the financial statements

For the year ended 31 March 2020 and
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	Separate financial statement 2020		
	Minimum lease payments	Interest	Present value of minimum lease payments
<i>Maturity period</i>			
Within 1 year	40,622	19,580	21,042
1 - 5 years	162,488	64,916	97,572
After 5 years	274,199	48,048	226,151
Total	477,309	132,544	344,765

(in thousand Baht)

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%).

15 Non-current provisions for employee benefits

	Financial statements in which the equity method is applied		Separate financial statement
	2020	2019	2020
Defined benefit plan	312,467	263,733	312,467
Other long-term employee benefits	16,524	15,134	16,524
Total	328,991	278,867	328,991

(in thousand Baht)

Defined benefit plan

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.

Notes to the financial statements

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For the period 1 July 2019 (the date of amalgamation) to 31 March 2020

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<i>Present value of the defined benefit obligations</i>	Financial statements in which the equity method is applied		Separate financial statement
	For the years ended 31 March 2020	2019	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht)</i>		
Beginning balance	263,733	301,199	302,252
Included in profit or loss:			
Current service cost	13,137	22,576	13,047
Past service cost	45,764	-	-
Interest on obligation	7,722	5,894	5,792
	<u>66,623</u>	<u>28,470</u>	<u>18,839</u>
Included in other comprehensive income:			
Actuarial (gains) losses			
- Demographic assumptions	591	(20,397)	591
- Financial assumptions	18,346	(14,645)	18,346
- Experience adjustment	(9,759)	(577)	(9,759)
	<u>9,178</u>	<u>(35,619)</u>	<u>9,178</u>
Benefit paid	<u>(27,067)</u>	<u>(30,317)</u>	<u>(17,802)</u>
Ending balance	<u>312,467</u>	<u>263,733</u>	<u>312,467</u>

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 has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

Other long-term employee benefits

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

Notes to the financial statements

For the year ended 31 March 2020 and
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Toray Textiles (Thailand) Public Company Limited

Present value of other long-term employee benefits

	Financial statements in which the equity method is applied		Separate financial statement
	For the years ended 31 March 2020	2019	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht)</i>		
Beginning balance	15,134	15,522	15,161
Included in profit or loss:			
Current service cost	3,146	1,722	2,439
Interest on obligation	315	327	236
	<u>3,461</u>	<u>2,049</u>	<u>2,675</u>
Benefit paid	<u>(2,071)</u>	<u>(2,437)</u>	<u>(1,312)</u>
Ending balance	<u>16,524</u>	<u>15,134</u>	<u>16,524</u>

Principal actuarial assumptions

	Financial statements in which the equity method is applied		Separate financial statement
	2020	2019	2020
	<i>(%)</i>		
Discount rate	1.64 - 1.73	2.75 - 2.80	1.64 - 1.73
Future salary growth	4.5 - 5.5	4.5 - 6.0	4.5 - 5.5
Employee turnover	0 - 22	0 - 30	0 - 22
Retirement age (<i>years old</i>)	55 and 60	55 and 60	55 and 60

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

At 31 March 2020, the weighted-average duration of the defined benefit obligation was 11.7 and 12.3 years (2019: 11.7 and 13.0 years).

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			
	Increased in assumption		Decreased in assumption	
<i>At 31 March</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate (1% movement)	(25,983)	(21,762)	29,353	24,699
Future salary growth (1% movement)	31,226	25,836	(27,684)	(23,009)
Employee turnover (20% movement)	(12,554)	(10,719)	14,305	12,225
	Separate financial statement			
	Increased in assumption		Decreased in assumption	
<i>At 31 March</i>	2020			
	<i>(in thousand Baht)</i>			
Discount rate (1% movement)	(25,983)		29,353	
Future salary growth (1% movement)	31,226		(27,684)	
Employee turnover (20% movement)	(12,554)		14,305	

Notes to the financial statements

For the year ended 31 March 2020 and
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16 Share premium and reserves

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.

Appropriations of profit and/or retained earnings

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.

General reserve

This represents general reserve for the Company’s operations in the future.

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.

17 Segment information and disaggregation of revenue

Management considers that the Company has two reportable segments, as described below, which are the Company’s strategic divisions for different products, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Company’s reportable segments.

