

2017/2018 ANNUAL REPORT



Ingress Industrial (Thailand) Public Company Limited

INGRS



*Asian Company
with Global Reach*





INGRS

CORPORATE VISION

To create a business organisation that combines a high-trust culture which enables Ingress to develop meaningful partnerships, both inside and outside the organisation-with entrepreneurial and professional attributes.

CORPORATE MISSION STATEMENT

The Group aims to become the leading automotive components manufacturer in ASEAN market and globally expands customer base with advanced and widely accepted production technology.

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01 FINANCIAL HIGHLIGHT

	Consolidated Financial Statements				
	FY2017/18	FY2016/17	FY2015/16	* FY2014/15	* FY2013/14
Statement of Financial Position (Million Baht)					
Current Assets	1,259.4	1,362.3	1,173.7	1,597.7	2,179.8
Non-current Assets	3,221.8	3,163.0	3,222.9	2,897.8	3,028.3
Current Liabilities	1,155.5	1,302.5	1,237.1	1,439.9	1,425.8
Non-current liabilities	777.3	957.7	837.5	945.7	944.7
Paid up capital	1,446.9	1,185.4	1,185.4	1,185.4	- **
Shareholder's Equity	1,743.0	1,444.3	1,470.0	1,246.7	1,968.3
Total Equity	2,548.4	2,265.1	2,322.0	2,109.9	2,837.6
Statement of Comprehensive Income (Million Baht)					
Sales Revenue	2,912.9	2,915.9	3,158.6	3,852.5	4,207.8
Gross Profit	646.1	644.8	653.6	715.0	1,010.1
Other Revenue	65.6	137.7	146.8	145.7	87.5
EBITDA	517.6	586.3	574.9	562.9	550.9
Net Profit Before Tax	144.6	193.4	210.0	180.3	153.6
Net Profit After Tax	147.9	210.4	177.0	209.3	186.0
Net Profit After Tax Attributable to Equity Holders	97.8	169.6	132.0	155.6	132.4
Earning per share	0.07	0.14	0.11	0.13	-
Dividend paid - interim	94.4	37.9	40.0	-	-
Dividend paid - final	37.6	37.9	37.9	-	-
Financial Ratios					
Current Ratio (times)	1.09	1.05	0.95	1.11	1.53
Gross Profit Margin (%)	22.2%	22.1%	20.7%	18.6%	24.0%
Net Profit Before Tax Margin (%)	5.0%	6.6%	6.6%	4.7%	3.7%
Net Profit After Tax Margin (%)	5.1%	7.2%	5.6%	5.4%	4.4%
Return on Total Assets (%)	2.2%	3.7%	3.0%	3.5%	2.5%
Return on Equity (%)	3.8%	7.5%	5.7%	7.4%	4.7%
Debt to Equity Ratio (times)	0.71	1.04	0.88	1.14	0.69
Dividend payout (% of Net Profit After Tax Attributable to Equity Holders)	135.0%	44.7%	59.0%	0.0%	0.0%

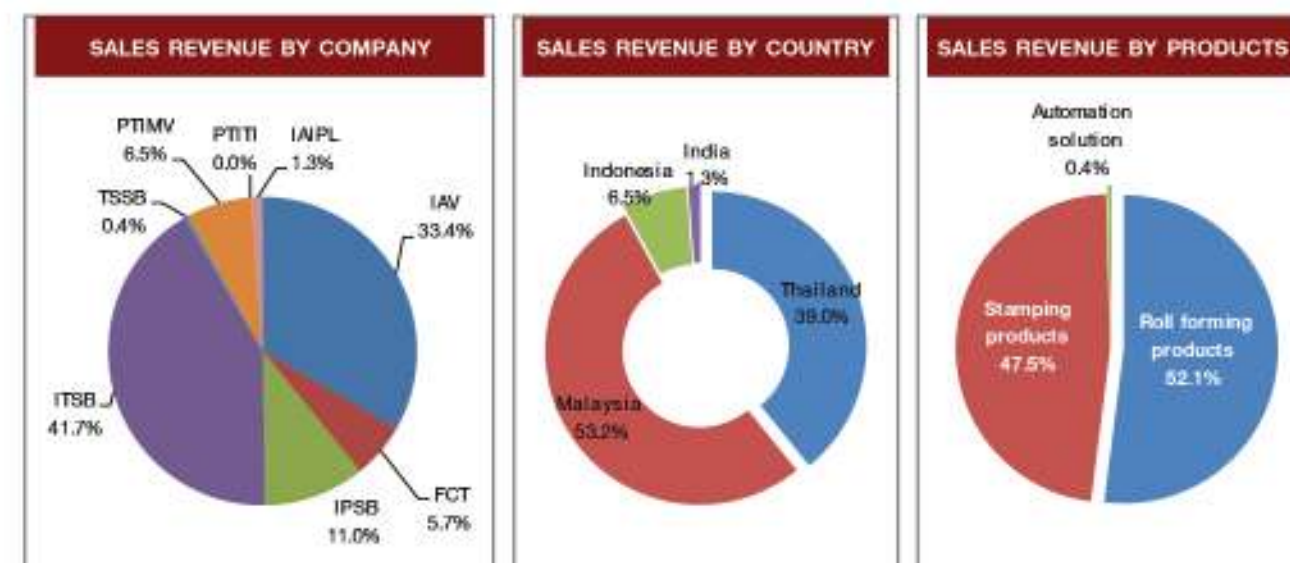
* The Consolidated results presented were based on the Common Control concept of which INGRS Group exists since the inception of the Group under Ingress Corporation Berhad.

** The Company was incorporated on 13 March 2014 and the Group Restructuring completed on 31 January 2015.

02 REVENUE STRUCTURE

EXTERNAL SALES REVENUE (Million Baht)	Consolidated Financial Statements				
	FY2017/18	FY2016/17	FY2015/16	FY2014/15	FY2013/14
Sales Revenue by Company					
Ingress Autoventures Co., Ltd	972.6	984.7	1,024.5	1,314.3	1,657.1
Fine Components (Thailand) Co., Ltd	165.0	178.6	205.1	150.2	195.1
Ingress Precision Sdn Bhd	319.0	381.3	365.8	402.7	461.2
Ingress Technologies Sdn Bhd	1,217.7	1,131.7	1,343.1	1,721.1	1,691.7
Talent Synergy Sdn Bhd	12.6	9.4	15.3	6.7	-
PT Ingress Malindo Ventures	188.8	229.7	204.3	256.9	202.1
PT Ingress Technologies Indonesia	0.3	0.5	0.5	0.6	0.6
Ingress Autoventures (India) Pvt Ltd*	36.9	-	-	-	-
	2,912.9	2,915.9	3,158.6	3,852.5	4,207.8
Sales Revenue by Country					
Thailand	1,137.6	1,163.3	1,229.6	1,464.5	1,852.2
Malaysia	1,549.3	1,522.4	1,724.2	2,130.5	2,152.9
Indonesia	189.1	230.2	204.8	257.5	202.7
India*	36.9	-	-	-	-
	2,912.9	2,915.9	3,158.6	3,852.5	4,207.8
Sales Revenue by Products					
Roll forming products	1,517.3	1,595.7	1,594.6	1,973.9	2,320.4
Stamping products	1,383.0	1,310.6	1,548.7	1,871.9	1,887.4
Automation solution	12.6	9.4	15.3	6.7	-
	2,912.9	2,915.9	3,158.6	3,852.5	4,207.8

* Ingress Autoventures (India) Pvt Ltd (formerly known as Ingress Mayur Auto Ventures Pvt Ltd) become a wholly owned subsidiary of INGRS effective from 13 November 2017.



03 BOARD OF DIRECTORS MESSAGE



The Board of Directors wishes to express our heartfelt condolences to the family of our late Chairman, Tan Sri Dr. Surin Pitsuwan, the former Foreign Minister of Thailand and ASEAN Secretary-General who passed away peacefully on 30 November 2017. He was truly a visionary leader, a passionate educator, a kind-hearted humanitarian and an accomplished diplomat who was respected worldwide and a great inspiration to all who have come to know him. We are very much indebted to him for all his contributions especially for his gracious dedication and continuous guidance leading towards INGRS listing in Thailand. He will be truly missed and his contribution will remain a legacy to INGRS.

Year 2017 marked a significant milestone to the Ingress Group and Ingress Industrial (Thailand) Public Limited Company or INGRS with the successful listing of its shares on the Stock Exchange of Thailand ("SET") on 9 August 2017.

Having manufacturing operations spread over few Asian countries, namely; Thailand, Malaysia, Indonesia and India, INGRS is proud to be recognized as the first Foreign Company to be listed on SET. On behalf of INGRS Shareholders, Directors and Management, we would like to express our sincere gratitude and appreciation to the SEC, SET, our Financial Advisor - Maybank Kim Eng Thailand, our Auditor and Consultants. Without their concerted efforts and kind cooperation, the listing would never be realized.

INGRS presence in the 4 countries are managed by two investment offices in Thailand and Malaysia. The business operations are supported by 8 manufacturing plants, with technical collaborations and partnerships with local, Japanese and Korean. Having full in-house capabilities to do both product and tooling design,

INGRS managed to capture significant slice of the market share with its core products. INGRS' past track records have proven its capabilities for excellent business and operation management and continuously being considered as the preferred supplier to major vehicle assemblers in the countries, in which, it is operating.

INGRS' encouraging performance has always been supported by strong economic fundamentals of each country. In the past years, GDP growth has been most encouraging. Thailand's GDP growth averaged at 3.3% in the last three years, whilst Malaysia and Indonesia both recorded improvements by 5.0%. In the calendar year 2017, total production of vehicles grew by 2.3%, 3.3% and 3.9% for Thailand, Indonesia and India, respectively. However, Malaysia's total production registered a drop of 8.4%.

Domestic Vehicle Sales in Thailand recorded an impressive growth of 13.4% last year, compared to the year before. As noted earlier, Thailand's automotive market was at the lowest position in 2016 and recovery is imminent. Similar positive growth was also recorded in Indonesia and India, with only Malaysia showing a slight drop. During the period, CBU exports has been very encouraging with about 2.2 million units exported, mainly from Thailand, India and Indonesia. With the available extra capacity by all OEMs, CBU and components exports are expected to be further enhanced.

The Group's best performer was Ingress Technologies Sdn Bhd, who is the leading stamping and modular assembler in Malaysia. The introduction of new models and higher volume intakes have contributed to better revenue of 7.5% compared to a year ago. On the other hand, Ingress Autoventures Co., Ltd Thailand, with plants in Eastern Seaboard, Rayong and Hi-tech Industrial Park, Ayutthaya continues to contribute significantly to the group in profitability.

Despite generally positive performances in the countries where INGRS operates, performance in Malaysia has taken a slight dip. This was mainly due to the temporary slowdown in the Malaysian domestic sales since the takeover of 49.9% Proton shares by Zhejiang Geely of China as the public is still waiting for the business and market strategy moving forward. However, the outlook is very encouraging. Geely has laid down long term plans of making Proton its hub for right-hand-drive vehicles development and manufacturing, that would increase yearly volumes to 400,000 units by 2027.

On 13 November 2017, INGRS acquired 100% share of one of its associates in India. With full control of the Indian operation, INGRS is poised to leverage from the vast potentials that the Indian automotive market can offer. With 4.78 million units of vehicles assembled in India in 2017 and potential growth of about 7% in the next few years, new manufacturing hubs are being developed, with Sanand in Gujarat on the Indian West, being the latest. INGRS is actively looking at these new growth areas to further solidify its presence in India, beyond its current plant location in Gurgaon, Delhi.

During the last financial year which ended on 31 January 2018, the INGRS Group's recorded revenue of THB 2.91 billion with net profit of THB 97.8 million. The revenue experienced a marginal 0.4% decrease as compared to the previous year with a net profit percentage reduced from 5.8% to 3.5%. The reduction of

net profit reduced was mainly due to the recognition of a significant foreign exchange gain amounting to Baht 77.7 million in the financial year ended 31 January 2017 as compared to the recognition of foreign exchange loss amounting to Baht 1.4 million in the financial year ended 31 January 2018. The foreign exchange gain/ (loss) was mainly due to the gain/ (loss) recorded on the elimination of intercompany balances within the Group on the exchange rate fluctuation between local and foreign currency at end of the financial year as compared to the transaction date. Nevertheless, the company recorded better gross margin derived from internal cost reduction efforts as well as higher gross margin contributions from newly introduced products.

With an expected improvement in both domestic and export demands, together with the full year recognition of revenue and profit contribution from Indian operation, the outlook for Year 2018/19 is expected to be good.

In line with the commendable performance in year 2017/18, the Board of Directors proposed the final dividend of THB 0.026 per share, subject to shareholders' approval in May 2018. With the declaration and payment of the final dividend, the dividend yield, inclusive of the interim dividend on 12 January 2018, would be 5.2% from the issued and paid up capital of 1,446,942,690 shares at Baht 1 per share.

The reporting period of Year 2017/18 marked a new milestone for INGRS with its successful listing on the SET. Again, we would like to put on record that this would not be possible without the good co-operation and support from all our business partners, associates, customers, other stakeholders and our Board of Directors and employees. We really appreciate all their efforts and kind support and would like to take this opportunity to express our sincere thanks and gratitude and looking forward to your continued support in FY2018/19.

The Board of Directors

Ingress Industrial (Thailand) Public Company Limited

04 BOARD OF DIRECTORS



- | | |
|-----------------------------------|--|
| 1. Mr. Nuthavuth Chatlertpipat | 5. Mr. Abdul Khudus Bin Mohd Naaim |
| 2. Datuk Rameli Bin Musa | 6. Mr. Apichat Suttisilum |
| 3. Dato' Dr. Ab. Wahab Bin Ismail | 7. Datin Seri Farah Binti Datuk Rameli |
| 4. Mr. Abdul Rahim Bin Haji Hitam | 8. Mr. Surin Wungcharoen |



NUTHAVUTH CHATLERTPIPAT

CHAIRMAN,
INDEPENDENT DIRECTOR, AUDIT COMMITTEE AND CHAIRMAN OF
NOMINATION AND REMUNERATION COMMITTEE

Mr. Nuthavuth Chatlertpipat graduated a Bachelor of Law (LLB.) and a Master of Law (LLM.) from Chulalongkorn University. He also holds a Bachelor of Business Administration (BBA) from Ramkhamhaeng University and a Certificate in English for Special Careers (Law) from Sukhothai Thammathirat University. A licensed attorney, Nuthavuth is also a Thai barrister-at-law.

He is a managing partner of BKK Legal Limited. He has considerable experience in a wide range of corporate and commercial areas. He started his legal practice in 1992. He had ever worked with various international law firms, namely J Koh & Co, DLA Piper and Watson Farley & Williams, during 2001-2012. He had been appointed as a member of the Risk Management Committee of the Botanical Garden Organization, Ministry of Natural Resources and Environment from 2012 to 2013.

He serves as an Independent Director of Ingress Industrial (Thailand) Public Company Limited ("IIT") and a member of the Audit Committee and the Chairman of the Nomination and Remuneration Committee. Since December 2017 up to date, He has assumed the chairmanship of IIT since December 2017.



DATUK RAMELI BIN MUSA

DEPUTY CHAIRMAN

Datuk Rameli Bin Musa holds a Bachelor of Telecommunications Engineering and a Master in Microwave Communications both from University of Sheffield, United Kingdom. He started his career as a lecturer in electronics and microwave telecommunications at Universiti Teknologi Malaysia in 1972. He left Universiti Teknologi Malaysia in 1975 to work with Pemas NEC Telecommunications Sdn. Bhd., where he worked from 1976 to 1980 before joining Sapura Holdings Sdn. Bhd. rising to the post of Executive Vice Chairman. He is the founder of Ingress Group of Companies through the incorporation of Ingress Engineering Sdn Bhd 1999. He is currently the Executive Vice Chairman of Ingress Corporation Berhad. He was honored with the conferment of the Honorary Doctor of Engineering from Universiti Teknologi Malaysia on 13 October 2012.

Datuk Rameli is a member of the Nomination and Remuneration Committee and the Chairman of the Executive Committee.



DATO' DR. AB. WAHAB BIN ISMAIL

EXECUTIVE DIRECTOR

Dato' Dr. Ab. Wahab is an engineer by profession. He obtained his Doctor of Philosophy in Mechanical Engineering (Ph.D) from University of Leeds, United Kingdom. He started his career as a tutor in 1978 at University Kebangsaan Malaysia, Bangi, Selangor and also served as lecturer in the same university in 1982 to 1984.

In 1984, Dato' Dr. Ab. Wahab left the university and joined several prominent corporate companies such as Perusahaan Otomobil Nasional Sdn. Bhd. (PROTON) and Sapura Holding Sdn. Bhd. with his last post as Group Managing Director of Sapura Motors Berhad (presently known as Sapura Industrial Berhad). Dato' Dr. Ab. Wahab served as a Board member of Bina Darulaman Berhad from 2008 until 2013. Dato' Dr. Ab. Wahab is a co-founder of Ingress Group of Companies and he is the Group Executive Director of Ingress Corporation Berhad and several other private limited companies.

Dato' Dr. Ab. Wahab is a member of the Nomination and Remuneration Committee and the Executive Committee.



ABDUL RAHIM BIN HAJI HITAM

CHIEF EXECUTIVE OFFICER (CEO)

Mr. Abdul Rahim holds a Bachelor of Science in Production Engineering and Management from the Loughborough University of Technology, United Kingdom. He started his career at Perusahaan Otomobil Nasional Sdn. Bhd. (PROTON) in September 1984 until August 1989, when he then joined Alps Electric (M) Sdn. Bhd. as the Production Manager until 1990. Subsequently, he joined Sapura Motors Berhad and held various management positions between October 1990 until September 1999, the last being the Deputy Managing Director. In October 1999, he joined Ingress Group as the Managing Director of Ingress Autoventures Co., Ltd. He serves as an Executive Director of Ingress Corporation Berhad since 2010 until present.

Mr. Abdul Rahim is a member of the Executive Committee and the Chief Executive Officer of the Company.



ABDUL KHUDUS BIN MOHD NAIM

INDEPENDENT DIRECTOR, CHAIRMAN OF AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE

Mr. Abdul Khudus is a Chartered Accountant of the Malaysian Institute of Accountants, a Fellow, Association of Chartered Certified Accountants United Kingdom and an Associate in the Chartered Malaysian Institute of Taxation.

His career started as an Audit Junior of Arthur Young & Co., Public Accountants, Kuala Lumpur from January 1976 to December 1976 and later served as Audit Senior at Ramoss Jassen & Partners, Chartered Accountants, London from July 1980 to December 1984. He was an Accountant at Islamic Finance House PLC, London from January to December 1985. He joined Syarikat Takaful Malaysia Berhad in January 1986 until August 1993 with his last position being the Senior Finance Manager. From September 1993 to December 1996, he was Director of Corporate Affairs at Emile Woolf Group of Colleges, Kuala Lumpur. He joined SKMN Associates, Chartered Accountants, Malaysia in January 1997 as a Partner then with AKN Arif, Chartered Accountants since August 2008.

He served as a director and audit committee for Inch Kenneth Kajang Rubber PLC, London in 2001 to 2009. He is the Chairman of the board of directors and audit committee of Concrete Engineering Products Bhd, Malaysia.

Mr. Abdul Khudus is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee.



APICHAT SUTTISILTUM

INDEPENDENT DIRECTOR, AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE

Mr. Apichat Suttisiltum holds BSc in Chemical Engineering from Chulalongkorn University and MBA, from Thammasat University.

Mr. Apichat is an engineer by profession and has served various companies including as the Deputy Managing Director in Abico Holding PLC in 1992-1997, the Managing Director of Viriyah Food Industry Co. Ltd. in 2004 to 2007, Malee Sampran PLC as the Agribusiness Vice President in year 2007 to 2008 and the Group's Manufacturing Director of Tipco Food (Thailand) Public Company Limited from 2010 to 2011. In 2012, he joined 3i Energy Company Limited and serving the company as a director until present.

Mr. Apichat Suttisiltum is a member of the Audit Committee and the Nomination and Remuneration Committee.



DATIN SERI FARAH BINTI DATUK RAMELI

EXECUTIVE DIRECTOR

Datin Seri Farah Binti Datuk Rameli holds Bachelor of Science in Electrical Engineering from University Teknologi Malaysia and is a holder of MBA in Engineering Management from University of Coventry, United Kingdom.