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

Each segment’s performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the Company’s Chief Operating Decision Maker. 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 2020 and
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<i>For the years ended</i> 31 March	Financial statements in which the equity method is applied					
	Segment 1		Segment 2		Total	
	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>					
Information about reportable segment						
External revenues	4,964,162	5,552,366	3,745,995	3,982,935	8,710,157	9,535,301
Cost of sales	<u>(4,628,007)</u>	<u>(4,984,677)</u>	<u>(3,410,374)</u>	<u>(3,596,673)</u>	<u>(8,038,381)</u>	<u>(8,581,350)</u>
Gross profit	<u>336,155</u>	<u>567,689</u>	<u>335,621</u>	<u>386,262</u>	<u>671,776</u>	<u>953,951</u>
Distribution costs					(306,329)	(283,717)
Administrative expenses					(264,442)	(315,307)
Finance costs					(41,487)	(43,599)
Other income					54,572	109,195
Share of profit of associate					<u>131,424</u>	<u>118,015</u>
Profit before income tax expense					245,514	538,538
Tax expense					<u>(16,460)</u>	<u>(81,769)</u>
Profit for the year					<u>229,054</u>	<u>456,769</u>

	Financial statements in which the equity method is applied					
	Segment 1		Segment 2		Total	
	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>					
Reportable segment financial position						
Trade accounts receivable	772,843	800,911	858,923	882,524	1,631,766	1,683,435
Inventories						
- Allocated items	778,905	738,541	271,363	231,634	1,050,268	970,175
- Unallocated items	-	-	-	-	<u>384,772</u>	<u>314,704</u>
Total					<u>1,435,040</u>	<u>1,284,879</u>
Property, plant and equipment, net						
- Allocated items	2,972,318	3,327,844	543,727	806,027	3,516,045	4,133,871
- Unallocated items	-	-	-	-	<u>463,808</u>	<u>371,205</u>
Total					<u>3,979,853</u>	<u>4,505,076</u>
Unallocated other assets					<u>3,222,748</u>	<u>2,737,403</u>
Total assets					<u>10,269,407</u>	<u>10,210,793</u>

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.

Notes to the financial statements

For the year ended 31 March 2020 and

For the period 1 July 2019 (the date of amalgamation) to 31 March 2020

Toray Textiles (Thailand) Public Company Limited

Disaggregation of revenue

The following table showed details of revenue disaggregated by primary geographical markets, categories of main products and timing of revenue recognition.

For the years ended 31 March	Financial statements in which the equity method is applied					
	Segment 1		Segment 2		Total	
	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>					
Primary geographical markets						
Asia	4,672,007	5,098,716	3,734,655	3,969,818	8,406,662	9,068,534
Europe	161,974	284,894	10,290	12,616	172,264	297,510
America	66,671	121,475	1,050	501	67,721	121,976
Africa	58,926	40,274	-	-	58,926	40,274
Oceania	4,584	7,007	-	-	4,584	7,007
Total	4,964,162	5,552,366	3,745,995	3,982,935	8,710,157	9,535,301
Categories of main products						
Fabric for apparel	4,722,410	5,268,586	-	-	4,722,410	5,268,586
Fabric for airbags	-	-	3,487,364	3,674,769	3,487,364	3,674,769
Others	241,752	283,780	258,631	308,166	500,383	591,946
Total	4,964,162	5,552,366	3,745,995	3,982,935	8,710,157	9,535,301
Timing of revenue recognition						
At a point in time	4,964,162	5,552,366	3,745,995	3,982,935	8,710,157	9,535,301
Total	4,964,162	5,552,366	3,745,995	3,982,935	8,710,157	9,535,301

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 for the year ended 31 March 2020 represent approximately Baht 1,152 million (2019: Baht 1,087 million) of the Company's total revenues.

18 Employee benefit expenses

	Financial statements in which the equity method is applied		Separate financial statement
	For the years ended 31 March 2020	2019	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht)</i>		
Wages and salaries	672,210	665,618	489,346
Bonus and other benefits	205,616	214,721	149,619
Defined benefit plan	70,084	30,519	21,514
Defined contribution plans	15,693	15,998	11,811
Total	963,603	926,856	672,290

Notes to the financial statements

For the year ended 31 March 2020 and
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Defined contribution plans

The defined contribution plans comprise provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the Company and the employees each at the fixed rates followed by the Company's announcement of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

19 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 statement
	<i>Note</i>	For the years ended 31 March 2020	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
		<i>(in thousand Baht)</i>	
Changes in inventories of finished goods and work in progress		(190,132)	67,878
Raw materials and consumables used		5,512,279	4,052,897
Employee benefit expenses	18	963,603	672,290
Utilities expenses		780,335	903,572
Depreciation and amortisation		721,780	750,894
Fuel and natural gas expenses		169,395	192,536
Maintenance and technical fee		130,109	118,876
Commission expenses		101,201	104,319
Freight charges and shipping expenses		96,228	82,899
Outsourcing fee		42,075	13,605
Transportation and vehicles rent		38,775	39,540
Management service fee	4	32,669	30,443
Write-down to net realisable value (reversal of)	8	29,890	(11,705)
Insurance expenses		26,430	30,787
Claim expenses		22,932	19,787
Impairment losses on other long-term investments	9	1,083	16,000
Amalgamation expenses		-	60,216
Others		130,500	84,614
Total cost of sale of goods, distribution costs and administrative expenses		8,609,152	9,180,375
			6,411,986

Notes to the financial statements

For the year ended 31 March 2020 and

For the period 1 July 2019 (the date of amalgamation) to 31 March 2020

Toray Textiles (Thailand) Public Company Limited

20 Income tax

Income tax recognised in profit or loss

	Financial statements in which the equity method is applied		Separate financial statement
	For the years ended 31 March 2020	2019	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht)</i>		
Current tax expense			
Current year/period	50,501	91,292	30,495
(Over) under provided in previous year/period	(58)	413	(58)
	<u>50,443</u>	<u>91,705</u>	<u>30,437</u>
Deferred tax expense			
Movements in temporary differences	(33,983)	(9,936)	(19,327)
	<u>(33,983)</u>	<u>(9,936)</u>	<u>(19,327)</u>
Total	<u>16,460</u>	<u>81,769</u>	<u>11,110</u>

Income tax recognised in other comprehensive income

	Financial statements in which the equity method is applied					
	For the years ended 31 March					
	2020		2019		Tax	
Before tax	Tax benefit	Net of tax	Before tax	(expense) benefit	Net of tax	
	<i>(in thousand Baht)</i>					
Exchange differences on translating foreign operations	(3)	-	(3)	1,149	-	1,149
Loss on remeasurement of available-for-sale investments	(39,347)	7,869	(31,478)	(3,339)	668	(2,671)
(Loss) gain on remeasurement of defined benefit plans	(9,179)	1,836	(7,343)	35,619	(7,124)	28,495
Total	<u>(48,529)</u>	<u>9,705</u>	<u>(38,824)</u>	<u>33,429</u>	<u>(6,456)</u>	<u>26,973</u>

	Separate financial statement		
	Before tax	Tax benefit	Net of tax
	<i>(in thousand Baht)</i>		
<i>For the period 1 July 2019 (the date of amalgamation) to 31 March 2020</i>			
Loss on remeasurement of available-for-sale investments	(38,423)	7,684	(30,739)
Loss on remeasurement of defined benefit plans	(9,178)	1,836	(7,342)
Total	<u>(47,601)</u>	<u>9,520</u>	<u>(38,081)</u>

Notes to the financial statements

For the year ended 31 March 2020 and
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Toray Textiles (Thailand) Public Company Limited

Reconciliation of effective tax rate

	Financial statements in which the equity method is applied			
	2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>245,514</u>		<u>538,538</u>
Income tax using the Thai corporation tax rate	20	49,103	20	107,708
Share of profit from investment in associate	(11)	(26,285)	(4)	(23,603)
Income not subject to tax	-	(839)	-	(488)
Expenses not deductible for tax purposes	1	1,891	-	1,266
Expenses deductible at a greater amount	(2)	(4,366)	(1)	(3,527)
Others	(1)	(2,986)	-	-
(Over) under provided in previous year	-	(58)	-	413
Total	<u>7</u>	<u>16,460</u>	<u>15</u>	<u>81,769</u>