She started her career as the General Manager of Ingress Corporation Berhad ("ICB") in 2013 and promoted to her current position as the Director, Corporate Services of ICB in early 2017. She sits as a member to the Board of Directors since March 2017.



SURIN WUNGCHAROEN

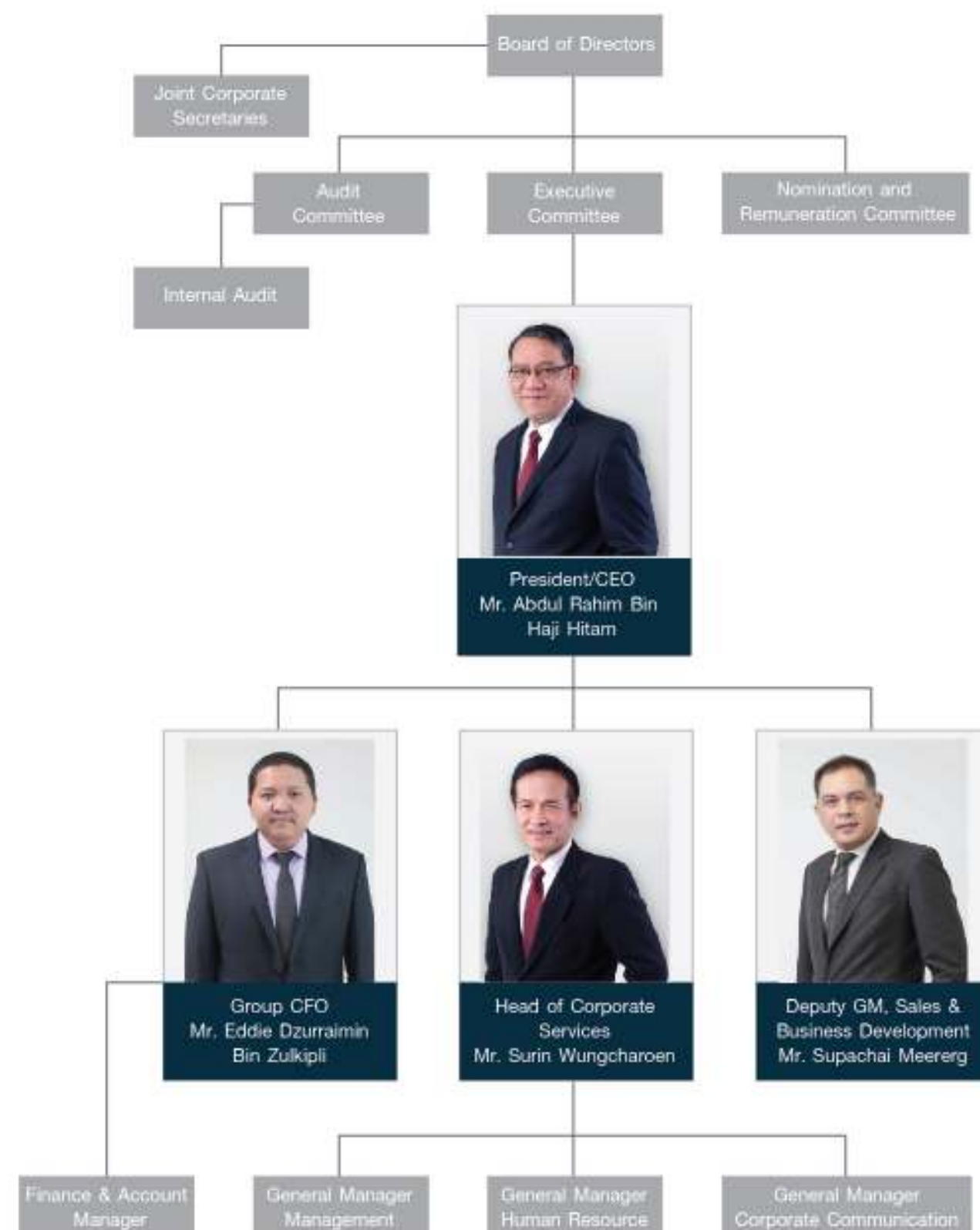
EXECUTIVE DIRECTOR

Mr. Surin Wungcharoen is the holder of BA of Engineering from King Mongkut University.

He started his career in Sombon Group operation in 1983 to 1998. While in Sombon Group, he was appointed as a committee to draft and prepare the Industrial Standard in Part for Automotive Industry including coil spring, stabilizer bar, torsion bar, break lining and clutch disk. He was also responsible to audit the steel manufacturing and had audited the steel manufacturing of Mitsubishi Steel Corporation in India. He joined Ingress Autoventures Co. Ltd. in 1998 and later joined Thai Auto Tools (Eastern) Co., Ltd. from 2012 until April 2017 as the Managing Director. He joined the Company as the Head of Corporate Services in 2015. He is a member to the Board of Directors since March 2017.

05 ORGANIZATION AND MANAGEMENT

The organization structure of Ingress Industrial (Thailand) Public Company Limited as of 31 January 2018 is as follows:



BOARD OF DIRECTORS

The Board of Directors of Ingress Industrial (Thailand) Public Company Limited comprise of eight (8) qualified Directors, who have knowledge and experience in the automotive industry or other areas which are beneficial to the Company's operations. As of 31 January 2018, there were eight (8) Directors, whose names are as follows:

No.	Name	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Executive Committee
1.	Mr. Nuthavuth Chatlerpipat	Chairman ² & Independent Director	Member	Chairman	-
2.	Datuk Rameli Bin Musa ¹	Executive Director	-	Member	Chairman
3.	Dato' Dr. Ab. Wahab Bin Ismail ¹	Executive Director	-	Member	Member
4.	Mr. Abdul Rahim Bin Haji Hitam ¹	Executive Director	Member	-	Member
5.	Mr. Abdul Khudus Bin Mohd Naaim	Independent Director	Chairman	Member	-
6.	Datin Seri Farah Binti Datuk Rameli ¹	Executive Director	-	-	-
7.	Mr. Surin Wungcharoen ¹	Executive Director	-	-	-
8.	Mr. Apichat Suttisiltum	Independent Director	Member	Member	-

Remark:

¹Authorized directors (any two (2)) jointly signed together on behalf of the Company with the Company's seal affixed.

²Mr. Nuthavuth Chatlerpipat was appointed as new Chairman on 14 December 2017 replacing the late Tan Sri Dr. Surin Pitsuwan.

To maintain the balance of 50/50 on Thailand Resident Director and Foreigner, Mr. Affandi Bin Mokhtar resigned as Executive Director of the Company effective from 14 December 2017.

The Board of Directors are appointed by and approved at the shareholders meeting to have the power and duties to appoint the Company's management, senior executives and directors, and to monitor the Company's activities and performance. Roles and responsibilities between the Board of Directors and the executive management have been clearly defined and are conformant to laws, regulations, code of conducts and business ethics.

During the financial year ended 31 January 2018, the Company had organized meetings for Board of Directors, Audit Committee, Nomination & Remuneration Committee and Executive Committee as follows:

No.	Name	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Executive Committee
1.	Mr. Nuthavuth Chatlertpipat	6/7	4/4	4/4	-
2.	Datuk Rameli Bin Musa	7/7	-	4/4	10/10
3.	Dato' Dr. Ab. Wahab Bin Ismail	7/7	-	4/4	9/10
4.	Mr. Abdul Rahim Bin Haji Hitam	7/7	-	-	10/10
5.	Mr. Abdul Khudus Bin Mohd Naaim	4/7	3/4	4/4	-
6.	Datin Seri Farah Binti Datuk Rameli	5/6	-	-	-
7.	Mr. Surin Wungcharoen	6/6	-	-	-
8.	Mr. Apichat Suttisilum	7/7	4/4	4/4	-
9.	Tan Sri Dr. Surin Pitsuwan ¹	4/6	-	-	-
10.	Mr. Affandi Mokhtar ²	7/7	-	-	9/10

Note:

¹Tan Sri Dr. Surin Pitsuwan passed away on 30 November 2017 and Mr. Nuthavuth Chatlertpipat was appointed as new Chairman on 14 December 2017.

²Mr. Affandi Bin Mokhtar resigned as Executive Director of the Company effective from 14 December 2017.

MANAGEMENT OF INGRESS INDUSTRIAL (THAILAND) PUBLIC COMPANY LIMITED

The Management of the Company, according to the definition of Security and Exchange Commission is listed in the following table:

No.	Name	Position
1.	Mr. Abdul Rahim Bin Haji Hitam	President / Chief Executive Officer
2.	Mr. Surin Wungcharoen	Head Of Corporate Service
3.	Mr. Eddie Dzurraimin Bin Zulkipli	Group Chief Financial Officer
4.	Mr. Sarawoot Sriwanayos	Corporate Secretary
5.	Mr. Supachai Meererg	Deputy General Manager, Sales & Business Development
6.	Mr. Muhamad Azmi Bin Muhamad Nor	General Manager, Human Resource
7.	Mr. Mansuriatus Shahrir Bin Amir	General Manager, Corporate Communication

Management Council ("MC")

Management Council was formed to ensure that the business of the companies within the Group in Thailand, Malaysia, Indonesia and India follow the same direction. It also offered the Group's senior management officers an opportunity to meet and share ideas and experience in business, including jointly find solution if they face business challenges in business conduct. MC members comprise all high-ranking management of the Company and affiliate in Thailand, Malaysia, Indonesia and India. CEO (Mr. Abdul Rahim Bin Haji Hitam) serves as the Chairman of the MC and the MC meeting gives high-ranking management of each company under

the Group a chance to discuss and share opinions about the business conduct and the Group's investment projects before proposing the issues considered and discussed in MC meeting to the meeting of Executive Committee and/or the Board of Directors Meeting for the approval.

As of 31 January 2018, the MC consists of the following members:

Name of Management Council Member	Position	Representing Which Company under the Group
Mr. Abdul Rahim Bin Haji Hitam	Chairman of Management Council	MC member representing the Company
Mr. Eddie Dzurraimin Bin Zulkipli	Member of Management Council	MC member representing the Company
Mr. Muhamad Azmi Bin Muhamad Nor	Member of Management Council	MC member representing the Company
Mr. Supachai Meererg	Member of Management Council	MC member representing the Company
Mr. Shamsuddin Bin Isa	Member of Management Council	MC member representing IAIPL
Mr. Nosri Bin Hamzah	Member of Management Council	MC member representing IAV
Mr. Surin Wungcharoen	Member of Management Council	MC member representing FCT
Mr. Hishamuddin Bin Lah	Member of Management Council	MC member representing PTIMV
Mr. Hamidi Bin Maulod	Member of Management Council	MC member representing ITSB
Mr. Mohd Safri Bin Haji Sabtu	Member of Management Council	MC member representing IPSB
Mr. Mohd Idris Bin Karim	Member of Management Council	MC member representing TSSB
Mr. Pami Bin Jani	Member of Management Council	MC member representing PTITI
Mr. Sarayut Mekso	Member of Management Council	MC member representing IAV
Mr. Esrifairuz Bin Subohi	Member of Management Council	MC member representing IIM

JOINT CORPORATE SECRETARIES

The Board of Directors has appointed Mr. Sarawoot Sriwanayos and Mr. Azhari Bin Ahmad as Joint Corporate Secretaries for the Company, responsible for organizing the Board of Directors and its Committees' meetings as well as preparing for notice and minutes of meetings. The Corporate Secretary is also responsible for the filing of documents as stipulated by laws, the SET and the SEC Guidelines.

REMUNERATION

THE BOARD OF DIRECTORS' REMUNERATION

The remuneration of the Board of Directors ("BOD") was proposed by the Nomination and Remuneration Committee ("NRC") taking into account the scope of duties, responsibilities, and performance of directors with reference to the comparison of directors' remuneration of other listed companies engaged in the same industry having similar business size, performance and directors' accountability and the report from the Thai Institute of Directors. Directors' remuneration shall be considered and approval at the Annual General Meeting of Shareholders on annual basis.

The remuneration of directors for the financial year ended 31 January 2018 ("FY2017/18") comprised annual remuneration and attendance allowance. There were no other benefits provided to directors other than the aforementioned. Details of the annual remuneration and attendance allowance are described in the following table:

Directors' Remuneration For FY2017/18	Board of Director	Audit Committee	Nomination & Remuneration Committee	Executive Committee
Annual Remuneration (person/year)				
• Chairman	1,000,000	-	-	-
• Member (Independent Director)	500,000	-	-	-
Attendance Fee (per person/ meeting)	15,000	15,000	15,000	-

Each director is remunerated according to his/her responsibilities and attendance to meetings. The directors' remuneration was paid only to independent directors, as the remunerations for executive directors were included as part of the management's compensations.

For FY2017/18, the Company paid the directors' remuneration in a total amount of Bath 3,070,000.00. The details of the compensation paid by the Company to the Company directors during FY2017/18 are as follows:

Name List	Remuneration	Allowance			Total
		BOD	AC *	NRC	
Tan Sri Dr. Surin Pitsuwan	1,000,000	60,000	-	-	1,060,000
Mr. Abdul Khudus Mohd Naaim	500,000	60,000	45,000	30,000	635,000
Mr. Apichat Suttisilum	500,000	105,000	60,000	30,000	695,000
Mr. Nuthavuth Chatlerpipat	500,000	90,000	60,000	30,000	680,000
Total	2,500,000	315,000	165,000	90,000	3,070,000

* AC : Audit Committee

DIRECTORS AND MANAGEMENT BENEFITS

During the financial year ended 31 January 2018 ("FY2017/18") and 31 January 2017 ("FY2016/17"), the Group had employee benefit expenses payable to their directors and management as follows:

	Consolidated financial statements	
	FY2017/18 (Million Baht)	FY2016/17 (Million Baht)
Short-term employee benefits	83.4	68.3
Post-employment benefits	3.1	2.8
Total	86.5	71.1

EMPLOYEES REMUNERATION

The Company provides compensation and benefits to its employees in the form of salaries, wages, bonuses, contribution to social security and provident fund, as well as welfares and other benefits, which included post-employment and long-term employees' benefits. The remuneration paid to employees' during FY2017/18 in the form of cash and cash equivalent was in a total amount of Baht 618.5 million, as compared to Baht 589.3 million in FY2016/17.

OTHER BENEFITS

PROVIDENT FUND

The Group has jointly established provident fund with its employees, where the Group and employees who are member of the funds contribute to the funds on monthly basis at the rate of 3.7% - 13% of wage of basic salary. The fund will be paid to employees in accordance with the respective fund rules.

LONG-TERM EMPLOYEE BENEFITS

Except for Malaysian operation, Thailand, Indonesia and India operation provides compensation and severance pay to employees upon retirement and resignation in compliance with the respective country labor law.

EMPLOYEES

As of 31 January 2018 and 31 January 2017, the Group has in total 1,928 and 1,947 employees respectively, which can be classified as follows :

Location	31 January 2018	31 January 2017
Malaysia	815	840
Thailand	683	657
Indonesia	171	166
India	259	284
Total	1,928	1,947

HUMAN RESOURCES DEVELOPMENT

The Company put great emphasis on human resources development and considers its employees as one of key important factors that drive the sustainable growth of the Company. The Company, therefore, has established the Group Training Department under Human Resource Department to manage trainings and development programs for employees of the Group in a systematic manner. The Company has targeted to develop the skills and abilities of employees at all levels to improve further the standard of quality and performance to the next level. The Company encourages its employees to show their full potential and able to quickly adapt and respond to changes in technology and business needs and requirements of the industry.

The Company has set up and arranges trainings and development programs for its employees, considering the standard operational procedures, the needs of each department, and the basic skills of the employees. It aims to educate employees to have knowledge and understanding of their work to be able to perform their duties safely and efficiently. Training courses are arranged according to objectives and goals and are reviewed every year, according to the following :

EMPLOYEE ORIENTATION

The employee orientation program is arranged for new employees to understand and become accustomed and conformant to the Company's policies. This course provides information of the Company and its businesses, including vision, policies, rules and regulations, code of conduct, and standard working procedures, and communicates details of welfares and benefits that the Company has available for its employees.

TECHNICAL AND PROFESSIONAL TRAININGS

The Company provides professional trainings in the areas relating to work and operations to develop and improve technical skills of employees to be able to perform their work efficiently, achieve standard of quality and under a safe environment. These technical skills training courses cover trainings related to the use of different types of machines, basic information relevant to work, working procedures and communication with customers, etc.

QUALITY, SAFETY, AND ENVIRONMENTAL TRAININGS

The Company arranges training programs relating to quality management, safety and environmental management within the organization to create awareness to employees for the standard of quality work, the efficient use of resources and the safe workplace and working environment. These courses cover safety trainings, laws and regulations relating to safety and environmental management, the quality management system IATF, etc.

SUPERVISING SKILL TRAININGS

The Company provides training courses to increase knowledge and develop coaching skills for managers to support and prepare for leading roles at the management level.

06 INGRS GROUP BUSINESS

The main businesses of the Company and its subsidiaries can be categorized as follows:

BUSINESS UNIT		THAILAND	MALAYSIA	INDONESIA	INDIA
1. OEM Auto Parts Manufacturing	Roll Forming & assembly of PVC Moulding	Ingress Autoventures Co., Ltd ("IAV")	Ingress Precision Sdn Bhd ("IPSB")	PT Ingress Malindo Ventures ("PTIMV")	Ingress Autoventures (India) Private Limited ("IAIPL")
	PP/TPO Extrusion & assembly	IAV	IPSB	PTIMV	IAIPL
	Roll Forming Sash & assembly	IAV	IPSB	PTIMV	
	Stamping	Fine Component (Thailand) Co., Ltd. ("FCT")	Ingress Technologies Sdn Bhd ("ITSB")	PT Ingress Technologies Indonesia ("PTITI")	
	Fine Blanking	FCT			
	Welding & Modular Assembly	FCT	ITSB		
	Acoustic Heat Management		ITSB	PTIMV	
	Door Hinges		ITSB		
	Collapse Pipe	IAV			
	Impact Beam		ITSB		
	Pantograph Jack Assembly		ITSB	PTIMV	
2. Design & Manufacture of Dies	Steel and Iron Press Dies	FCT			
	Fine Blanking Dies	FCT			
3. Design and Manufacture of Industrial Automation system	"Custom made" System integration for industrial automation		Talent Synergy Sdn Bhd ("TSSB")		
4. Others	Product Agency - Malaysia agent for Fuji Robots from Japan		TSSB		
	Local representative - Yajima Nut Weld Feeder from Thailand and Japan		TSSB		
	Product Agency for Malaysia - Nawootec Co., Ltd of Korea for Welding gun and accessories		TSSB		
	Investment Activities	Ingress Industrial (Thailand) Public Company Limited	Ingress Industrial (Malaysia) Sdn Bhd		

07 MAIN BUSINESS

INGRESS INDUSTRIAL (THAILAND) PUBLIC COMPANY LIMITED [INGRS]



Ingress Industrial (Thailand) Public Company Limited or INGRS was incorporated in March 2014 as an investment holding company for the automotive component manufacturing business within the Ingress Group. The establishment of INGRS enable all the components manufacturing business in Thailand, Malaysia, Indonesia and India to be grouped together, hence consolidating its strength and resources in addressing specific customers needs and also focusing in expanding its operation within and beyond the current plant locations.

OEM AUTOMOTIVE PARTS MANUFACTURING

INGRESS AUTOVENTURES CO., LTD. - IAV



IAV runs the business in the manufacturing and distributing the co-extruded mould parts, mouldings and door frames and other automotive components which are produced by the roll-forming techniques for the OEM customers in Thailand. IAV is ranked as Tier-1 supplier who manufactures and sells the products directly to the OEMs as well as manufactures and sells some products to similar Tier-1 suppliers. Having Katayama Kogyo Co., Ltd and Yonei Co., Ltd of Japan as its partner, IAV managed

to penetrate into all the leading OEM customers from Japan and United States, for example, Mitsubishi, Honda, Isuzu, AAT, Ford, Nissan, Suzuki and General Motors. IAV has 2 automotive manufacturing factories which are located at the Eastern Seaboard Industrial Estate in Rayong Province and the Hi-Tech Industrial Estate in Phra Nakhon Sri Ayutthaya.

FINE COMPONENTS (THAILAND) CO., LTD. - FCT



FCT is the joint venture company with Iwamoto Co., Ltd of Japan. Operating from its plant in Ban Chang Rayong, the company is mainly involved in the manufacturing and distributing of automotive metal parts, produced by the stamping and fine blanking technology. FCT main customers are the leading Tier-1 and Tier-2 OEM suppliers of the automotive industry of Thailand. FCT also involved in design and fabrication of fine blanking and stamping press die. Beside for in-house usage, FCT also supply dies to local and overseas automotive customers.

INGRESS TECHNOLOGIES SDN. BHD. - ITSB



ITSB is the company having an expertise in manufacturing and assembling of medium to high tonnage press automotive parts for sales to the OEM customers in Malaysia. With technical support from AOI Kikai and Metal Tech of Japan, ITSB maintain its position as the leading Tier-1 Supplier in Malaysia. ITSB customers include major automotive manufacturers in Malaysia including Perodua, Proton and Honda. ITSB operates from two plants, in Bukit Beruntung, Selangor and Kelemak, Melaka. The plants are equipped with modern technology, high speed press machines, automated assembly lines with the latest manufacturing system.

INGRESS PRECISION SDN. BHD. - IPSB



IPSB was established in 1994 involved in the manufacturing and sales of car sealing system and door frames for all the major OEM in Malaysia, including Proton, Perodua, Honda and Toyota. IPSB runs its operation in Nilai Malaysia, in partnership and technical support from Katayama Kogyo Co., Ltd of Japan. Being ranked as a Tier-1, IPSB manufactures and sells the products directly to the OEMs and to other Tier-1 suppliers. Being the pioneer in roll forming technology in Malaysia, IPSB maintains as the market leader for roll forming parts in Malaysia. Additionally, IPSB provide technical assistance ("TA") to IAIPL.

PT. INGRESS MALINDO VENTURES - PTIMV



PTIMV was established in 2004 and operates from its factory in Jababeka Indonesia. PTIMV, in partnership with a local company PT Tidar Adyagiri Sakti, Katayama Kogyo Co., Ltd and Yonei Co., Ltd of Japan, runs the business in manufacturing and distributing car sealing system and door frames for the main OEM customers in Indonesia, including Daihatsu, Mitsubishi, Honda, Toyota, Suzuki and Hino. PT IMV is ranked as Tier-1 supplier which manufactures and sells the products directly to the OEMs as well as to similar Tier-1 suppliers.

PT INGRESS TECHNOLOGIES INDONESIA. – PTITI



PTITI located in Jababeka Indonesia is a wholly owned subsidiary of ITSB. PTITI is mainly involved in small parts stamping and heat shield production. PTITI manufacture and sell its products as tier-2 to tier-1 suppliers namely PTIMV and Miyuki Indonesia.

INGRESS AUTOVENTURES (INDIA) PRIVATE LIMITED. - IA IPL



IAIPL is the company established in India in 2010. Prior to the full takeover by INGRS in November 2017, IAIPL was formerly known as Ingress Mayur Auto Ventures Private Limited or IMAPL. The main parts produced and sold by IAIPL are roll forming products under the sealing system module, including, Weatherstrip Moulding, Roof Drip Moulding and Windshield Moulding. IAIPL's main OEM customers in India are Maruti Suzuki India Limited, Mahindra & Mahindra and Fiat. IAIPL

manufactures and sells the products to Tier-1 and Tier-2 suppliers in India. IAIPL's manufacturing plant is located at Gurugram, Haryana, India.

DESIGN AND MANUFACTURING OF INDUSTRIAL AUTOMATION

TALENT SYNERGY SDN. BHD. - TSSB



TSSB was established in Malaysia in 1995 and is mainly involved in the automation solution system provider for the automotive and food industry. TSSB focuses on the services of design, fabrication and installation of industrial automation system, customised to specific technical requirements of the customers. TSSB customers include INGRS group companies, OEM's, other tier-1 and food manufactures. Some of TSSB products are also being used by learning institutions and testing bodies.

After the delivery of works, TSSB would provide after-sales service for the customers for the mutually agreed period of time.

08 INGRS MILESTONES

YEAR	MILESTONES
1991	Incorporation of Ingress Group INGRESS (Establishment of Ingress Engineering Sdn Bhd ("IESB") in Malaysia on 7 th May 1991)
1992	IESB entered into a Technical Assistance Agreement ("TAA") with Katayama Kogyo Co., Ltd ("KK") Katayama from Japan on manufacturing of moulding parts
1993	First delivery by IESB to PROTON (Moulding related parts)
1994	Establishment of Ingress Precision Sdn Bhd ("IPSB") in Malaysia on 5 th January 1994, Joint Venture ("JV") with KK Katayama for manufacturing of door sash and related automotive components
1995	Relocation of IESB and IPSB to Nilai, Negeri Sembilan First delivery by IPSB to PROTON (Sash related parts) Establishment of Talent Synergy Sdn Bhd ("TSSB") in Malaysia on 13 th July 1995
1996	Establishment of Ingress Autoventures Co., Ltd ("IAV") in Thailand on 17 th September 1996, JV with KK Katayama and Yonei Co., Ltd YONEI for manufacturing of automotive components First delivery by IESB to PERODUA (Moulding related parts)
1997	IAV started to operate its automotive parts plant in Rayong, Thailand Establishment of Ingress Technologies Sdn Bhd ("ITSB") in Malaysia on 3 rd September 1997, JV with PERODUA for manufacturing and assembly of medium to high tonnage press automotive parts First delivery by ITSB to PERODUA (Stamping related parts)
1998	First delivery by IAV to AAT (Sash related parts) First delivery by IAV to MITSUBISHI (Moulding related parts)
1999	Establishment of Ingress Corporation Sdn. Bhd. ("ICB") in Malaysia on 9 th August 1999
2000	ITSB started to operate its automotive parts plant located in Bukit Beruntung, Malaysia to produce doors-in-white for Perodua. ICB was converted into a public company (change its name to Ingress Corporation Berhad) on 2 nd March 2000.
2001	ICB was listed on Bursa Malaysia Stock Exchange (2 nd Board) First delivery by ITSB to PROTON (Stamping related parts)
2002	First delivery by IAV to HONDA (Sash and moulding related parts) First delivery by IAV to ISUZU (Moulding related parts)
2003	Establishment of PT Ingress Malindo Ventures ("PTIMV") in Indonesia on 19 th March 2003, JV with PT Tidar Adyagiri Sakti
2004	ICB was transferred to Main Board of Bursa Malaysia Stock Exchange First delivery by PTIMV to MITSUBISHI (Moulding related parts) First delivery by PTIMV to SUZUKI (Sash related parts)

YEAR	MILESTONES
2005	<p>First delivery by IAV to mitsubishi (Sash related parts)</p> <p>First delivery by IPSB to PERODUA (Sash related parts)</p> <p>First delivery by IPSB to TOYOTA (Moulding related parts)</p> <p>First delivery by PTIMV to TOYOTA (Sash related parts)</p>
2006	<p>IAV established an automotive parts plant in Hi-Tech Industrial Estate, Phra Nakhon Si Ayutthaya, Thailand, with the main purpose to manufacture and distribute automotive components to Honda, Thailand.</p> <p>Acquisition of 100% shares in Fine Components (Thailand) Co., Ltd ("FCT") in Thailand from Singaporean shareholders.</p> <p>First delivery by IAV to NISSAN (Sash related parts)</p> <p>First delivery by ITSB to NAZA (Stamping related parts)</p>
2007	<p>First delivery by PTIMV to SUZUKI (Moulding related parts)</p> <p>First delivery by PTIMV to DAIHATSU (Moulding related parts)</p>
2008	<p>Establishment of Ingress Autoventures (India) Pvt Ltd ("IAIPL") in India on 24th July 2008</p>
2010	<p>First delivery by IAIPL to MARUTI SUZUKI (Moulding related parts)</p>
2011	<p>PTIMV JV with KK Katayama and Yonei Co., Ltd for manufacturing of automotive components</p> <p>First delivery by IAV to GENERAL MOTOR (Sash related parts)</p> <p>First delivery by IPSB to SUZUKI (Moulding related parts)</p> <p>First delivery by PTIMV to DAIHATSU (Sash related parts)</p>
2012	<p>Establishment of PT Ingress Technologies Indonesia ("PTITI") in Indonesia on 3rd October 2012.</p> <p>First delivery by IAV to SUZUKI (Moulding related parts)</p>
2013	<p>ICB was delisted from Malaysia's Bursa Stock Exchange on 22nd July 2013</p> <p>First delivery by PTIMV to HONDA (Sash related parts)</p> <p>First delivery by PTIMV to GENERAL MOTOR (Sash related parts)</p> <p>First delivery by PTITI (through PTIMV) to TOYOTA (Stamping related parts)</p>
2014	<p>Ingress Group's Restructuring started to be listed on Stock Exchange of Thailand ("SET")</p> <p>Establishment of the Company, Ingress Industrial (Thailand) Co., Ltd ("INGRS") in Thailand on 13th March 2014 with its aimed to operate as a holding company, offer shares, and be listed on the SET</p> <p>Establishment of Ingress Industrial (Malaysia) Sdn Bhd ("IIM") in Malaysia on 21st February 2014 as a holding company of an automotive parts company in Malaysia to ensure that ITSB's and IPSB's permit for manufacturing operations complied with Malaysian Law</p> <p>FCT entered into JV Agreement with Iwamoto Co., Ltd ("Iwamoto")</p> <p>First delivery by IPSB to HONDA (Moulding and sash related parts)</p> <p>First delivery by PTIMV to HINO (Sash related parts)</p> <p>First delivery by PTIMV to HONDA (Moulding related parts)</p> <p>First delivery by PTITI (through PTIMV) to HONDA (Stamping related parts)</p> <p>First delivery by ITSB to HONDA (Stamping related parts)</p>

YEAR	MILESTONES
2015	<p>Ingress Group's Restructuring completed on 30th January 2015</p> <p>INGRS was converted into public company (change its name to Ingress Industrial (Thailand) Public Company Limited) on 9th December 2015</p> <p>ITSB entered into a TAA with Metaltch Limited from Japan for the development of new project</p>
2016	<p>ITSB started to operate its automotive parts plant in Malacca, Malaysia for HONDA</p> <p>TSSB entered into a TAA with Tae Sung Tech Co., Ltd from Korea for automation solution</p> <p>First delivery by ITSB to HONDA (Stamping related parts) from Malacca Plant</p>
2017	<p>Acquisition of 100% shares in TSSB and 40% shares in IAIPL by IIM from ICI</p> <p>INGRS was listed on the Stock Exchange of Thailand ("SET") on 9th August 2017</p> <p>ITSB entered into a TAA with AOI Kikai Co., Ltd from Japan for the development of new model</p> <p>Acquisition of the remaining 60% shares in IAIPL from Mayur Industries Pvt Ltd by IIM resulted in IAIPL become a wholly owned subsidiary of IIM which was completed on 13th November 2017</p> <p>First delivery by IAIPL to MAHINDRA (Moulding related parts)</p> <p>First delivery by PTIMV to mitsubishi (Sash related parts)</p> <p>First delivery by PTITI (through PTIMV) to mitsubishi (Stamping related parts)</p>

09 BUSINESS OPERATION

INGRS business is mainly linked to automotive industry. Having operations in main ASEAN countries and also India with 8 operating factories, INGRS has elevated its position to become one of the "preferred Tier-1 supplier" in the region.

Thailand being the Automotive Hub of the region emerged as one of INGRS main revenue contributor. Since the start of Thailand Automotive Industry of more than 50 years ago, Thailand's automotive sector has developed to be the biggest in Southeast Asia and one of the largest in the world. Thailand emerged as the key automotive base in ASEAN are mainly due to its geographically strategic location, reliable supplier base, experienced industry expertise, larger production capacity and good infrastructure.

1. INGRESS AUTOVENTURES CO., LTD. ("IAV")

1.1 IAV Business Strategy

Riding on the continued growth of automotive sector in Thailand, IAV will put emphasis in improving its manufacturing efficiencies whilst securing more business. Efforts in enhancing the "Lean" policy across the organization is in line with INGRS quest for continuous improvement and manufacturing excellence.

In IAV, best manufacturing practices has always been its main management policy. A good example is the SMPQCD management system, consisting of:

- S - Safety - Safety mind at all times
- M - Morale - An essence to becomes a dynamic and conducive organization
- P - Productivity - Improvement through automation concept
- Q - Quality - Build Quality in Process to achieve 0 ppm
- C - Cost - Managing cost and elimination of waste
- D - Delivery - 100% On Time Delivery to customers

IAV's quest for excellence is also testament to the IAV's efforts in the implementation of Ingress Lean System or ILS. The latest ILS initiative includes "Just-In-Time" approach in maintaining reasonable stock level and eliminate waste at each stages of production. IAV is also committed to transform the manual operations into automation processes, hence creating a multi skill working environment which result in improving productivity, consistent product quality and higher degree of safety.

In line with the Intelligent Technology and as part of our initiative towards "Thailand Industry 4.0", IAV has established a model line to record real time production information. The "Ingress Production On-Line System" or I-POS will be further extended to cover other production lines progressively. It is aimed that the I-POS will assist the management to make fast and accurate decision.

IAV will also continue with its Cost Awareness and Cost Reduction Program in identifying areas in the organization that can contribute to reduction in the gross margin.

2017 has been an active year for IAV. The continuous efforts in giving added value has been well recognized by the customers. Some of the prestigious awards received by IAV in the year are:

1. MMTh - Quality Award
2. AAT - Q Award (represents both achievement in Quality and Delivery)

IAV also qualify in customers audits for new supplier from Toyota Thailand and Nissan.

1.2 IAV Future Project

Major automakers are constantly lining-up new models for domestic consumption and export market. Over the next few years, many new models are expected to be released by the major automakers in Thailand ranges from Pickup, Passenger Car and Sport Utility Vehicle (SUV). While the new models are expected to come with better performance and fuel economy, there is also heavy competition in new technologies being introduced in new cars, such as safety as well as infotainment and intelligent drive systems.

The Eco-car program in Thailand has smoothly progressed based on the guidelines set by Board of Investment (BOI). Out of the 10 manufacturers, five companies have already invested in the first phase. Upon full implementation of Eco-car programs phase 1 and phase 2, BOI hopes to achieve a combined production capacity of 930,000 units in 2019.

The OEMs are expected to introduce new models commencing 2018 onwards. These models are expected to continue to receive favorable market acceptance with totally new design and technologies with better fuel efficiencies.

Despite of Eco-car program, official policy is shifting its emphasis toward the development of Electric Vehicle (EV) technology with the hope that Thailand will become the regional EV production center. This will encourage Thai vehicle manufacturers to expedite the EV production plans and increasing investment in EV-battery development in Thailand.

2. INGRESS PRECISION SDN. BHD. ("IPSB")

2.1. IPSB Business Strategy

IPSB is a joint venture between Ingress and Katayama Kogyo Co. Ltd of Japan.

IPSB, established in 1994 with the core expertise is in the manufacturing and supply of:

- Roll-formed metal automotive door sash and related components.
- Roll-formed plastic co-extruded mouldings and weather-strips.
- Extrusion moulding and weather-strips.

- Heat Management system.
- Door Impact systems.

IPSB utilises the high-tech and high-precision manufacturing techniques which ensures the superior quality required in the production of those products for the complete assembly of car door module and sealing system. IPSB major products are beltline moulding, weather-strip inner moulding, roof moulding and windshield moulding under the sealing system. As for door module category, IPSB's products are door sash, rail assembly or inner sash and glass guide. Currently, IPSB is a sole supplier for door sash in Malaysia.

In ensuring its position as the internationally recognized manufacturing, IPSB had been certified with ISO/TS 16949, OHSAS 18001 and MS ISO 14001. IPSB is also adopting best manufacturing practices in the work place with the implementation of Lean management system, 5S, Moring market, Kaizen and Management shop floor audits. Since 2017, IPSB embarked on process automation starting with the glass guide assembly for process stability and consistency.

IPSB major customers are the key assemblers in Malaysia namely Proton, Perodua and Honda, as well as second tier supplier to door trim manufacturers namely APM Plastic Sdn Bhd De-Lloyd Industries Sdn Bhd.

IPSB has completed the development of two new models in 2017 for Perodua Myvi and Honda BR-V. The Malaysian Best-Selling Car and the third generation of Perodua Myvi was successfully launched in October 2017 whilst the Honda BR-V in January 2017.

Capitalizing from INGRS Group of having operations in Malaysia, Indonesia and Thailand, the components for Honda BR-V model was developed by PTIMV Indonesia which is then commonly supply for use in Honda Malaysia and Thailand. This approach managed to shorten the development leadtime and cost, which eventually benefits the customers.

2.2. IPSB Future Project

IPSB had participated in supplying parts for almost all models launched by Proton, Perodua and Honda. Generally, IPSB will be adopting the following strategies for future projects.

- New products for existing customers.
- Existing products for new customers.

Upon successful development of Perodua Myvi and Honda BR-V, both customers awarded IPSB with another new future models. Currently the development of Perodua's new model that been carried out and expected to be launched in 2018. Similarly, Honda also awarded the Company with new Letter of Intent (LOI) for Honda new model that is expected to be launched in 2019.

IPSB aims to penetrate two potential customers in 2018 for the supply of heatshield, beside targeting new RFQ (Request for Quotation) for Honda and Perodua new models that are expected to be launched in 2020 and 2021 respectively.

Internal process improvement is always a major emphasis by IPSB. SAP computerization system for Procurement, Manufacturing and Logistic which started development in 2017 had successfully been commissioned in February 2018. Besides continuous efforts on operational improvement and automation program, IPSB will also embark on the introduction of Industry 4.0, mainly on the integration between SAP system and manufacturing processes.

Through Perodua's vendor development initiative, IPSB has been identified as one of the local Malaysian companies to participate in the research and vendor commercialization grant by the Malaysian Government. The project is scheduled to commence in Q3 2018.

3. PT. INGRESS MALINDO VENTURES ("PTIMV")

3.1. PTIMV Business Strategy

The automotive industry in Indonesia has become an important pillar of the country's manufacturing sector as many of the world's well-known car assemblers have opened manufacturing plants or expanded production capacity in Southeast Asia's largest economy. Moreover, Indonesia experienced a remarkable transition as it evolves from being a merely export oriented car production center (especially for the Southeast Asian region) into a major (domestic) car sales market due to rising per capital GDP.

In terms of market size, Indonesia is the biggest car market in Southeast Asia and ASEAN. Indonesia accounts for about one-third of total annual car sales in ASEAN, followed by Thailand in the second position. Indonesia not only has a large population but is also characterized by having a rapidly expanding middle class. Together, these two factors created a powerful consumer force.

The year 2017 was an interesting year for PTIMV as it managed to maintain a consistent growth of revenue from 2016. PTIMV had also put focus on maintaining all the existing customers and striving to secure new project through aggressive participation in customers' new project bidding.

Currently, PTIMV had managed to supply its product to all major key car assemblers in Indonesia and is still making effort to penetrate into new potential customer. PTIMV's commitment in gearing up its production capacity together with the right marketing and pricing strategy are the key factors to enhance and ensure the successfulness of the customer engagement process.

Based on the supply volume and sales revenue in the year 2017, Toyota, Daihatsu, Honda, Suzuki and Mitsubishi continue to be the major customer for PTIMV. Mitsubishi is forecasted to be PTIMV's main revenue contributor in the year 2018 and beyond, especially after the successful launching of its new model MPV Xpander into the market in September 2017.

Besides working on the new projects, PTIMV will continue its efforts in ensuring replacement of the phased-out models. This would ensure the constant revenue stream for the future.

3.2. PTIMV Future Project

PTIMV enter the year of 2018 with a number of new projects under development of which the LOIs had been awarded. Among the projects in hand are Honda weather strip outer and inner moulding, Suzuki fuel tank protector and jack assembly and Nissan sash assembly for their new model.

PTIMV is making a concerted effort to introduce more products for a wider range of customers in the country.

4. INGRESS TECHNOLOGIES SDN. BHD. ("ITSB")

4.1 ITSB Business Strategy

Since its inception in September 1997, ITSB is one of the fastest growing companies and major player for medium stamping business in Malaysia. With more than two decades of manufacturing experiences, ITSB has embarked into the business of body assembly and functional parts such as Jack Assembly, Door Hinges and Brake/Clutch Pedal Assembly. ITSB's state-of-the-art manufacturing facilities coupled with modernization of automation assembly line has positioned ITSB ahead of its competitor. Meanwhile, stringent quality control and total implementation of manufacturing best practices such as Lean Production System, Poka-yoke, Just-In-Time (JIT) and 5S has enabled ITSB to meet the customer's requirement especially in Quality (Q), Delivery (D) and Cost (C). ITSB major customers are Perodua, Honda, Proton and as the Tier-2 supplier to PHN Industry Sdn. Bhd that supply to OEM.