	Separate financial statement	
	Rate (%)	(in thousand Baht)
For the period 1 July 2019 (the date of amalgamation) to 31 March 2020		<u>127,793</u>
Profit before income tax expense		<u>127,793</u>
Income tax using the Thai corporation tax rate	20	25,559
Income not subject to tax	(9)	(12,045)
Expenses not deductible for tax purposes	1	1,628
Expenses deductible at a greater amount	(1)	(988)
Others	(2)	(2,986)
Over provided in previous year	-	(58)
Total	<u>9</u>	<u>11,110</u>

Deferred tax assets and liabilities as at 31 March 2020 and 2019 were as follows:

	Financial statements in which the equity method is applied				Separate financial statement	
	Assets		Liabilities		Assets	Liabilities
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	
			<i>(in thousand Baht)</i>			
Total	127,980	104,441	(33,907)	(54,056)	127,980	(33,907)
Set off of tax	<u>(33,907)</u>	<u>(54,056)</u>	<u>33,907</u>	<u>54,056</u>	<u>(33,907)</u>	<u>33,907</u>
Net deferred tax assets	<u>94,073</u>	<u>50,385</u>	<u>-</u>	<u>-</u>	<u>94,073</u>	<u>-</u>

Notes to the financial statements

For the year ended 31 March 2020 and

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Movements in total deferred tax assets and liabilities were as follows:

	Financial statements in which the equity method is applied			At 31 March 2020
	At 1 April 2019	(Charged) / Credited to:		
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Inventories	7,311	5,978	-	13,289
Provision for impairment of other long-term investments	4,222	217	-	4,439
Provision for impairment of machinery and equipment	4,347	(264)	-	4,083
Unrealised loss from derivatives	20,267	544	-	20,811
Provisions for employee benefits	55,773	8,189	1,836	65,798
Others	12,521	7,039	-	19,560
Total	104,441	21,703	1,836	127,980
Deferred tax liabilities				
Available-for-sale investments	(13,652)	-	7,869	(5,783)
Property, plant and equipment	(40,404)	12,280	-	(28,124)
Total	(54,056)	12,280	7,869	(33,907)
Net	50,385	33,983	9,705	94,073

	Financial statements in which the equity method is applied			At 31 March 2019
	At 1 April 2018	(Charged) / Credited to:		
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Inventories	9,652	(2,341)	-	7,311
Provision for impairment of other long-term investments	1,022	3,200	-	4,222
Provision for impairment of machinery and equipment	4,347	-	-	4,347
Unrealised loss from derivatives	24,110	(3,843)	-	20,267
Provisions for employee benefits	63,345	(448)	(7,124)	55,773
Others	8,164	4,357	-	12,521
Total	110,640	925	(7,124)	104,441
Deferred tax liabilities				
Available-for-sale investments	(14,320)	-	668	(13,652)
Property, plant and equipment	(49,415)	9,011	-	(40,404)
Total	(63,735)	9,011	668	(54,056)
Net	46,905	9,936	(6,456)	50,385

Notes to the financial statements

For the year ended 31 March 2020 and
For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
Toray Textiles (Thailand) Public Company Limited

	At 1 July 2019 (the date of amalgamation)	Separate financial statement (Charged) / Credited to:		At 31 March 2020
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Inventories	7,122	6,167	-	13,289
Provision for impairment of other long-term investments	4,222	217	-	4,439
Provision for impairment of machinery and equipment	4,347	(264)	-	4,083
Unrealised loss from derivatives	25,244	(4,433)	-	20,811
Provisions for employee benefits	63,482	480	1,836	65,798
Others	12,649	6,911	-	19,560
Total	117,066	9,078	1,836	127,980
Deferred tax liabilities				
Available-for-sale investments	(13,467)	-	7,684	(5,783)
Property, plant and equipment	(38,373)	10,249	-	(28,124)
Total	(51,840)	10,249	7,684	(33,907)
Net	65,226	19,327	9,520	94,073

21 Basic earnings per share

The calculations of basic earnings per share for the year ended 31 March 2020 and for the period 1 July 2019 (the date of amalgamation) to 31 March 2020 were based on the profit for the year/period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period as follows:

	Financial statements in which the equity method is applied		Separate financial statement
	For the years ended 31 March 2020	2019	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht / thousand shares)</i>		
Profit for the year/period	229,054	456,769	116,684
Number of ordinary shares outstanding during the year/period	57,840	57,840	57,840
Basic earnings per share (in Baht)	3.96	7.90	2.02