In 2015, ITSB signed Technical Assistance Agreement ("TAA") with Metaltech Ltd, a Japanese base company to strengthen its position as Tier 1 to OEMs in Malaysia. ITSB's technical capability is further being enhanced with the signing of another TAA with AOI Kikai Co., Ltd., Japan in August 2017.

Under this collaboration, ITSB will acquire and access to technology transfer especially in production using high tensile material and higher tonnage press machine.

Realizing the importance of industry evolution, ITSB has actively participated in seminars and conference related to Industrial Revolution 4.0 (IR4.0). This has led ITSB to use the real-time monitoring production data base. The Malaysian Government through its agency – Malaysia International Trade and Industry (MITI) with Malaysia Automotive Institute (MAI) has selected ITSB to receive a grant amounting to RM 1 million under Industry 4.0 initiatives. By 2018, ITSB will be using real-time production monitoring system known as Delmia Apriso developed by Dassault System. At the same time, ITSB is exploring any opportunity to fully utilize government grant under Industry 4.0 initiatives.

4.2 ITSB Future Project

As Malaysia is one of important automotive market in ASEAN, global OEMs are continuously introducing new models into the market. Currently, Malaysia market are being dominated by Passenger Car segment and Sports Utility Vehicle (SUV) segment is increasingly becoming customer's preference.

In response to market demand, Perodua has started the development of new model for its model lineup. ITSB has received the Letter of Intent (LOI) from Perodua in November 2017. This model is expected to have a design and features that will be attractive to the market. Perodua is also preparing for future model development with the introduction of Daihatsu Global New Architecture (DGNA) which utilize common platform throughout to all its new models.

Honda has successfully remained its No.1 market position for Malaysian non-national category in 2017. In order to retain its position, Honda will introduce replacement models for their existing models in the next few years. Attractive design, mobility connectivity and safety features are the key selling points of Honda cars.

ITSB aggressively exploring potential project with other OEMs in Malaysia. Nissan, Mitsubishi, Isuzu and Mazda are among the new customer base targeted by ITSB. Expanding customers base is very important to ITSB as part of company's strategy to be less dependent only a few existing customers.

5. PT INGRESS TECHNOLOGIES INDONESIA ("PTITI")

5.1 PTITI Business Strategy

PTITI is a wholly owned subsidiary of ITSB and was established on 5 October 2012 based on Indonesian industry law and regulations. It started its operation in November 2012 by supplying small brackets of Suzuki APV model to PT Ingress Malindo Ventures. Currently the core expertise is in the manufacturing and supply of:

- Small stamping products
- Stamping of Heat Shield products

PTITI major products are small stamping parts (below 200 tonnes) and car heatshield products. In order to achieve the international standard manufacturing company, PTITI had developed the quality system and had been certified with ISO 9001:2015 in October 2017. PTITI has also adopting best manufacturing culture in the work place like lean management system, 5S, and kaizen. Ingress Lean System was implemented since 2016

PTITI major customers are PT Ingress Malindo Ventures and PT Miyuki Indonesia that supply direct to the OEMs.

5.2 PTITI Future Project

PTITI had secured the supply of stamping child parts for Jack Assembly with PTIMV for new Suzuki replacement model.

Moving forward, a team was set up to look in the business expansion into medium stamping in Indonesia.

6. FINE COMPONENTS (THAILAND) CO., LTD. ("FCT")

6.1 FCT Business Strategy

FCT is a joint venture company between Ingress and Iwamoto Co., Ltd of Japan. Established in 1980, FCT is the pioneer in Fine Blanking parts manufacturing in South East Asia. Since then, FCT had progressively evolved into a complete stamping manufacturer with various related core businesses:

- Fine Blanking stampers for precision automotive parts
- Normal Stamping for automotive brackets and accessories
- Die Making Services
- Die Maintenance Services

FCT utilises its expertise in precision fine blanking technology to supply components to various automotive Tier 1 and Tier 2 companies in Thailand. With the expertise, FCT also able to supply high precision normal stamping parts to its customers. To complement its stamping business, FCT had also embarked on die making and maintenance with support from its partner, Iwamoto Co., Ltd.

FCT major products are brake pad plates, cam camber, seat recliner gears, latches as well as normal stamping parts such as compressor flanges, door brackets and others. FCT major customers for its stamping business are Thai Asakawa, Valeo Group, Bridgestone, Siam Sera and Adient.

As for the die making, FCT had supplied stamping dies for both fine blanking and normal stamping. Its current expertise and facilities enable FCT to produce dies ranging from small to large dies for both progressive and tandem die types. Currently, FCT supplying its dies to companies in Thailand, Malaysia, Indonesia and Japan which includes Topre, Hiruta, Ingress group, Valeo group and others.

As part of its commitment to achieve the international standard in manufacturing management, FCT had applied and been certified with IATF16949 and ISO 14001. For its die making & maintenance, FCT was certified with ISO9001. As part of our continuous improvement efforts, FCT is also adopting best manufacturing practices in the work place like lean management system, 5S, morning market, kaizen and management shop floor visit. In 2017, FCT had also initiated various initiatives in process stability and consistency for high volume models.

In 2017, the stamping business benefited from various new products launched in Thailand and abroad, for Complete Knock Down (CKD) parts. FCT has completed the development of 5 projects in 2017 for namely Topre, Valeo and Thai Asakawa.

As for die making business, FCT had completed several developments for customers in Thailand, Malaysia and Indonesia. Among the projects are Perodua's MyVi for Perodua and ITSB in Malaysia and Hiruta in Indonesia. Other projects are dies and checking fixtures for Valeo, Thai Asakawa, Bridgestone and others for Thailand market.

6.2 FCT Future Project

The volume outlook for Thailand automotive this year is forecasted to grow by 5%, compared to 2017. There are also various new models to be launched in the next few years. Honda will launch replacement models for its current models in the next few years. Nissan, Mazda, Toyota, Isuzu, Mitsubishi, Suzuki, Ford and General Motors will also actively adding new models in the next few years. This positive development bodes well with stampers as well as die makers and makes 2018 a busy year for tooling development.

For 2018, FCT forecasted to start mass production for both Topre and Minamida which both are now under final stage of development. As a continuous efforts, our marketing focuses this year is to get Request for Quotations ("RFQ") from more customers.

For die making, FCT are currently undertaking developments of new project for ITSB, Minamida, BEW, Valeo, Siam's Heater Header and several retooling projects.

To ensure that our business stay competitive, FCT will continuously upgrade its competitive advantage. In 2018, FCT will further upgrade the die making capability with additional double column machine and Coordinate Measuring Machine (CMM) Laser scanner. As per stamping business, on top of implementing best practices, more automation will be introduced to improve FCT productivity and quality.

7. INGRESS AUTOVENTURES (INDIA) PVT LTD. ("IAIPL") (formerly known as Ingress Mayur Auto Ventures Pvt Ltd)

7.1 IAIPL Business Strategy

The Indian automotive industry is one of the largest in the world. The industry accounts for 7.1% of the country's GDP. It is poised to become fourth largest manufacturer of automobiles globally by 2020 after China, US and Japan. Not to mention, India is currently world's largest manufacturer of tractors, 2nd largest two-wheeler manufacturer, 5th largest in Heavy Truck Manufacturing and 8th largest manufacturer of Commercial Vehicles.

The Government of India's Automotive Mission Plan (AMP) 2026 has set stringent targets for Indian automotive industry (including OEMs and Component Manufacturers). It envisages that industry will grow 3.5 to 4.0 times in value from its current output.

Disruptive landscape triggered by electric vehicles, digitization and connectivity are the trends that are hard to ignore. This coupled with fast migration to stricter safety and emission norms are realities that offer challenges and opportunities to the automotive industry.

On 13 November 2017, Ingress Mayur Auto Ventures Pvt Ltd ("IMAPL") became a 100% owned subsidiary of Ingress Industrial Malaysia Sdn Bhd ("IIM") and subsequently change the Company name on 19 March 2018 to IAIPL.

IAIPL is engaged in the business of manufacturing of automotive sealing system and operates facilities for plastic extrusions, roll forming and bending of plastic parts. IAIPL's product range includes mouldings, trim door openings, seat catches and PVC beading.

Key OEM customers of IAIPL includes Maruti Suzuki Industries Limited ("MSIL"), Mahindra & Mahindra ("Mahindra") and Fiat India Automobile Limited ("Fiat"). Others are Tier 1 & 2 customers (which in turn supply to OEM's).

IAIPL has been steadily progressing on its Growth Strategy set forth in 2016 as summarized below:

Organic Growth Through Related Expansion

- Tapping into its competencies of existing products for getting new customers.
- Leveraging INGRS Group's competencies for new products to existing and new customers.
- Leveraging INGRS Group customer relations for incubating business relation in India.

Organic Growth Through Linked Related Expansion

- Leveraging IAIPL's credentials of strong Tier-1 collaborative association with Global Sealing System Manufacturing Company for access to Other OEMs.

Organic Growth Through Related Diversification

- Expand into Commercial Vehicle Segment with related products.
- Expand into Two-Wheeler Segment through new product using IAIPL existing technologies.

MSIL with almost 51% market share and more than 1.8 million vehicles annual production continues to be IAIPL's main customer. Going forward, IAIPL aims to further strengthen its presence in MSIL supply chain through new products in new projects.

IAIPL aims to consolidate business with FCA Group brands i.e. Fiat and Jeep. IAIPL is already supplier to Fiat platforms and aims to supply for Jeep platforms.

Mahindra is the biggest Utility Vehicle player in India. IAIPL starts supplies to Mahindra from this financial year and would focus on furthering its product portfolio on new Mahindra Platforms.

In ensuring compliance with OEM system requirements IAIPL will transform from ISO/TS 16949 certification to IATF 16949. IAIPL has also been certified with OHSAS 18001 and ISO 14001.

IAIPL also plans to adopt Lean Manufacturing System to compliment best practices in the work place such as 5S, Kaizen and morning market. IAIPL plans to implement SAP Management Information Platform to optimize processes and reporting.

7.2 IAIPL Future Project

India is expected to become third largest Passenger Vehicle market by year 2020 with a total volume expected to reach 4.2 million passenger vehicles per year. A growth rate of 9.4% is expected to sustain till year 2025.

MSIL and Suzuki Motors Gujarat are well on track to achieving targeted volume of 2.0 million vehicles by year 2020. MSIL is likely to increase capacity at Suzuki Gujarat plant by 0.75 million vehicles by year 2025 taking combined capacity to 3.0 million vehicles per year.

MSIL continues as main customer for IAIPL while at the same time developing more projects for existing and new customers.

8. TALENT SYNERGY SDN. BHD. ("TSSB")

8.1 TSSB Business Strategy

TSSB was established in 1995 and has been incorporated into Ingress Group in 1997. TSSB main activities are design, prototype development, fabrication, control system, assembly, testing, integration, installation/ commissioning and after sale service.

TSSB core competencies are:

- Robotic and Programmable Logic Controller (PLC)
- System Integrator (SI)
- Simulation
- Design
- Engineering Services
- Industry 4.0

Their main products are:

1. Automated cell type lines for automotive and food industries
2. Specialized machineries
3. Testing equipments
4. Jigs and fixtures
5. Palletizing Robot
6. Engineering services

Since 2015, TSSB had initiated in-house self-development program and had finally supplied fully automated system for Inner Sash assembly lines for IPSB and IAV. TSSB also had successfully supplied and installed the Press Tending Automation line for ITSB utilizing the TAA with Korean Engineering Company.

To fulfill the Ingress Group ambition to increase automation level for productivity, quality and engineering capability, TSSB has signed a TAA with Tae Sung Tech Co., Ltd, Korea on 16 May 2016. The objective of the TAA with Tae Sung Tech Co., Ltd is to enhance TSSB capability to be full-fledge machineries and automation system integrator.

TSSB also has signed the agency agreement with various renowned companies to be the authorized dealer for the following products in Malaysia:

- Yajima Giken, INC Japan – Authorized dealer for various kinds of feeder system
- Fuji Yusoki Kogyo Co., Ltd, Japan – Authorized dealer for palletizing robot
- Nawotec Co., Ltd, Korea – Authorized dealer for welding equipment

In enhancing INGRS competitiveness, TSSB has helped the Group gradually transforming the manual to fully automated cell type production line using the above technology.

8.2 TSSB Future Project

TSSB had mostly participated in automotive automation projects in INGRS companies such as IAV, ITSB, IPSB and PTIMV.

Moving forward, TSSB will explore a vast potential automation projects which also includes outside automotive industry. In December 2017, TSSB received a letter of intent (LOI) to supply and develop a high-speed filling machine and robotized packaging lines from local company (Organic Gain Sdn Bhd - OGSB). The project is categorized under food industry.

TSBB also now working to enter furniture and beverages industry. Furthermore, initial discussion towards a win-win collaboration with renowned design house and robot integration companies is already being held.

As the government now embarks on Industry 4.0 implementation in all industries, TSSB has been assigned to initiate and coordinate the implementation of the system in the Group. TSSB also has been shortlisted as one of the recipient for Industry 4.0 grant via Malaysia Automotive Institute (MAI) from MITI. This grant will further enhance TSSB core competencies to support TSSB and INGRS business vision.

Currently TSSB is studying on establishing a complete Industry 4.0 pilot projects at IPSB and IAV. With these projects, TSSB will offer customer with a “complete automated line” with linkages to SAP system and Production Monitoring System (PMS) whereby information will be in real-time connected to computers and mobiles.

ROLL FORMING PARTS

DOOR MODULE



EXHAUST SYSTEM

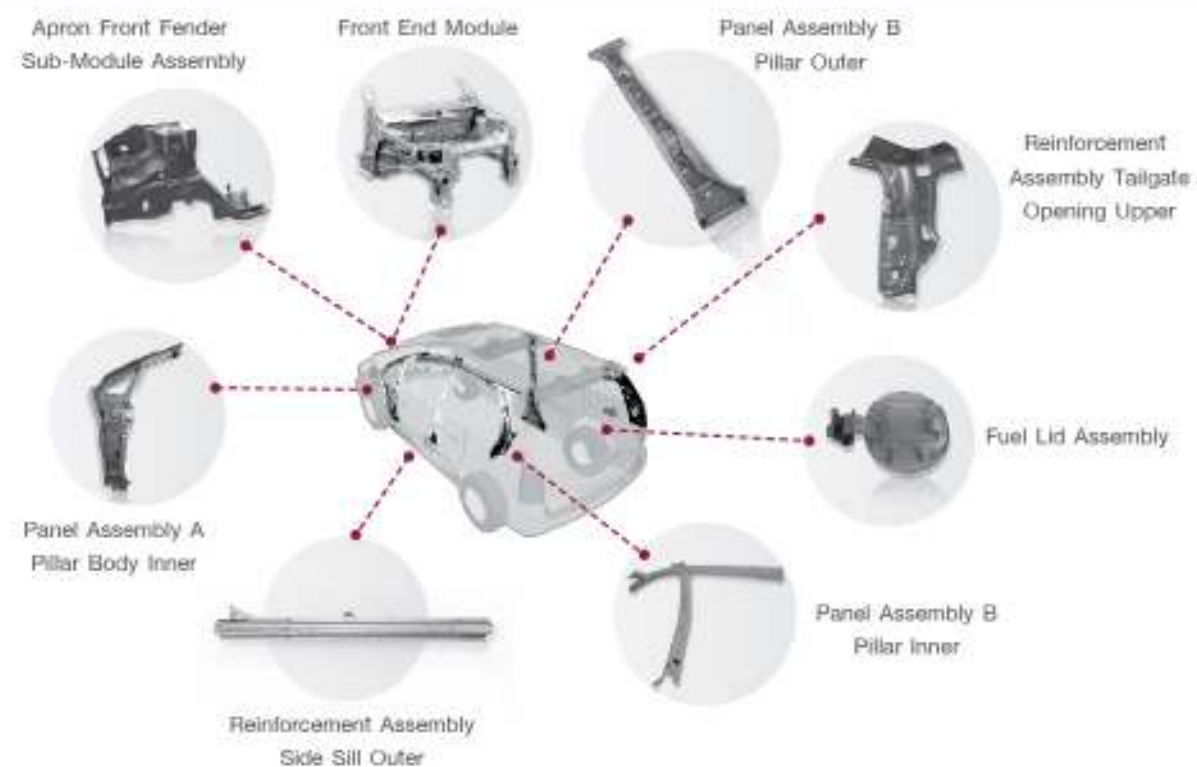


SEALING SYSTEM

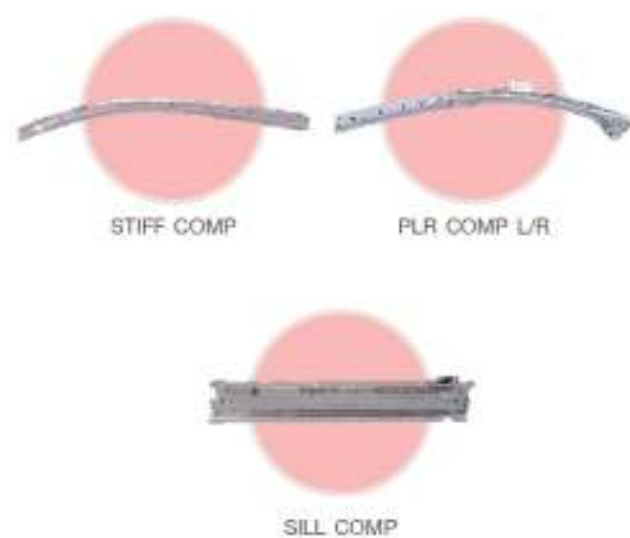


STAMPING PARTS

MODULE ASSEMBLY



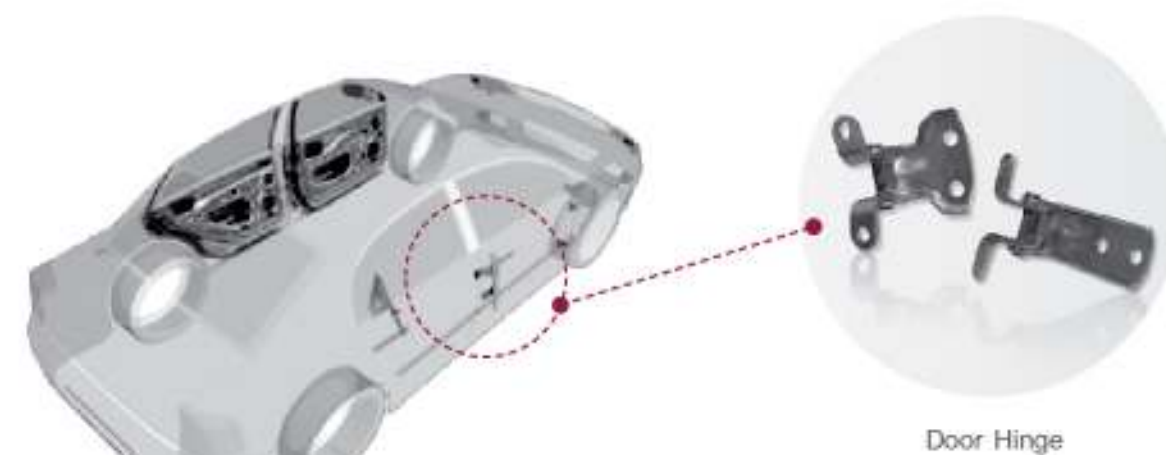
SIDE STRUCTURE



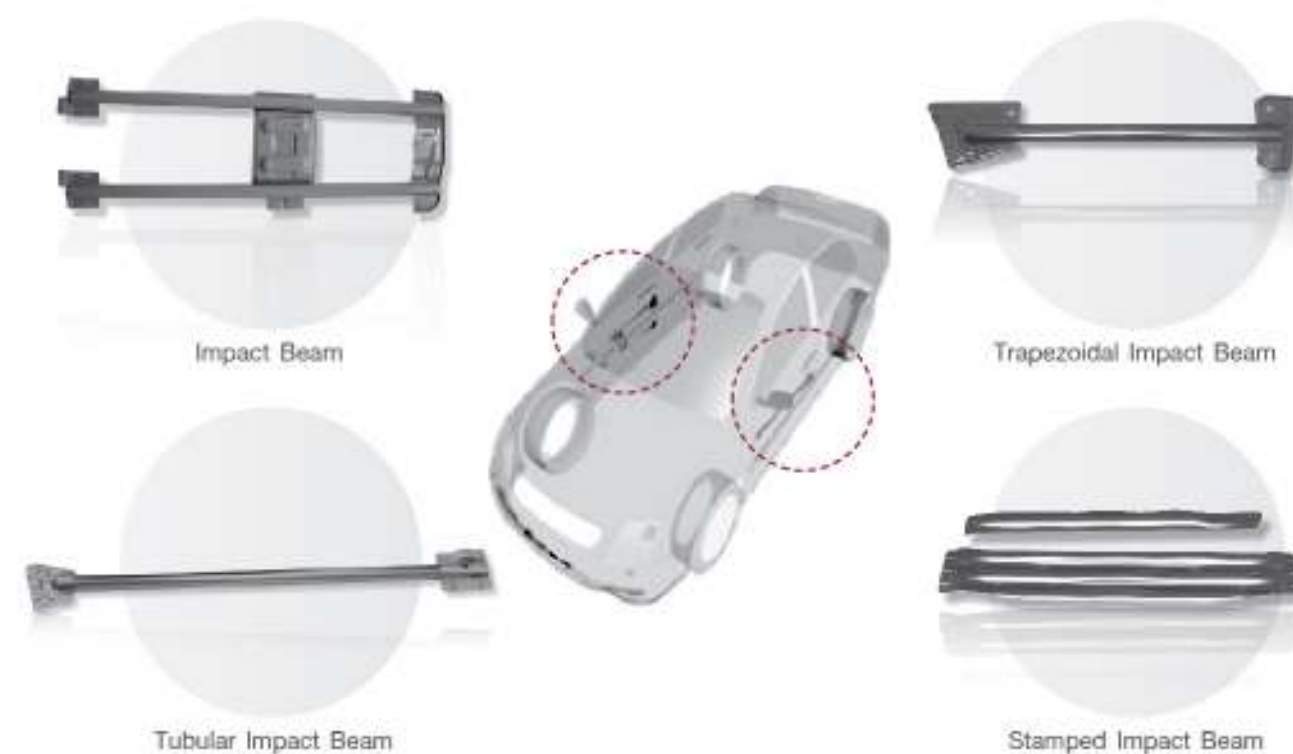
UNDER BODY



DOOR HINGES



IMPACT BEAMS



HEAT PROTECTORS



FINE BLANKING PRODUCTS

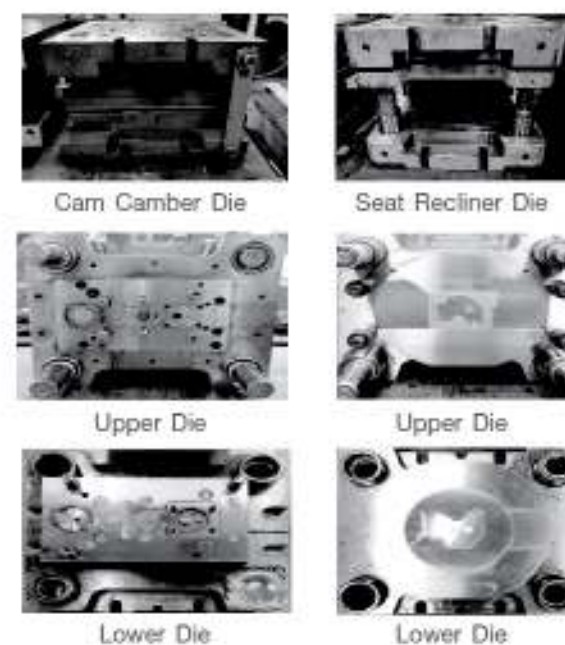


SMALL BRACKETS

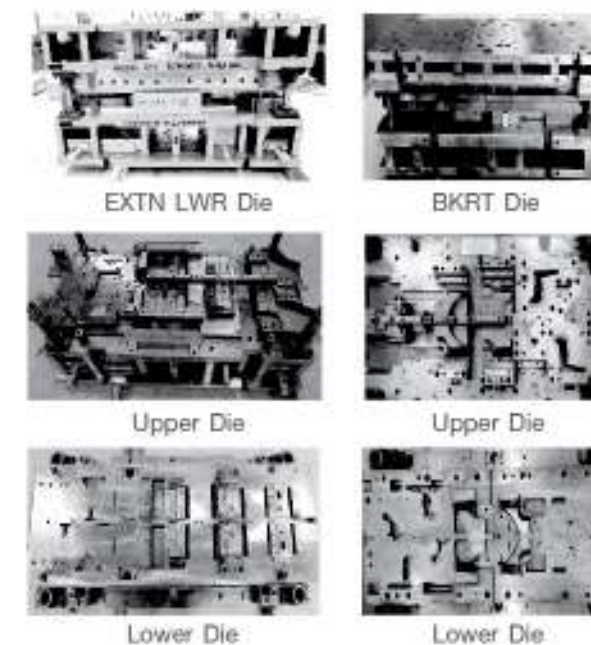


DIE MAKING PRODUCTS

FINE BLANKING DIES



NORMAL STAMPING DIES



AUTOMATION SOLUTION PROVIDER



11 AWARDS AND ACHIEVEMENTS

CUSTOMER AWARDS



Ford Q1 Award



Mitsubishi Quality Achievement Award



TOYOTA TPS Award



AAT Excellent Cooperative Quality Supplier Award



The Best Overall Vendor in PERODUA Myvi Development



PROTON'S Vendor Award 2nd Runner-up Best Quality Performance (Non-SMI) 2008/09



Proton Awards nomination - For Best & Overall For Quality 2003



Runner up for Proton Award For Best Quality 2007



Perodua Awarded: Excellent Cost Control Vendor 2007



Certificate Of Appreciation for Best Quality, Cost & Delivery Performance (Non-SMI) 2012



Finalist for Proton vendor award 2013



Q Award for Best Quality Performance from AAT



RECOGNITION OF GOOD DELIVERY PERFORMANCE (RANK A) TO ADM ASSEMBLY PLANT 2011



SUPERIOR QUALITY AND DELIVERY AWARD 2012/2013



APPRECIATION OF MITSUBISHI VEHICLE PRODUCTION SUPPORT ACHIEVEMENT



APPRECIATION FOR SUPPORTING THE 2 MILLION UNIT PRODUCTION ACHIEVEMENT



APPRECIATION FOR Q.C.D PERFORMANCE



APPRECIATION FOR SUPPORTING THE 4 MILLION UNIT PRODUCTION ACHIEVEMENT



THE GREAT SUPPORT AND CONTRIBUTION TO THE SUCCESS OF MITSUBISHI VEHICLE PRODUCTION



APPRECIATION FOR CONTINUOUS SUPPORT, COOPERATION AND CONTRIBUTION TOGETHER ACHIEVED 100,000 UNITS PRODUCTION



RECOGNITION OF SUPPLIER QUALITY EXCELLENCE AWARD



RECOGNITION OF GOOD DELIVERY PERFORMANCE (RANK A) TO ADM ASSEMBLY PLANT 2013



BEST QUALITY AWARD 2017



EXCELLENT QUALITY STATUS RECOGNITION 2017



HINO APPRECIATION OF QUALITY PERFORMANCE AWARD 2016



TOYOTA INDONESIA CERTIFICATE OF APPRECIATION FOR QUALITY TARGET ACHIEVEMENT 2017

INDUSTRIAL AWARDS



Industrial Excellence Award 2000 from Malaysian MITI



Winner for 5S Inter-Organization Competition 2001



National QCC Convention CHAMPION in Manufacturing Sector in 2002



Frost & Sullivan 2010, 2009 & 2007: Automotive Component Manufacturer Of The Year : Malaysia



Champion of ICC Convention organized by Proton Holdings Berhad 2011



ASEAN Business Award Malaysia 2015

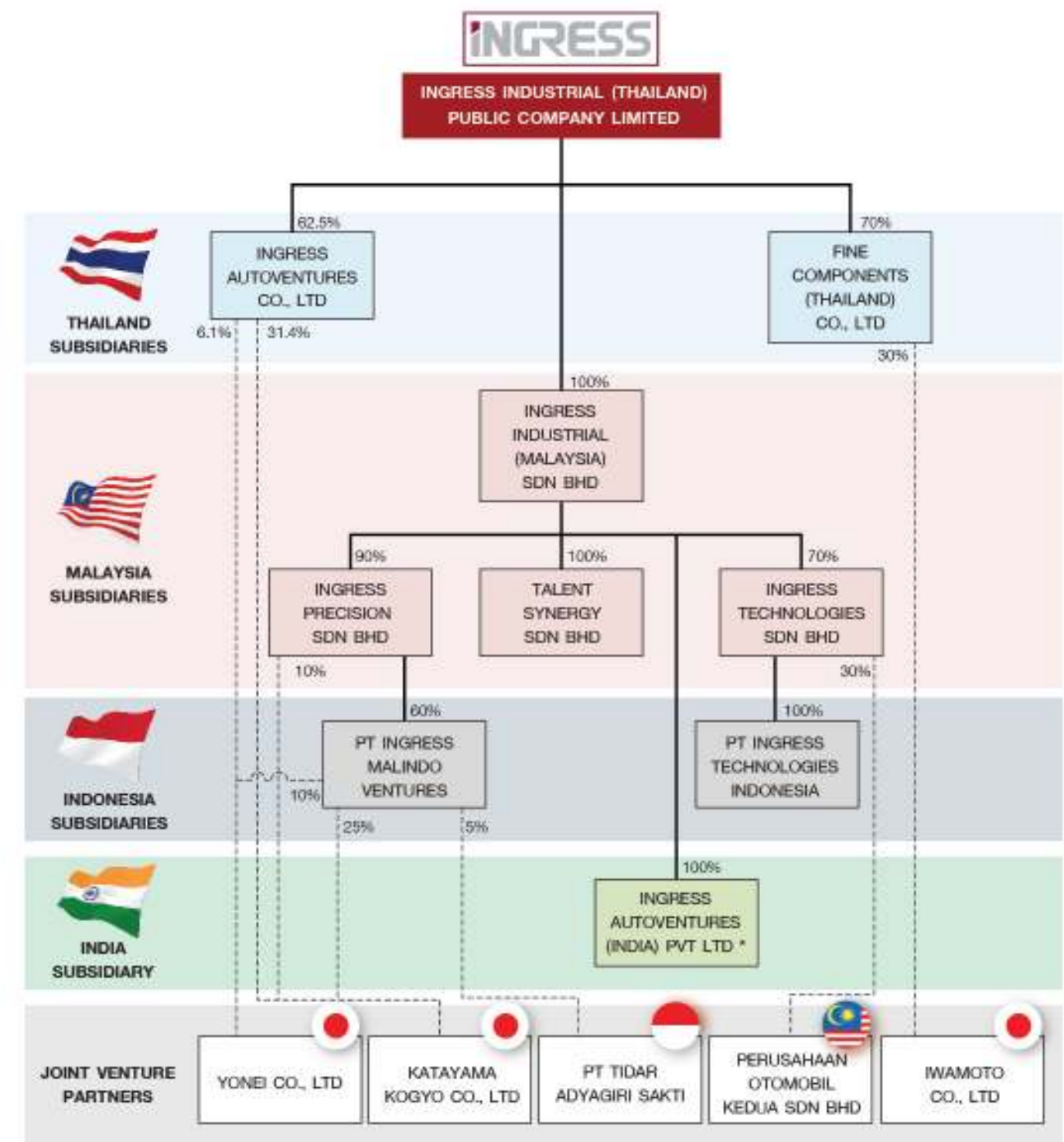


Matrade Award 2 March 2016

12 LOCATION OF MAIN FACILITIES



13 COMPANY HOLDING STRUCTURE

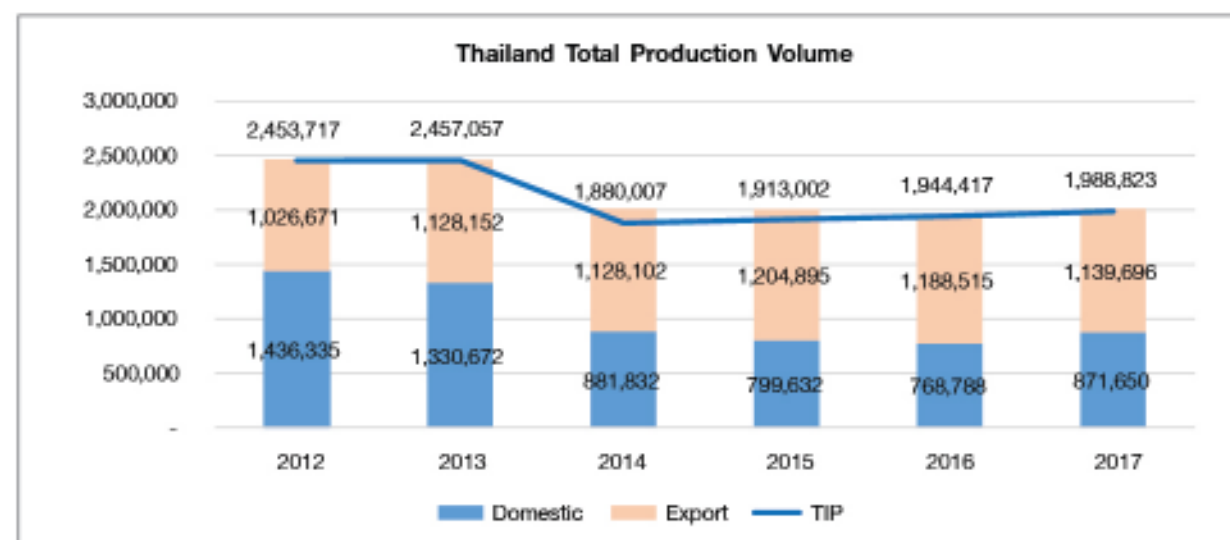


* Formerly known as INGRESS MAYUR AUTO VENTURES PVT LTD

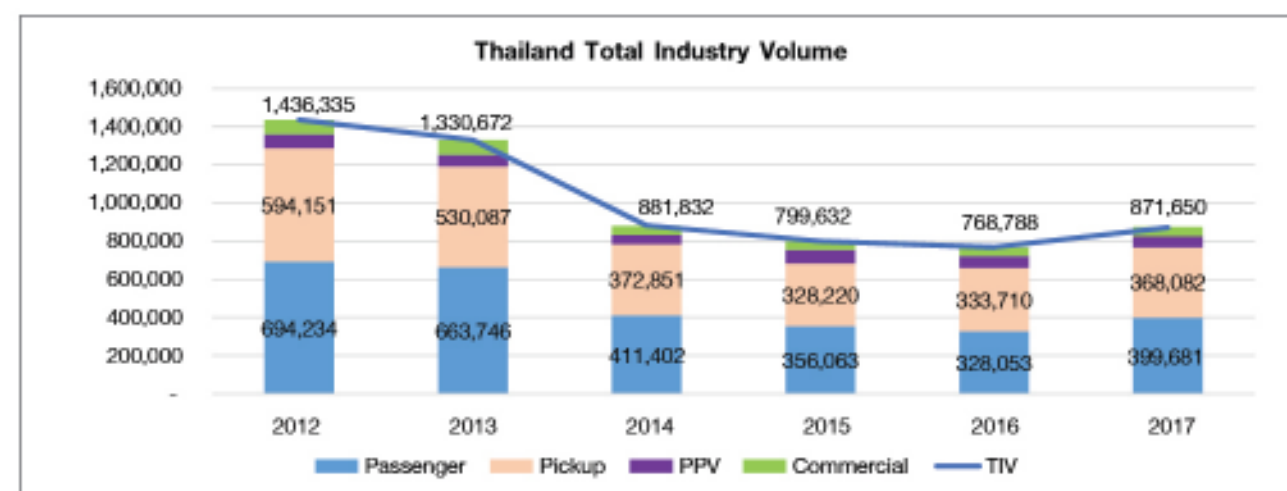
14 COMPETITION AND INDUSTRY TREND

1. THAILAND

1.1 Overview of Thailand Market in 2017



Source: Federation of Thai Industries



Source: Federation of Thai Industries

While year 2016 can be considered a tough year for Thailand's auto industry because of several negative factors, year 2017 promises an interesting mix of new product launches and technological innovations. Domestic market in year 2017 has shown some positive improvement while export market still relatively lower as compared to previous year achievement.

Total Industry Volume ("TIV") in year 2017 recorded 871,650 vehicles which 13.4% increase from year 2016 contributed from improvement of consumer buying power from Thai economic growth whilst for exports is yet to have a positive outlook due to global economic conditions and instability of oil prices.

The Federation of Thai Industries ("FTI") forecasts that Thai domestic vehicle sales are expected to rise 3.3% to 900,000 units in 2018.

FTI estimates that vehicle exports will decrease 3.5% to 1.1 million units in 2018, and Thai vehicle production will grow 0.6% to 2 million units. Forecasts on vehicle sales and production were revised upward due to the positive sentiment at the end of 2017.

In conclusion, it is forecasted the vehicle market in Thailand in 2018 is expected to grow, helped by a number of factors such as Government investment in infrastructure projects which shall improve the domestic economy. Further to that, a large number of people who took advantage of a government tax-break scheme for first-car buyers after completion of five years term are also now eligible to transfer ownership, and many will be considering replacing those vehicles with newer models. In the period 2017 to 2019, this process will gather strength and should add demand worth 0.4 to 0.5 million units (or 40 to 45% of sales under the scheme).

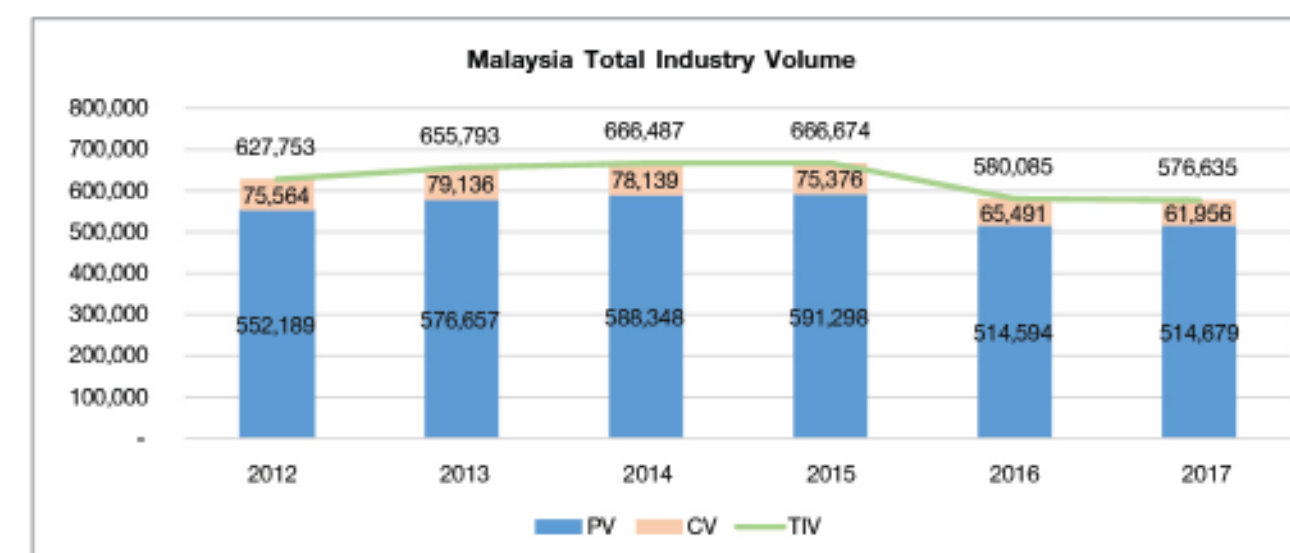
However, there are still numerous uncertainties underlying factors both domestically and globally which will eventually represent Thailand automotive scenario in the years to come.

2. MALAYSIA

The Malaysian automotive market had remained subdued much of last year. For the second consecutive year, the TIV had contracted reflecting a down cycle of the market which started in 2016. Despite the country's economic recovery and the aggressive effort by car makers, the car sales remained flat in 2017.

The TIV of new motor vehicles registered in 2017 reached 576,635 units against 580,085 units registered in 2016. This was a marginal decline of 3,450 units or 0.6%.

Chart 1 : Malaysia TIV Trend From 2012 To 2017



Overall sales of new Passenger vehicles had been flat. The total registration of Passenger Vehicles in 2017 was 514,679 units compared to 514,594 units achieved in 2016, thus recording a very small increase of only 85 units or 0.02%. However, the total registration for Commercial Vehicles decline to 61,956 units in 2017 as compared to 65,491 units in 2016. This means Commercial Vehicles sales had declined by 3,535 units or 5.4%. As a matter of fact, the decline in TIV 2017 was mainly due to drop in sales for Commercial vehicles. The comparison between 2017 and 2016 TIV is shown in Table 1.