Notes to the financial statements

For the year ended 31 March 2020 and

For the period 1 July 2019 (the date of amalgamation) to 31 March 2020

Toray Textiles (Thailand) Public Company Limited

22 Dividends

The dividends paid by the Company to the shareholders as follows:

	Approval date	Payment schedule	Payment from retained earnings subjects to corporate income tax (%)	Dividend rate per share (Baht)	Amount (in million Baht)
Financial statements in which the equity method is applied:					
For the year ended 31 March 2020					
Interim dividend	18 December 2019	January 2020	30	1.70	98.33
Interim dividend	1 July 2019	July 2019	30	1.70	98.33
Total				3.40	196.66
For the year ended 31 March 2019					
<i>Luckytex (Thailand) Public Company Limited - for 51.84 million ordinary shares</i>					
Interim dividend	20 December 2018	January 2019	30	1.50	77.76
Annual dividend	24 July 2018	August 2018	30	2.75	142.56
Interim dividend	21 December 2017	January 2018	30	(1.25)	(64.80)
				1.50	77.76
<i>Thai Toray Textile Mills Public Company Limited - for 6 million ordinary shares</i>					
Interim dividend	12 December 2018	January 2019	23	2.50	15.00
Annual dividend	25 July 2018	August 2018	23 and 30	2.00	12.00
Interim dividend	20 December 2017	January 2018	30	(1.00)	(6.00)
				1.00	6.00
Total				6.50	176.52
Separate financial statement:					
For the period 1 July 2019 (the date of amalgamation) to 31 March 2020					
Interim dividend	18 December 2019	January 2020	30	1.70	98.33
Interim dividend	1 July 2019	July 2019	30	1.70	98.33
Total				3.40	196.66

23 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.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' 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.

Notes to the financial statements

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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 14 to the financial statements). However, the Company mitigates this risk by entered into interest rate swap agreement to hedge such interest rates.

The effective interest rates of financial liabilities as at 31 March 2020 and 2019 and the periods in which the financial liabilities mature were as follows:

	Effective interest rate (% per annum)	Financial statements in which the equity method is applied			
		Maturity period			
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
31 March 2020					
Current					
Long-term loans	1.83 - 2.09	984,894	-	-	984,894
Finance lease liabilities	6.00	21,042	-	-	21,042
Non-current					
Finance lease liabilities	6.00	-	97,572	226,151	323,723
Total		<u>1,005,936</u>	<u>97,572</u>	<u>226,151</u>	<u>1,329,659</u>
31 March 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		<u>19,851</u>	<u>1,051,403</u>	<u>252,716</u>	<u>1,323,970</u>
		Separate financial statement			
		Maturity period			
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
31 March 2020					
Current					
Long-term loans	1.83 - 2.09	984,894	-	-	984,894
Finance lease liabilities	6.00	21,042	-	-	21,042
Non-current					
Finance lease liabilities	6.00	-	97,572	226,151	323,723
Total		<u>1,005,936</u>	<u>97,572</u>	<u>226,151</u>	<u>1,329,659</u>

Notes to the financial statements

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Toray Textiles (Thailand) Public Company Limited

Foreign currency risk

The Company is exposed to foreign currency risk relating to purchases, sales and long-term loans 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 and cross currency swap entered into at the reporting date also relate to anticipated purchases, sales and long-term loans, 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 statement
	2020	2019	2020
	<i>(in thousand Baht)</i>		
United States Dollar (USD)			
Cash and cash equivalents	84,264	80,777	84,264
Trade accounts receivable	659,539	613,122	659,539
Other receivables	229	1,106	229
Interest-bearing liabilities	(984,894)	(959,355)	(984,894)
Trade accounts payable	(112,476)	(71,631)	(112,476)
Other payables	(37,349)	(13,567)	(37,349)
Gross statement of financial position exposure	(390,687)	(349,548)	(390,687)
Currency swaps	1,056,600	1,056,600	1,056,600
Currency forwards purchase	(469,876)	(485,193)	(469,876)
Net exposure	196,037	221,859	196,037
Japanese Yen (JPY)			
Trade accounts receivable	9,899	9,291	9,899
Other receivables	-	763	-
Trade accounts payable	(87,412)	(33,503)	(87,412)
Other payables	(19,478)	(27,414)	(19,478)
Gross statement of financial position exposure	(96,991)	(50,863)	(96,991)
Currency forwards sale	58,270	57,850	58,270
Net exposure	(38,721)	6,987	(38,721)
Euro (EUR)			
Trade accounts receivable	3,845	4,144	3,845
Other receivables	-	20	-
Trade accounts payable	-	(46)	-
Gross statement of financial position exposure	3,845	4,118	3,845
Swiss Franc (CHF)			
Trade accounts payable	(501)	-	(501)
Gross statement of financial position exposure	(501)	-	(501)
Total exposure, net	160,660	232,964	160,660