Table 1 : TIV for 2017 and 2016

Market Segment	2017	2016	Variance	
			Units	%
Passenger Vehicles	514,679	514,594	85	0.02
Commercial Vehicles	61,956	65,491	(3,535)	(5.4)
Total Vehicles	576,635	580,085	(3,450)	(0.6)

Total Industry Production ("TIP") of new vehicles in 2017 recorded a decline of 45,614 units or 8.4% to reach a total of 499,639 units compared to 545,253 units in 2016. This 8.4% drop in TIP was much higher than the 0.6% drop in sales as adjustments in production was promptly taken to avoid an over stock position particularly during the last four months of 2017. The TIP performance for 2017 as compared to 2016 is illustrated in Table 2.

Table 2 : TIP for 2017 and 2016

Market Segment	2017	2016	Variance	
			Units	%
Passenger Vehicles	459,558	503,691	(44,133)	(8.8)
Commercial Vehicles	40,081	41,562	(1,481)	(3.6)
Total Vehicles	499,639	545,253	(45,614)	(8.4)

Malaysian Automotive Association (MAA) have taken the following economic and environmental factors into account in TIV forecast for 2018.

- 1) The Malaysian economy is forecasted to grow between 5% and 5.5% in 2018, driven by mainly by domestic demand and export performance.
- 2) Implementation of big ticket projects such as the Tun Razak Exchange, Light Rail Transit (LRT3), Mass Rapid Transit (MRT2), and East Cost Rail Link (ECRL) would add to the growth momentum of the local economy.
- 3) As for consumers, the rising cost of living remains a key concern. Coupled with the high household debt level, these are expected to continue as the restraining factors hampering consumers' appetite for spending especially on big ticket items.

- 4) Continuation of the strict lending guidelines including for hire purchase loans by the financial institutions following the implementation of MFRS 9 and the prevailing high household debts level.
- 5) Ride-hailing services (e.g Uber and Grab) and rail services are becoming more and more popular as a mode of land transport especially in the urban areas.
- 6) Aggressive promotional campaigns by car companies.

Based on the above factors, the TIV forecast for 2018 is as in Table 3 below :

Table 3 : TIV 2017 Versus 2016

Market Segment	2018 (Forecast)	2017 (Actual)	Variance	
			Units	%
Passenger Vehicles	526,500	514,679	11,821	2.3
Commercial Vehicles	63,500	61,956	1,544	2.5
Total Vehicles	590,000	576,635	13,365	2.3

3. INDONESIA

The Indonesian government is eager to turn Indonesia into a global production base for car manufacturing and would like to see all major car producers establishing factories in Indonesia as it aims to overtake Thailand as the largest car production hub in Southeast Asia and the ASEAN region. On the long-term, the government wants to turn Indonesia into an independent car manufacturing country that delivers completely built units (CBU) of which all components are locally-manufactured in Indonesia.

The TIV for 2017 was 1,079,534 units, increased by 1.6% or 16,805 units as compared to the same period last year of 1,062,729 units. Indonesia is the only ASEAN countries that surpass the 1 million mark in 2017 for the TIV.

Chart 1 : Indonesia TIV Trend From 2012 To 2017



Market Segment	2017	2016	Variance (%)
Passenger Vehicle	844,224	861,987	(2.1)
Commercial Vehicle	235,310	200,742	17.2
Total	1,079,534	1,062,729	1.6

Total passenger vehicle from January to December 2017 registered at 844,224 units decreased by 2.1% as compared to the same period last year while commercial vehicle increased by 17.2% to 235,310 units in 2017 as compared to same period last year.

The increase in TIV from last year is an indicator that the automotive market in Indonesia has shown a consistent trend of purchasing with the signal to further growth in the near future. This was supported by the steady and convincing economic growth with rapid and massive development of infrastructure projects implemented by the government.

Looking at the TIP in 2017, it also showed an increasing pattern parallel with the steady growth of TIV. Overall, TIP from January to December 2017 were recorded at 1,216,615 units, an increased by 3.3% or 38,818 units as compared to the same period last year.

Category	TIV			TIP		
	2017	2016	Variance (%)	2017	2016	Variance (%)
Sedan	9,139	13,832	(33.9)	30,670	29,644	3.5
4x2	596,893	608,054	(1.8)	681,942	663,794	2.7
4x4	17,305	14,274	21.2	19,910	19,378	2.7
Bus	3,851	3,959	(2.7)	2,550	4,769	(46.5)
Pick Up	128,422	120,666	6.4	145,183	140,269	3.5
Truck	89,370	66,773	33.8	86,526	64,283	34.6
LCGC 4x2	234,554	235,171	(0.3)	249,834	255,660	(2.3)
Total	1,079,534	1,062,729	1.6	1,216,615	1,177,797	3.3

The slight decrease in passenger vehicle is mainly from sedan category, while the encouraging increase in commercial vehicle is coming from truck. The rising need for the commercial vehicle was resulted from the positive impact generated by the rapid and massive development of infrastructure projects implemented by the government of Indonesia.

Although the relatively new low-cost green car (LCGC) has gained popularity in Indonesia, most Indonesians still prefer to buy the multipurpose vehicle (MPV). Indonesians love the MPV, known as "people carriers", as these vehicles are bigger and taller than most other car types. Indonesians need a big car because they enjoy taking trips with the family (and/or invite some friends). The MPV can typically carry up to seven passengers.

Car manufacturers are aware of high MPV demand in Indonesia and therefore continue to launch new (and better) models. With functionality in check, manufacturers now particularly focus on improving the design of the MPV to entice Indonesian consumers.

Indonesia's automotive industry is centered around Bekasi, Karawang and Purwakarta in West Java, conveniently located near Indonesia's capital city of Jakarta where car demand is highest and an area where infrastructure is relatively well developed (including access to the port of Tanjung Priok in North Jakarta, the busiest and most advanced Indonesian seaport that handles more than 50% of Indonesia's trans-shipment cargo traffic, as well as the new Patimban seaport that is being developed in West Java). Good available infrastructure reduces logistics costs. In this area in West Java various big global car-makers invested in industrial estates as well as car and component manufacturing plants. Therefore, it has become the production base of Indonesia's automotive sector (including motorcycles).

There are a few other factors that support car sales in Indonesia. Firstly, Indonesia still has a very low per capita car ownership ratio implying there is enormous scope for growth as there will be many first-time car buyers among Indonesia's rapidly rising middle class. Secondly, the popular and affordable low-cost green car (LCGC) is expected to boost sales. Thirdly, the Indonesian government is eagerly trying to speed up infrastructure development across the Indonesian nation.

EXPORT MARKET

The CBU export market for Indonesia looks encouraging in 2017 as its registered higher than year 2016. Overall, the CBU export market for passenger car from January to December 2017 recorded sales of 231,169 units an increase by 18.8% as compared to the same period last year of 194,397 units.

The Indonesian government also has high hopes for the country's car exports (thus generating additional foreign exchange revenues), particularly since the implementation of the ASEAN Economic Community (AEC), which turns the ASEAN region into one single market and production area. The AEC should unlock more opportunities for exporters as it intensifies regional trade.

Indonesian-made cars that are already exported include the Toyota Avanza and Toyota Fortuner, the Nissan Grand Livina, the Honda Freed, Chevrolet Spin and Suzuki APV. The most important export markets are Thailand, Saudi Arabia, Philippines, Japan, and Malaysia.

However, it is difficult for Indonesia to boost its car exports because the nation's automotive industry is still at the Euro 2 level, while other nations are already at Euro 5 (Euro is a standard that reduces the limit for carbon monoxide emissions). Other issues that limit car exports are concerns about safety standards and technology.

15 RISK FACTORS

Ingress Industrial (Thailand) Public Company Limited remains committed in meeting its vision and strategic objectives. In order to achieve our commitment, it is critical for the Company to possess the capability of managing risks to an acceptable level for the achievement of strategic objectives in line with its vision. The Board has a stewardship responsibility to understand these risks, provide guidance on dealing with these risks and to ensure risks are managed proactively, in a structured and consistent manner.

The Group Risk Management unit has been assigned to embark into Enterprise Risk Management ("ERM") framework where it will be used as a tool to manage Ingress's key risks on a continuous basis. ERM risk policy was developed, which has been communicated and implemented throughout the organization. ERM process covers all activities in a systematic and productive way to reduce the magnitude of impact and likelihood of occurrence of an event that causes a company to not achieve its objectives and goals.

For the financial year ended 31 January 2018, together with the management, the Group Risk Management unit has reviewed and assessed IIT's key risk factors which can be categorized and described as follows:

1. STRATEGIC RISKS

1.1 Changes in government's policies & regulations

As a result of political or socio-economic instability of any foreign country, where Thailand had experienced several upheavals in the past, any changes to the government's policies or regulations would have an impact to the growth of domestic economy and automotive industry in terms of product demand and production volume. This will generally affect the automotive components manufacturing business and directly to the Company's business strategy and direction. Management's key strategy to address this risk is by building closer relationship with the local authorities.

1.2 Investment-related risk

Investment model failure could have significant financial impact towards the Company on the investment amount spent and finance cost incurred from bank borrowings. It may also affect the Company's long-term sustainability. Therefore, the Company has managed this by enhancing its investment evaluation and monitoring processes.

Continuous monitoring is important in ensuring the performance and quality of the investment is able to meet the expected return of investment. Ineffective investment monitoring where current investment performance data is not generated may affect decision making processes and lead to possible investment failures. Key strategy in addressing this risk is by improving the procedures of investment monitoring within the Group.

2. FINANCIAL RISKS

2.1 Forex risk

The Company is exposed to forex risk in its overseas business operations and procurement dealings, especially in raw material purchases. Moreover, the Company also faces exchange rate risks in consolidating

the financial results from its foreign subsidiaries. Unfavourable changes in the exchange rate between Thai Baht and the relevant foreign currencies could result in adverse financial impact to the Company. To mitigate this, the Management has a system in place to closely monitor exchange rate movements between its base currency, Thai Baht against all other currencies transacted.

The Group protects itself from the risk by keeping up closely with the movement of raw material prices and by using central purchasing systems or ("CPS") to source the primary production materials. Under CPS, OEMs determine the type of steel to be used as primary raw materials for automotive components manufacturing, primary raw material supplier and trading price of the primary raw materials. The duty of the Group is to purchase primary production materials based on the order and requirements of OEMs. The Group will negotiate with OEMs for the possibility to appropriately adjust the price of automotive components to correspond with cost and price fluctuation of primary production materials. That agreement can, at certain level, reduce the impact of price fluctuation of the primary production materials that can have on the Group's business performance.

2.2 Risks of interest rate fluctuation

A significant portion of the Group's overall outstanding loans are conditioned with floating interest rates. The floating rates pose a risk to the Group as when the reference rate fluctuates upward, the financing cost of the Group will be affected.

The Group has a risk mitigation measures by tracking closely the interest rate movements. The Group also projects that there will not be a significant rate change from the current level in the near future based on the monetary policies adopted in Thailand, Malaysia, Indonesia and India, the major markets of the Group. Being a public listed company, there will be more fund raising options for the Group. The Group will consider many alternatives other than commercial banks that can offer more acceptable financing cost.

2.3 Risks of insufficient insurance coverage for the Group

Although the Group attempts to mitigate the risk of losses and/or damage to the major assets as well as its employees by purchasing insurance in the amount believed to be sufficient and at the same standard as other operators in the same industry. However, there is still a risk to the Group as the coverage of losses and/or damages or impact caused by the damage may not be completely compensated, or the actual damage cost exceeds the sum insured, such as insurance against flooding in Thailand. This may have an effect the financial condition and operating results of the Company. The Group also faces a risk of not getting coverage, partially or in whole, for the losses or damages regarded as cases for exclusions. The Group's policy is to follow the industry practice of the Group in buying the insurance that can cover the sufficient and acceptable amount of potential losses resulting from the business operations.

The Group has taken a preventive action for the risk of damages causing to its operating assets due to controllable or preventive accidents or events. All companies under the Group continuously follow the best practice and safety standards in running the plant in accordance with related laws of all the countries the Group is operating in. This can control the risk from events or accident that may cause material damage to the operating assets of the Group.

3. COMPLIANCE RISKS

3.1 Non-compliance with regulatory requirements

Failure to comply with regulatory and/or statutory provisions or requirements (such as Stock Exchange of Thailand, Securities and Exchange Commission of Thailand, Thailand Civil and Commercial Code B.E. 2468 (1925), Public Limited Company Act B.E. 2535 (1992), Securities and Exchange Act B.E. 2535 (1992), Thailand's Factory Act, B.E. 2535 (1992) and Enhancement and Conservation of National Environmental Quality Act, B.E. 2535 (1992), Malaysia's Environmental Quality Act 1974, and Indonesia's Law No. 32 of 2009 on Environmental Protection and Management) may cause regulatory bodies to initiate legal actions towards the Company, which in turn could affect the Company's reputation.

Among the key strategies to address this risk is to allocate specific resources to ensure that any regulatory requirements are well monitored and submitted on a timely manner. Enhancement to the procedures of compliance management was also deployed on top of providing more training and education to the relevant personnel in the Company.

4. OPERATIONAL RISKS

4.1 Customer-related risk

Dependence on a handful of customers for a significant portion of revenue may impair the company's business profitability. The Company's vulnerability in losing any of these customers within the group would pose a negative impact towards its growth strategies. Poor customer relationship management or inability to meet customers' expectations may result in customers discontinuing their supply-relationship with any of the Company's subsidiaries.

Among the established action plans to mitigate this risk revolve around applying customer retention strategies and internal resources management in the areas of close monitoring of customer's satisfaction survey results.

Continuously securing new business or customers is crucial for the long-term sustainability of a company apart as an avenue to fund its new investment or project. The inability to secure new business would disrupt the Company to achieve its targeted revenue and possibly loss of market share and its brand recognition.

The management's action plans in order to minimize the probability of this risk occurring was to carry out situational analysis and response planning by performing a detailed benchmarking against customers' requirements and technological gap analysis between existing capabilities and future demands. In addition to that, it was deemed that the marketing and customer relationship management should also be improved.

4.2 Quality issues

Product quality is the key success factor for automotive industry because the defects or low quality product is unacceptable; they can cause serious accident and consequent effects. The Group is at risk of losing customers and its reputation and may be sued by the end consumers for the damages caused by below-standard product.

The Group aims at controlling product quality through a continuous improvement on production process and procedures as well as product's quality control. Such measures give an assurance to a certain level that there is low risk for product quality. The Group and its partners from Japan have taken necessary actions to control and improve the product quality continuously in order to earn acceptance from various OEMs.

4.3 Management risks

Loss of key management staff and inability to fill the vacancy via a proper succession planning may disrupt the Company to achieve its desired results. In lieu of this, the Company has taken risk measures by adopting a succession planning framework for critical positions across the companies within the Group.

16 SHAREHOLDING STRUCTURE

As at 31 January 2018, Ingress Industrial (Thailand) Public Company Limited ("the Company") has a registered and paid-up capital of Baht 1,446,942,690, all of which are Ordinary Shares at par value of Baht 1 each. As at to date, the Company does not have any other securities with terms and conditions different from Ordinary Shares.

TOP 10 SHAREHOLDERS OF THE COMPANY

No.	Name	Number of Shares	Holding %
1	Ingress Corporation Berhad	868,499,770	60.023
2	Mr. Nathapong Phanrattanamongkol	37,250,000	2.574
3	Mr. Vichan Losiripaiboon	24,000,000	1.659
4	Mr. Khanti Keeratinanwattana	23,130,200	1.599
5	Thai NVDR Co., Ltd.	16,807,300	1.162
6	Mr. Vasin Phatikulset	14,080,000	0.980
7	Mr. Wutthiphol Pariyakanok	14,000,000	0.968
8	Mr. Kiattisak Tritruengtassana	11,781,500	0.814
9	Mr. Peerajet Suwannapasri	11,000,000	0.760
10	Mrs. Oraphin Chupanichsakul	8,250,000	0.570
	Others	418,143,920	28.891
	TOTAL	1,446,942,690	100.000

Source : Thailand Depository (Thailand) Co., Ltd. (Information at the closing of share register book on 17 April 2018)

Remark : The shareholders of ICB were Datuk Rameli bin Musa and Dato' Dr. Ab Wahab bin Ismail, both are currently the Executive Directors of the Company and Directors of some subsidiary companies under the Group.

DIVIDEND POLICY FOR THE COMPANY

It is the Company's policy to pay dividend at the minimum rate of 40% of net profit attributable to Equity holders of the Company on consolidated financial statement and after fund has been reserved as required by Law. The dividend payment will depend on investment plan, conditions and restrictions by the loan agreement or related agreements (if any), financial condition and operating results and other related factors of the Group. The Board may occasionally review and revise the dividend policy to align with the future growth plan of the Group, demand for capital fund and working capital as well as other factors deemed appropriate.

As the Company is a holding company, its major asset is the investment in the subsidiaries. The dividend payment ability of the Company, thus, depends mainly on the operating results and the receipt of dividend from its subsidiaries.

DIVIDEND POLICY FOR SUBSIDIARY COMPANY

It is the subsidiaries' policy to pay dividend to the shareholders at the minimum rate of 40% of net profit after income tax of separate financial statement and after fund has been reserved as required by law. The dividend payment will depend on operating results, financial conditions, liquidity, need for working capital, additional investment, business expansion, conditions and restrictions by the loan agreement and other related management factors that the Board and shareholders of subsidiaries deemed appropriate which need to follow the policy of the Company.

17 CORPORATE GOVERNANCE

Principles of Good Corporate Governance of Ingress Industrial (Thailand) Public Company Limited

Ingress Industrial (Thailand) Public Company Limited ("the Company") endeavors to manage its business by adhering to principles of good corporate governance, as it recognizes the benefits and importance of good corporate governance, which contributes to the management of work and business operations in a transparent manner and takes into consideration the best interests of all interested parties in all respects, as well as maintaining verifiability. In order to increase its competitiveness and the shareholders' equity in the long term, the Company has, therefore, established a corporate governance policy in writing, the details of which are set out below:

SECTION 1: RIGHTS OF SHAREHOLDERS

The Company has given importance to equal rights of all shareholders in obtaining accurate, sufficient and timely information concerning its operation so that they can make sound investment decisions. The Board of Directors thus has formulated the following policies:

1.1 Corporate governance policy with respect to basic rights of shareholders

The Company has the duty to protect and respect basic rights of shareholders, which include the right to purchase, sell or transfer shares, the right to be allocated profits derived from business operations, the right to adequately receive news and information with respect to the businesses of the Company and its subsidiaries, the right to attend and cast their votes in shareholders' meeting in order to appoint or to remove directors, to appoint an auditor, to allocate dividends, to make amendments to the articles of association or memorandum of association, to reduce or increase capital and to approve special transactions which relevant laws require them to be considered and approved by meeting of shareholders.

The Company also encourages its shareholders to exercise their basic rights in the annual general meeting of shareholders, such as the right to propose meeting agendas to be included in the shareholders' meetings in advance, the right to nominate person(s) for election as director(s) in advance, the right to send questions prior to the shareholders' meeting and the right to express their opinions and to raise questions in the shareholders' meeting, amongst others.

The Company refrains itself from undertaking any acts deemed to be a violation or limitation or deprivation of rights of shareholders to review and study information which the Company is required to disclose in compliance with regulatory requirements prior to shareholders' meeting and rights to attend shareholders' meeting; for example, additional documents containing material information shall not be presented unannounced and meeting agenda items shall not be added or material information shall not be changed without prior notice being given to shareholders.

The Company has a duty to facilitate all shareholders in attending shareholders' meeting and exercising their basic rights in terms of appropriate meeting place and time.

1.2 Corporate Governance Policy with respect to Rights of Shareholders to Attend Meeting of Shareholders

The Company has a policy to provide all shareholders in advance with details regarding date, time, venue and agendas to be considered and approved in the meeting of shareholders. The Company will provide shareholders with vital and sufficient data which would allow shareholders to cast their votes in each agenda reasonably and appropriately. The Company will send all data and documents which is required by law to its shareholders prior to the shareholders' meeting so that they have sufficient time to review and study such data and documents.

Minutes of shareholders' meeting shall be prepared with completeness, accuracy and transparency. They shall include details regarding issues and questions raised by shareholders as well as opinion they expressed during the meeting for future reference or verification. The Company shall post minutes of shareholders' meeting on its website and send them to the Stock Exchange of Thailand within 14 days from the date of meeting.

1.3 Corporate Governance Policy with respect to Conducting Meetings of Shareholders

The Company has a policy to facilitate, to the fullest extent as possible, its shareholders in attending and casting their votes in the shareholders' meeting. The Company will not undertake any acts that would deprive shareholders' opportunities to attend and to cast their votes in such meeting.

The Company will notify its shareholders of the rules, regulations, steps and procedures with respect to conducting shareholders' meeting in invitation to shareholders' meeting as well as at the meeting. The person chairing the meeting shall notify shareholders attending the meeting of the rules, regulations, steps and procedures for conducting the meeting as well as voting procedures for each agenda. Such details shall be recorded in minutes of shareholders' meeting. In addition, the Company has a policy to give its shareholders opportunity to submit questions relevant to the matters to be discussed and voted at shareholders' meeting prior to the date of meeting.

The Company ensures that all shareholders will be given an opportunity to raise questions or issues relevant to meeting's agenda items and to express their opinion during the meeting. All questions and comments of shareholders as well as clarifications given by directors and/or executives shall be recorded in all minutes of shareholders' meeting for future reference and verification.

The Company gives importance to convening of shareholders' meetings and encourages all shareholders to attend them. Shareholders would not be able to cast their votes in any agenda in which they have interest.

The Company and its subsidiaries convene their shareholders' meeting to consider, acknowledge or approve important matters in relation to their operations. Quorum and procedures in convening their respective shareholders' meetings are subject to securities rules and regulations, public and private company law of each country the company operates in as well as provisions under their respective articles of association as well as joint venture agreements.

Shareholders' meetings of the Company and its Thai subsidiaries shall be physically convened. Shareholders' meetings of Malaysian, Indonesian and Indian subsidiaries may be either physically held or held using circular resolution, subject to relevant regulatory requirements of Malaysia or Indonesia or India as the case may be.

For every meeting of shareholders of all subsidiaries that is physically held, the Company will send its director or executive which is appointed by the meeting of Board of Directors to attend and cast its votes in the meeting. Quorum and procedures in convening their respective shareholders' meetings are subject to securities rules and regulations, public and private company law of each country they have operated in as well as provisions under their respective articles of association as well as joint venture agreements.

For every meeting of shareholders of all subsidiaries that is held using circular resolution, the Company will exercise its voting right to ensure its votes reflect its actual stake and interest in each subsidiary.

Quorum and procedures in convening their respective shareholders' meetings are subject to securities rules and regulations, public and private company law of each country they have operated in as well as provisions under their respective articles of association as well as joint venture agreements.

For meeting of shareholders of Malaysian subsidiaries, that of Indonesian subsidiaries as well as Indian subsidiary and that of subsidiaries in any other jurisdictions (if any in the future) in which local laws allow voting by hands, the Company, as the major shareholder of each subsidiary, will exercise its right (via its director or executive who is appointed by its meeting of Board of Directors to attend and cast its votes in the meeting of shareholders of each subsidiary) to arrange such that voting by poll applies in the meeting.

In the meetings of shareholders of the Company and its subsidiaries, one-share-one-vote rule applies. Unless otherwise required under relevant rules and regulations, articles of association of the Company and its subsidiaries or joint venture agreements the Group of Companies entered into with its business partners, a majority of votes of the shareholders present and voting at the meeting is required, provided that in the case of an equality of votes, the person presiding over the meeting shall have an additional vote as a casting vote.

In casting its votes in the meeting of shareholders of each subsidiary, the Board of Directors of the Company shall take into account relevant factors in deciding whether to vote for, to vote against or to abstain from vote casting in each agenda item. In this regard, the Board of Directors shall monitor to ensure that its director or executive who is appointed to attend the meeting will cast its votes in each agenda item in accordance with resolution of the meeting of the Board of Directors.

SECTION 2: EQUITABLE TREATMENT OF SHAREHOLDERS

The Company recognizes that all shareholders must be treated equally and has thus established the following important policies:

2.1 Proposing additional matters to be discussed and approved at the shareholders' meeting

The Company's policy is to facilitate minor shareholders in proposing additional meeting agenda items prior to the date of the shareholders' meeting. In this regard, all additional agenda items to be proposed for discussion at the meeting by the shareholders and consideration thereof shall be in accordance with relevant rules and regulations.

The major shareholders who hold executive/director positions shall not add additional meeting agenda items without giving advance notice thereof unless in the case of necessity, particularly important agenda items which require the shareholders to take time to study the information before making a decision.

In the meeting of the Board of Directors, interested directors could not cast their votes in the meeting. In the meeting of shareholders, interested shareholders would not be able to cast their votes in the meeting.

2.2 Nomination of candidates for directorship

The Company's policy is to facilitate its minor shareholders in nominating candidates for the position of directors. In this regard, all nominations by the shareholders and consideration thereof shall be in compliance with relevant rules and regulations.

2.3 Encouraging shareholders to use proxy form in the case that they are unable to attend the meeting in person

The Company encourages the shareholders to use proxy form which allows the shareholders to indicate their vote. At least 1 independent director shall be nominated as their proxy, and the Company will attach the aforementioned proxy form to the invitation to the meeting.

2.4 Encouraging shareholders to use voting ballot

The Company encourages the use of voting ballots for important meeting agenda items, such as the entering into connected transactions, acquisition or disposal of material assets, etc. to maintain transparency and verifiability in the event of disagreement at a later date.

2.5 Giving shareholders the opportunity to exercise the right to appoint individual directors

The Company encourages the shareholders to exercise their right to appoint directors on an individual basis.

2.6 Preventive measures against the use of inside information to seek unlawful benefits

The Company has established measures in its Code of Conduct to prevent its directors, executives and employees and those of their subsidiaries from unlawfully using inside information or any confidential information of the Company and its subsidiaries for their own benefits or those of others, for securities trading or for undertaking any acts that may give rise to conflict of interest. Such measures are stipulated in the Code of Conduct.

Furthermore, the Corporate Secretary has also been assigned as the person responsible for conveying the regulations with respect to disclosure of information and monitoring and ensuring that the Board of Directors and the executives report their securities holding in compliance with the law, including disclosing information regarding the interests of and related transactions and requiring that all directors and executives who have the duty to report their interests, as provided by the law, notify the Company thereof.

SECTION 3: ROLES OF INTERESTED PARTIES / STAKEHOLDERS

The Company recognizes and gives importance to the rights of all groups of interested parties, and not only those which it is required to take into consideration in compliance with the law. The Company has identified groups deemed as interested parties and established policies and measures for acting in the interests of the interested parties. The interested parties of the Company can be categorized as follows:

3.1 Employees and their families

The Company treats all employees politely and pay respect to their individualism. The Company will compensate employees based on the consideration of their works in a fair manner and in a way that is quantifiable under relevant laws. It also aims to continuously promote and develop knowledge and working skills of its personnel, such as by means of organizing training sessions and seminars for its executives and employees. The Company ensures that it treats all of its employees fairly and equally, for example, with respect to employee evaluations, confidentiality regarding employment history and the exercise of the various rights of the employees. The Company places paramount consideration in ascertaining the employment environment is safe, healthy and effectively facilitates work. Henceforth, the Company will make sure that it strictly complies with all relevant labor laws.

3.2 Shareholders

The Company has long realized that shareholders are its owners. It thus has duty to create long-term value added to all shareholders. The Company thus requires all directors, executives and employees to adhere with the following guidelines:

3.2.1 They shall act based on principles of fiduciary duties with professionalism to ensure all shareholders are fairly treated and their best interests are well protected;

3.2.2 They shall present accurate and sufficient data regarding the Company's financial status and performance as well as its other important information on a timely basis;

3.2.3 They shall inform all shareholders the Company's future trends using accurate and sufficient data;

3.2.4 They shall not abuse the Company's confidential information that has yet to be publicly released in the way that may give rise to conflict of interest, whether for their own or others' benefits; and

3.2.5 They have duty not to act in the ways that may deprive or violate rights of shareholders such as failure to send shareholders important documents or information prior to shareholders' meeting or substantial change of information without providing them prior notice.

3.3 Customers

The Company has a duty to maintain good relations and to cooperate with customers in the long term, based on the principles of honesty, reliability and mutual trust. It has a duty to satisfy its customers to the

extent possible by means of taking responsibility for, acting in the interests of and considering the issues and needs of the customers as its priority, whereby all executives and employees shall comply with the measures pursuant to this policy. The Company will perform work based on the principles of ethics and will not solicit, receive or pay dishonest benefits to the customers and creditors. Furthermore, the Company is not only committed to present and deliver products and services of high standard which meet the needs of the customers but also striving to adhere to the various conditions as agreed upon with the customers to the best of its abilities.

3.4 Creditors

The Company treats its creditors based on the principles of mutual benefits and fair rewards by avoiding potential conflict of interest. Problem solving is based on the principle of long-term business relation. Accordingly, the Company will not solicit, receive or pay any illegal benefits to its customers and creditors and will always fully comply with all conditions as agreed with its creditors. Should the Company unable to comply with any of such conditions, it will inform its creditors in advance so that they can look for proper solutions.

3.5 Competitors

The Company has a policy to treat its competitors on a fair and appropriate basis. It will not use any inappropriate or illegal ways to solicit competitors' data. To make sure that this is observed, the Company will act based on the principle of fair competition, will not use any inappropriate or illegal ways to solicit competitors' data and will not defame its competitors using inappropriate ways. Currently, the Company has a policy to promote and encourage fair and free competition.

3.6 Suppliers

The Company will make certain that it will create and maintain good long-term relation with all of its suppliers and provide equal opportunities to all suppliers in presenting and proposing their goods and services. In deciding whether to select or not to select any suppliers, the Company will take into account their products quality as well as proposed trading terms and conditions so that its best interests are taken care of.

3.7 Regulatory Agencies

The Company will fully conform to all applicable rules and regulations. Therefore, the Company has a policy to provide necessary support to state activities.

3.8 Communities local to each company's place of business

The Company and its employees are committed to behave and conduct themselves as good citizens and in ways that benefit society and community. The Company has a duty to treat the communities local to each company's place of business amicably and to give assistance to and promote the livelihood of the communities, as well as to be responsible for remedying any situation arising as a consequence of the Company's business operations, in a fair and equitable manner.

The Company also has a duty to oversee and support activities which are beneficial to society and to willingly cooperate with governmental and non-governmental organizations and to make sacrifices for the better good.

3.9 Surrounding Environment

The Company and its employees are committed to behave and conduct themselves as good citizens and in ways that benefit society and community.

SECTION 4: DISCLOSURE OF INFORMATION AND TRANSPARENCY

The Company has a policy to disclose information regarding the Company, including financial information and other information in relation to its operations, in an accurate, complete, timely, and transparent manner, via easily-accessible channels, and in a fair and reliable manner.

4.1 Internal control and entering into transactions with potential conflicts of interest

At all times, the Company will use its best endeavor to prevent and eliminate any potential conflicts of interest by prescribing that asset acquisition/disposition transactions, connected transactions and transactions with potential conflicts of interest are in compliance with relevant regulations/guidelines as prescribed by the SEC and the SET. To achieve this, the Company will undertake necessary acts to ensure that its directors and/or executives and/or major shareholders, as the case may be, do not operate or engage in any businesses that are similar to or compete with that of the Company and its subsidiaries, or that may cause an adverse impact to the Company's and its subsidiaries' competitiveness, or enter into related transactions whereby the other benefits resulting thereof may be in conflict with the best interests of the Company or its subsidiaries.

The directors and/or executives and/or major shareholders of the Company, as the case may be, shall inform the Company if they hold shares in companies whose business operations are similar to or compete with that of the Company or its subsidiaries in order for the Company and the Audit Committee to consider whether or not such shareholding is in conflict with the best interests of the Company and its subsidiaries.

4.2 Disclosure of Information

The Company warrants that preparation and disclosures of Company's information are in compliance with relevant laws or regulations via the SET's and the Company's websites. The Company will proceed as necessary to ensure disclosed information is accurate, not misleading in nature and sufficient. In addition to the disclosure of annual registration statement form (56-1 form), annual report (56-2) and other data that are required to disclose via SET channel, the Company prepares and disseminates its important data in both Thai and English via its website. Information disclosure will be continuously made and updated so that investors would get access to up-to-date data. The report of changes in the holding of Company's shares of directors and executives have been disclosed and reported to the SEC in a timely manner.

The Board of Directors has given importance to accurate, reliable, sufficient and reasonable financial reports. Thus, the Company's financial reports are prepared based on generally accepted accounting principles. Management has adopted proper accounting policies and they will continuously, strictly and appropriately be applied. The Company's financial reports are prepared with due care, with sufficient and accurate data being disclosed in the notes to financial statements. The Board of Directors has also arranged for effective and efficient internal control system to reasonably ensure that the Company's and its subsidiaries' accounting and financial data are appropriately recorded, their asset custody is in good shape and potential fraudulent activities are timely detected.

The changes in the holding of the Company's securities by directors and executives are summarized as follows:

No.	Name	Position	Number of shares		
			As at 9 August 2017 ^{^^^}	Increase/ (decrease)	At book closing on 17 April 2018
1.	Mr. Nuthavuth Chartletpipat *	Chairman [^]	1,447,000	(647,000)	800,000
2.	Datuk Rameli Bin Musa	Deputy Chairman ^{^^}	1,447,010	-	1,447,010
3.	Mr. Abdul Rahim Bin Haji Hitam	President/ CEO ^{^^}	750,000	(750,000)	-
4.	Dato' Dr. Ab Wahab Bin Ismail	Director ^{^^}	1,447,010	-	1,447,010
5.	Mr. Abdul Khudus Bin Mohd Naaim	Director [^]	-	-	-
6.	Mr. Apichat Suttisiltum	Director [^]	1,447,000	(1,000,000)	447,000
7.	Tan Sri Dr. Surin Pitsuwan *	Director [^]	1,447,000	-	1,447,000
8.	Mr. Affandi Bin Mokhtar **	Director ^{^^}	-	-	-
9.	Datin Seri Farah Binti Datuk Rameli	Director ^{^^}	914,000	-	914,000
10.	Mr. Surin Wungcharoen	Director ^{^^}	-	-	-
11.	Mr. Eddie Dzuraimin Bin Zulkipli	Group CFO	914,000	(914,000)	-
12.	Mr. Sarawoot Sriwanayos	Corporate Secretary	750,000	-	750,000
13.	Mr. Supachai Meererg	Deputy GM, Sales and Business Development	914,000	(914,000)	-

Note:

[^] Independent & Non-Executive Directors

^{^^} Non-Independent & Executive Directors

^{^^^} 1st Trading Day of INGRS

* Appointed as new Chairman on 14 December 2017 replacing the late Tan Sri Dr. Surin Pitsuwan.

** Resigned as Non-Independent and Executive Director of the Company effective from 14 December 2017.

4.3 Report on the responsibilities of the Board of Directors with respect to the financial reports

The Company requires that there be a report on the responsibilities of the Board of Directors with respect to the financial reports, which shall be presented along with the auditor's report in its annual report. The aforementioned report shall bear the signatures of the Chairman and the CEO.

4.4 Disclosure of the roles and duties of the Board of Directors and sub-committees

The Company prepares and discloses the roles and duties of the Board of Directors and sub-committees, the number of meetings of the Board of Directors held and the number of meetings each board member attends in the previous year, as well as comments in relation to the performance of their duties in the annual report.

SECTION 5: RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Company recognizes the importance of selecting directors who demonstrate leadership, are visionaries, and who have experience, knowledge and ability and demonstrate independence in making decisions in the best interests of the Company and the shareholders overall. The Company also recognizes the importance of clearly separating the roles and duties of the Board of Directors and the Management and overseeing the work system to ensure that its various activities are in compliance with the laws and ethical standards. The Company has established its corporate governance policy while taking into consideration various factors including the responsibilities of the directors, whereby the important policies relevant to this matter are as follows:

5.1 Structure of the Board of Directors

The Company values transparency and verifiability in its work operations, and, therefore, the Chairman is not the person holding the position of the Chief Executive Officer or the President. With the sudden demise of the previous Chairman, the Company now has three (3) independent directors which exceed one-third of its total directors. All of them are also members of the Audit Committee and Nomination & Remuneration Committee. All independent directors possess qualifications in line with requirements as prescribed by relevant alignment regulatory agencies.

The Company has a policy to appoint at least two (2) persons with Thai nationalities who are Thai residents who have possessed knowledge, capabilities, experience and qualifications in line with SEC requirements to act as the Company's directors. At least one (1) of them must also act as audit member. At present, two (2) of the Company's directors are Thai nationals and Thai residents are also audit members.

For Malaysian, Indonesian and Indian subsidiaries as well as those to be incorporated in any other countries in the future (if any), the Company has a policy to send at least one (1) of its director who is a Thai resident to hold directorship in such subsidiaries. For Indonesian subsidiaries, the Company's director (s) who is a Thai resident which represents the Company shall be appointed to be a director in the Board of Commissioners. At present, the Company has representative director who is a Thai resident to hold directorships in Malaysian and Indian subsidiaries including IIM, ITSB, IPSB, TSSB and IAIPL and to hold directorship in the Board of Commissioners of Indonesian subsidiaries including PT IMV and PT ITL.

The Company has specified clear policies and procedures which are in accordance with applicable laws to recruit and select persons to be nominated as its directors and executives as well as those to be nominated as directors and executives of the subsidiaries which represent it. In recruiting and selecting persons to be nominated as directors and executives of the Company and those of the subsidiaries which represent it, the Company, through its Nomination and Remuneration Committee, will take into account relevant factors

such as their work experience, educational background, professional capabilities and skills and etc. Persons to be nominated as directors and executives of the Company as well as those of the subsidiaries that represent it shall possess required characteristics and qualifications and not have any prohibited characteristics as prescribed under relevant SEC regulations as well as those under other relevant regulatory requirements.

At present, the Board of Directors of the Company consists of eight (8) members, three (3) of whom are Independent and Non-Executive Directors and the remaining five (5) are Non-Independent & Executive Directors. This composition complies with the requirement that at least one-third of the total number of directors are independent & non-executive directors.

5.2 Roles, Duties and Responsibilities of the Board of Directors

Roles, duties and responsibilities of the Board of Directors are clearly distinguished from that of the Management. These include (but not limited) to the following:-

5.2.1 to consider and approve material issues with respect to operations of the Company, as well as to oversee that Management has run business in line with the prescribed policies and plans, including the annual budget and business plan, in an efficient and effective manner.

5.2.2 to exercise due prudence in considering conflicts of interest, as well as connected transactions with potential conflicts of interest with those of the Company whereby the interests of the shareholders are deemed as the priority.

5.2.3 to jointly consider the annual and quarterly financial statements and financial information in the annual report and to jointly evaluate the adequacy of the internal control system of the Company.

5.3 Board of Directors' Meeting

The Board of Directors will meet at least four (4) times annually. Additional meetings may be convened as deemed appropriate. Such meetings shall be conducted in accordance with the Company's articles of association and relevant laws. After each meeting, the company secretary will prepare minutes of meeting for future reference and verification.

The Company requires that the Management to prepare and submit a report on the operating results to the Board of Directors for acknowledgment on a quarterly basis as this will enable the Board members to continuously and promptly supervise, control and oversee the Management's performance. The Board of Directors may also provide recommendations to the Management so that the overall business activities of the Company and its subsidiaries can be improved.

The Board of Directors may invite executives or employees of the Company to attend the Board of Directors' meeting to give additional information on the matters discussed. In convening each Board meeting, the Corporate Secretary will send meeting invitations to all directors for consideration in advance as well as supporting documents and information. All directors will be given equal opportunity to discuss the material issues

and the Corporate Secretary will record the minutes thereof including various questions and suggestions of the directors to ensure that the matters discussed can be monitored and verified by directors and executives.

All Board meetings of the Company and its Thai subsidiaries will be physically convened. Meetings of board of directors of Malaysian, Indonesian and Indian subsidiaries may be convened using circular resolution, subject to regulatory requirements of Malaysia, Indonesia and India as the case may be.

5.4 Remuneration of directors and executives

Remuneration of directors is clearly determined. It must be considered and approved by the Company's annual general meeting of shareholders. For any directors who are assigned for additional tasks and have additional responsibilities, they will earn additional compensation in commensurate with their higher responsibilities. Management compensation is subject to the Company's annual performance and work performance of each executive.