Notes to the financial statements

For the year ended 31 March 2020 and
For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
Toray Textiles (Thailand) Public Company Limited

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.

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Financial statements in which the equity method is applied			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
31 March 2020					
Financial assets and financial liabilities measured at fair value					
Available-for-sale investments	42,427	42,427	-	-	42,427
Derivatives	(104,054)	-	(104,054)	-	(104,054)
Financial assets and financial liabilities not measured at fair value					
Long-term loans from financial institution	(984,894)	-	(966,486)	-	(966,486)
Finance lease liabilities	(344,765)	-	(477,309)	-	(477,309)
31 March 2019					
Financial assets and financial liabilities measured at fair value					
Available-for-sale investments	81,774	81,774	-	-	81,774
Derivatives	(101,334)	-	(101,334)	-	(101,334)
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)

Notes to the financial statements

For the year ended 31 March 2020 and

For the period 1 July 2019 (the date of amalgamation) to 31 March 2020

Toray Textiles (Thailand) Public Company Limited

	Carrying amount	Separate financial statement			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
31 March 2020					
Financial assets and financial liabilities measured at fair value					
Available-for-sale investments	42,427	42,427	-	-	42,427
Derivatives	(104,054)	-	(104,054)	-	(104,054)
Financial assets and financial liabilities not measured at fair value					
Long-term loans from financial institution	(984,894)	-	(966,486)	-	(966,486)
Finance lease liabilities	(344,765)	-	(477,309)	-	(477,309)

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.

Financial instruments not measured at fair value

Type

Long-term loans from financial institution and finance lease liabilities

Valuation technique

Discounted cash flows: 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.

24 Commitments with non-related parties

	Financial statements in which the equity method is applied		Separate financial statement
	2020	2019	2020
<i>(in thousand Baht)</i>			
Capital Commitments			
<i>Contracted but not provided for:</i>			
Machinery and equipment	<u>2,667</u>	<u>46,657</u>	<u>2,667</u>
Future minimum lease payments under non-cancellable operating leases			
Within 1 year	7,920	5,882	7,920
1 - 5 years	<u>14,745</u>	<u>8,907</u>	<u>14,745</u>
Total	<u><u>22,665</u></u>	<u><u>14,789</u></u>	<u><u>22,665</u></u>

The Company has vehicle and factory equipment lease agreements with local companies for periods of 1 to 5 years, which will expire during the year 2020 to 2025.

Notes to the financial statements

For the year ended 31 March 2020 and
For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
Toray Textiles (Thailand) Public Company Limited

	Financial statements in which the equity method is applied		Separate financial statement
	2020	2019	2020
	<i>(in thousand Baht)</i>		
Other commitments			
Letter of credit for raw material and factory supplies	25,963	30,343	25,963
Contracted commitment for:			
- Purchase of raw material and factory supplies	5,342	36,461	5,342
- Energy supply	27,772	-	27,772
Letter of guarantees from financial institutions for:			
- Electricity used	88,857	116,100	88,857
- Natural gas used	4,641	-	4,641
Total	152,575	182,904	152,575

25 Thai Financial Reporting Standards not yet adopted

New and revised Thai Financial Reporting Standards (“TFRS”), which are relevant to the Company’s operations, expected to have material impact on the Company’s financial statements in which the equity method is applied and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

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

* TFRS - Financial instruments standards

(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

Management is currently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the financial statements in which the equity method is applied and separate financial statements.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Company will recognise new assets and liabilities for its operating leases. As at 31 March 2020, the Company’s future minimum lease payments under non-cancellable operating leases amounted to Baht 22.67 million, on an undiscounted basis. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management assessed that there was no material impact of adopting and initially applying TFRS 16 on the financial statements in which the equity method is applied and separate financial statements.

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