The Company established the Nomination and Remuneration Committee which is responsible for formulating both monetary and non-monetary compensation for the Chief Executive Officer and top executives. Their compensation will be proposed for consideration and approval by the Board of Directors.

5.5 Continuous development of directors and executives

The Company encourages its directors, top executives and Corporate Secretary to continuously learn about good corporate governance practices. Necessary in-house trainings are provided to them. They are also encouraged to take relevant classes as arranged by Institute of Thai Directors (IOD).

5.6 Corporate Secretary

The Corporate Secretary acts as the central source of guidance and advice to the Board on good corporate governance and its duties and responsibilities. The Corporate Secretary also assists in arranging the annual Board meeting plan, agenda and other Board related matters. The Board also has unrestricted access to the advice and services of the Company Secretary on Board related matters as well as on new statutory and regulatory requirements or any amendments or changes to the statutory and regulatory requirements relating to their duties and responsibilities.

Currently, the legal and secretarial matters of IIT Group of Companies are managed by the Corporate Secretary and Joint Corporate Secretary. This is to ensure that the regulatory requirements different jurisdictions namely Thailand, Malaysia, Indonesia and India are complied with.

SECTION 6: COMMITTEES

To ensure that duties and responsibilities are properly and efficiently discharged, the Board has delegated some of its functions and/or authorities to the Committees. These Committees operate within their clearly defined Terms of References and consist of selected Board members who are empowered to deliberate and examine issues. Updates will then be tabled in the Board meeting with appropriate recommendations (if any). Currently,

the Company has established Audit Committee, Nomination & Remuneration Committee and Executive Committee (EXCO).

6.1 AUDIT COMMITTEE

The Audit Committee of the Company was formed on 28 October 2014 and comprises of three (3) qualified Independent & Non-Executive Directors according to the definition and requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The particulars of the Audit Committee members are as follows:

No.	Name	Designation
1.	Mr. Abdul Khudus Bin Mohd Naaim	Chairman
2.	Mr. Nuthavuth Chatlertpipat	Member
3.	Mr. Apichat Suttisiltum	Member

The Audit Committee is tasked to assist the Board of Directors ("the Board") and the overall duties and responsibilities are as follows:

1. to review the financial statements, the significant accounting and reporting issues including complex or unusual transactions and highly judgmental areas including to discuss with the Company's Management and external auditor regarding audit results, relevant risks and management action to decrease the identified risks and to review the effectiveness of internal control over the financial reporting process.
2. to review the effectiveness and adequacy of internal control system including control over the information technology system and the implementation of the recommendations on internal control from internal and external auditors.
3. to review and approve the internal audit charter, annual audit plan, staffing and resources required for the internal audit and to review the effectiveness of the internal audit that complies with the Professional Practices of Internal Auditing.
4. to review and approve the compliance charter, annual plan, staffing and resources required of compliance and control function including to review the non-compliance issues raised by regulatory agencies and the rectification of those issues.
5. to review the adequacy of the Company's risk management process and policies and the effectiveness of the implementation of the Company's risk management systems; and
6. to ensure that the code of conduct and conflict of interest policy is in writing and arrangements are made for all management and employees to be aware of it and promote the compliance with the code of conduct and conflicts of interest policy.

6.2 NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") was established on 28 October 2014. Currently, the NRC comprises five (5) members, three (3) of whom are Independent & Non-Executive Directors and the remaining two (2) are Non-Independent & Executive Directors. The particulars of the NRC members are as follows:

No.	Name	Designation
*1.	Mr. Nuthavuth Chatlerpipat	Chairman
^2.	Datuk Rameli Bin Musa	Deputy Chairman
*3.	Mr. Abdul Khudus Bin Mohd Naaim	Member
*4.	Mr. Apichat Suttisiltum	Member
^5.	Dato' Dr. Ab Wahab Bin Ismail	Member

*Independent & Non-Executive Directors

^Non-Independent & Executive Directors

Similar to the formation of the Audit Committee and the Executive Committee ("EXCO"), the Board has approved specific Terms of Reference for the NRC whereby it outlines the scope of duties, responsibilities and limits of authority.

Overall Duties and Responsibilities

Generally, the NRC is tasked to:-

1. assist the Board in respect of the recruitment and selection process of the nomination of directors and senior management;
2. recommend qualified candidates to the Board for consideration prior to nomination proposal at the Shareholders' Meeting for further approval and appointment; and
3. review the compensation package of directors including the Chief Executive Officer ("the CEO") for further recommendation to the Board.

Specifically, the NRC is entrusted to:-

1. review the Company's business organization, the required mix of skills, experience and qualifications of its directors and CEO in accordance with the Company's business requirements as directed or necessitated by the decision of the Board;
2. propose and recommend candidates to be member of the Board with proper qualifications for the Board to submit for appointment in the Shareholders' meeting of the Company;
3. make recommendations to the Board for the successor of the CEO;
4. ensure that the Company's remuneration packages are competitive in view of industry practices; and

5. perform any other activities, roles and responsibilities as approved, assigned and directed by the Board.

Authority

In discharging the roles and responsibilities, the NRC shall have the right to:-

1. full and unrestricted access to information and consult any employee of the Company in order to conduct any investigation and to obtain any information pertaining to the Group;
2. invite any employee or other individual to attend the NRC meeting; and
3. obtain independent professional or other advice to assist the NRC in the performance of its responsibilities and duties.

6.3 EXECUTIVE COMMITTEE

The Company formed an Executive Committee ("EXCO") comprises five (5) Non-Independent and Executive Directors. The members of the EXCO are as follows:

No.	Name	Designation
1.	Datuk Rameli Bin Musa	Chairman
2.	Dato' Dr. Ab Wahab Bin Ismail	Deputy Chairman
3.	Mr. Abdul Rahim Bin Haji Hitam	Member
4.	Mr. Affandi Bin Mokhtar *	Member
5.	Datin Seri Farah Binti Datuk Rameli **	Member

Notes:

* To maintain the balance of 50/50 on Thailand Resident Director and Foreigner on the demise of the late Tan Sri Dr. Surin Pitsuwan, Mr. Affandi Bin Mokhtar has resigned as Non-Independent and Executive Director of the Company effective from 14 December 2017. He was however remained as a member of the EXCO.

** Datin Seri Farah Binti Datuk Rameli was appointed as the EXCO Member effective from 1 February 2018.

The EXCO was set up on 28 October 2014 by the Board with clear and well-defined objectives namely to support the Board's roles and duties by providing organizational directions on behalf of the Board, ensure that business decisions or directions can be made in timely manner and most importantly, to provide advice to the Board on decisions and business matters ranging from strategy planning, policy, investment and risk. In determining that the EXCO meets its objectives, the Board further approved a definite Terms of Reference governing the process and conduct of the EXCO.

18 INGRS SOCIAL RESPONSIBILITY

Incorporating CSR into our annual programs has always been an on-going practice within the Group. The INGRS Group believes the improvement in the conditions surrounding our stakeholders, employees, society and the environment is vital to the growth of the Group. Our corporate social responsibility covers the following key areas: -

EDUCATION AND TRAINING

The Group schedules training and development programs for employees. It aims to educate its employees, to have knowledge, proficiency and expertise to effectively perform all the necessary tasks. Training and development program structure was set up such as Orientation Course, Personal Characteristic Development Course, General Knowledge Development Course, Specialized Learning Development Course and Management Course. The Group also participates in providing industrial and practical training for under graduates from local Institutes of higher learning as a part of its corporate contributions towards education, in line with its belief that education always a key role in nation building.



Group Ingress Lean System (ILS)
Seminar & Annual Team Excellence Convention at FCT, Thailand - May 2017

OCCUPATIONAL SAFETY AND HEALTH

Written policies, including any updates as well as training on occupational safety and health, safety weeks, health check-up are provided to employees. Safety and health activities are also carried out periodically to create awareness and to educate employees on occupational safety and health related matters.



ITSB Malaysia - Safety Month Exhibition at Perodua Malaysia - November 2017



Blood donation at IPSB Malaysia - September 2017

ENVIRONMENT PRESERVATION

The Group emphasizes compliance with environmental laws governing plant operations, maintenance and improvement in areas relating to environment and emission standards, energy conservations, housekeeping and storage methods, noise level management and treatment of plant effluents and waste water at all our factories operations in Thailand, Malaysia, Indonesia and India.



IAV Thailand - Planting activity with Hi-Tech Industrial Estate - December 2017

EMPLOYEE WELFARE AND DEVELOPMENT

As at 31 January 2018, The Group has 1,928 employees spread throughout Thailand, Malaysia, Indonesia and India. Training and development is provided to the employees based on the training need analysis carried out at end of each year comprises both technical and soft-skills. Employees are also provided with medical and healthcare insurance and adequate leave and compensation program which commensurate with their rank and level of employments.

Further, the Group acknowledges the need to provide a healthy and balanced lifestyle to its employees. In this aspect, the Group encourages and supports the activities organized by Ingress Staff Club such as family days, social event and sports activities.



IPSB staff Outing at Bangi Wonderland, Malaysia – May 2017.



FCT staff sport day at Banchang, Rayong Thailand – December 2017

COMMUNITY WELFARE

The Group is also active and concerns for the welfare of the community by supporting social objective in the communities. During the financial year, donations contributions were given to the under privileged communities in Thailand, Malaysia and Indonesia as well as the donations channeled to various non-profitable institutions, charity organizations and welfare societies.



Donation to community by PTIMV Indonesia - August 2017.



ITSB – CSR activity at Primary School in Selangor, Malaysia – November 2017

19 INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors emphasizes on the effective and adequate internal control and risk management in compliance with good corporate governance principle, and thereby assign the Executive Committee ("EXCO") to consider and assess the adequacy of the Group's internal control system. The Group employs independent internal auditors to manage, plan, audit and review internal control systems of its operations and work processes in key risk areas according to the annual audit plan. Internal Auditor discusses their findings and recommendations with Management and reports to the Audit Committee on a quarterly basis.

The Audit Committee considers the report from the Internal Auditors, which summarize the compliance of key activities according to established control and relevant laws and regulations and the follow up of corrective actions. The Audit Committee reviews and concludes that the Group's internal control system is sufficient and adequate, as follows:

1. CONTROL ENVIRONMENT

The Board of Directors and the Company's Management set policies for the Group according to good corporate governance principles to provide guidelines for effective, ethical and transparent working processes. The Company clearly communicates to employees of the Group on the Company's policies and business ethics at employee orientation. Employees shall comply with the rules and regulations, any offense or violation of any regulations will be penalized according to the severity of such actions.

The Company sets up its organization structure in a way that allows the Board of Directors to independently supervise management performance for the best benefits of shareholders. The segregation of duties and responsibilities of the Board of Directors, the sub-committees, the Management and employees are clearly defined. Working procedures are reviewed by external auditors to ensure the effectiveness of its operations.

The Company believes in a good internal control system which includes control of operations, skills, and discipline of employees. The Group's manufacturing processes have been accredited with quality Management System Standard (ISO/TS16949) and environmental Management Standard (ISO14001). The Group continuously provides and manage training activities for employees' continuous development.

2. RISK ASSESSMENT

The Board of Directors assigns the Group Risk Management Department to assess risk factors that may affect the Company's performance and evaluate opportunities for that risk and impact on operations and financials from that risk. The assessment has been made based on past events and their impacts in order to put in place appropriate risk management measures to reduce the impact to an acceptable level. In arriving at the identified risk, the Management of each of the Company's subsidiaries also actively involves in gathering the best possible counter measure to ensure the risks are satisfactorily mitigated.

The Group Risk Management is required to perform an assessment on each of the identified risks factors once every 18 months. The department also reviews the adequacy of risk Management policy and other relevant policies to ensure effective internal control throughout the Group.

3. CONTROL ACTIVITIES

The Company has set clear Group Policies and Procedures, Group Limit of Authority, Quality Work Procedures, Work Instructions for every key functional area. The widely established standard such as ISO14000 and TS16949 quality Management standard also embedded to current operational procedures and work instruction and used by all employees as a guideline for to perform their work correctly and effectively. Proper controls that established in each process are capable to deter errors and any possible unintentional wrong doings.

The Company formulates work instructions for all key functions, which are Production, Purchasing, Sales And Marketing, Engineering And Design, Finance And Accounting and Human Resources. Appropriate controls are embedded in the procedure are likely to prevent any possible misconduct or corruption issues. The Company assigns the Group Internal Audit to monitor its operations to ensure that employees operate according to Group Policies and Procedures, Group Limit of Authority, Quality Work Procedures, Work Instructions. The Group Internal Audit Department to perform audit according to the approved annual audit plan and report to the Audit Committee on a quarterly basis.

The Company defines the scope of duties, responsibilities and approval authority of executives in each level. Details Organization Chart established able to facilitate better segregation over duties and responsibilities of staffs, employees, supervisors, managers and executives are clearly defined in each job descriptions. Access to the database and the operating system is systematically organized and monitored on regular basis, particularly those responsible for authorization, record transaction and custody of assets.

The Group has strict control over the use of assets. Transactions that may lead to a conflict of interest are carefully considered and approved at arm's length basis based on normal business practices. Major contracts and agreements with the Group including those involving major shareholders, executives, and related parties must be duly considered and approved with consideration of independent directors who have no vested interest in the matter. These type transactions have been regularly informed during the Audit Committee Meeting in details on a quarterly basis.

4. INFORMATION AND COMMUNICATION

The Company organizes systematic communication within the organization and uses information technology to enhance effective communication with employees. Employees receive news and information via internal department meetings, the Company's bulletin board, intranet, and email. The Board of Directors receives notices of meeting and related documents via email at least 7 days prior to the meeting day so that the directors have sufficient time to study the agenda before the board meeting. After the meeting, the Company Secretary prepares a minute of meeting and discloses important resolutions to the public according to the disclosure requirements of SET.

The Company discloses information to the public and its stakeholders via various channels, being the Company's website at www.ingress.co.th, SET portal and other media channel on a quarterly basis. The Company emphasizes the role of Investor Relations as a primary contact for inquiries and information distribution and welcomes Company visit and meeting request from shareholders, investors and analysts.

With the establishment of Whistle Blower Policy, the Company provides a clear communication channel for complaints or reports of suspicion of wrongdoings which may lead to corruptions, misconducts, or violation of laws that affect the Company's operations. Employees or any third party can raise their genuine concerns and report to the Audit Committee directly via email at auditcomm@ingress.co.th. The Company is fully committed to fight corruption and commits for the protection of any whistleblower that no one would suffer from detrimental treatments as a result of reporting their suspicion of wrongdoings.

5. MONITORING ACTIVITIES

The Company monitors the performance of its operations and subsidiaries on a regular basis. Each operating unit is scheduled to report its operating performance to the Company's Management on a quarterly basis. The Board of Directors joins the Management to review each subsidiaries' performance to supervise and monitor the Management's performance.

In respect of continuous assessment over the internal control system, the Group Internal Audit Department sets up annual audit plan covering each of key functional areas across the Group which covers Production, Purchasing, Sales and Marketing, Engineering and Design, Finance and Accounting and Human Resources. Internal Auditor performs audits whether operations are in compliance with work instructions, policies and procedures, local rules and regulations and report their findings and follow up of corrective actions to Audit Committee during quarterly board meetings. For issues requiring immediate attention, Internal Auditors quickly reverts their concerns and questions to the Management to discuss and confirm the issues of which Audit Committee will be informed.

Internally, each of the subsidiaries set up its own compliance unit which objectives to evaluate and follow up the compliance with policies, regulations and work instructions. The Group also employs external certified agents to audit and certifies that each subsidiaries are operating in accordance with the standards. In additions, each of the subsidiaries also passes the multiple customers' audit where their operations are carried out according to agreed procedures and that no changes are made in the process without prior notification.

INTERNAL CONTROL SYSTEM

The Company recognizes the importance of an effective internal control system. In this regard, extensive internal controls and procedures, including those set out in the Group Policies and Procedures, are fully established at all levels in the organization.

The internal control system, including compliance with policies and procedures, is formally assessed by the Group Internal Auditor in every financial year. This includes a review of the effectiveness of all financial, operational and related controls.

INTERNAL AUDIT FUNCTION

The internal audit staff independently assesses compliance with policies and procedures and evaluates the effectiveness of all control systems throughout the Group. In arriving at the scope of the audit, all identified risks to the key functional areas have been considered to ensure optimum audit coverage.

Management of each subsidiary is obligated to consider all internal audit findings and recommendations, and immediate remedies are expected to ensure non recurrence of a similar issue. Current practices, all business units under the Group will be audited at least once in each of the financial year to ensure the highest level of transparency and sound Internal Control practices among the employees.

The plan and results of internal audits are reviewed by the Audit Committee.

20 RELATED TRANSACTIONS

During the financial year ended 31 January 2018 ("FY2017/18") and 31 January 2017 ("FY2016/17"), the Company and its subsidiaries ("the Group") had significant transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and agreed upon between the Group and related parties.

Persons who may have a conflict of interests

Corporate shareholders of subsidiaries

	Related party and nature of business	Relationship with the Group
1.	Katayama Kogyo Co., Ltd ("KK") Established in Japan and engaging in the business of manufacturing and sales of various automotive parts, agricultural machinery and construction related parts.	<ul style="list-style-type: none"> • KK is holding 31.43 percent of shares in IAV and has designated two delegates to act as directors in IAV, consisting of (1) Mr. Itsuro Maeno and (2) Ms. Michiko Akamatsu. • KK is holding 10.00 percent of shares in IPSB and has designated one delegate to act as a director in IPSB, who is Ms. Michiko Akamatsu. • KK is holding 25.00 percent of shares in PTIMV and has designated two delegates to act as directors in PTIMV consisting of (1) Ms. Michiko Akamatsu (Board of Commissioners) and (2) Mr. Tetsuji Tamura (Board of Directors).
2.	Yonei & Co., Ltd ("Yonei") Established in Japan and engaging in general trading business with over 200 bases of operations in approximately 80 countries worldwide.	<ul style="list-style-type: none"> • Yonei is holding 6.07 percent of shares in IAV and has designated one delegate to act as a director in IAV, who is Mr. Hiroshi Miyazeki. • Yonei is holding 10.00 percent of shares in PTIMV and has designated one delegate to act as a director in PTIMV, who is Mr. Hiroshi Miyazeki (in the Board of Commissioners).
3.	Iwamoto Co., Ltd ("Iwamoto") Established in Japan and engaging in design, development, fabrication and sales of tooling for stamping.	Iwamoto is holding 30 percent of all voting shares of FCT.

Subsidiaries of a corporate shareholder of a subsidiary

	Related party and nature of business	Relationship with the Group
1.	Perodua Manufacturing Sdn Bhd ("PMSB") Established in Malaysia and engaging in the business of manufacturing and assembly of Perodua vehicles.	PMSB is a subsidiary of Perusahaan Otomobil Kedua Sdn Bhd ("Perodua"), which is holding 30.00 percent of shares in ITSb. Perodua has designated two delegates to act as directors, consisting of (1) Datuk Aminar Rashid Bin Salleh and (2) Dato' Zainal Abidin Bin Ahmad.
2.	Perodua Sales Sdn Bhd ("PSSB") Established in Malaysia and engaging in the business of sales, marketing and distribution of all Perodua vehicles as well as after sales and spare parts operations.	PSSB is a subsidiary of Perodua, which is holding 30.00 percent of shares in ITSb. Perodua has designated two delegates to act as directors in ITSb, consisting of (1) Datuk Aminar Rashid Bin Salleh and (2) Dato' Zainal Abidin Bin Ahmad.
3.	Perodua Global Manufacturing Sdn Bhd ("PGSB") Established in Malaysia and engaging in the business of manufacturing and assembly of Perodua vehicles.	PGSB is a subsidiary of Perodua, which is holding 30.00 percent of shares in ITSb. Perodua has designated two delegates to act as directors in ITSb, consisting of (1) Datuk Aminar Rashid Bin Salleh and (2) Dato' Zainal Abidin Bin Ahmad.

Parent company

	Related party and nature of business	Relationship with the Group
1.	Ingress Corporation Berhad ("ICB") Established in Malaysia and engaging in the business of an investment holding company. Currently, ICB has subsidiaries engaged in ACM business, automobile dealership, as well as engineering services for energy and railway industries.	ICB was the sole major shareholder and the controlling person of the Company.

Related companies

	Related party and nature of business	Relationship with the Group
1.	Ingress Katayama Technical Centre Sdn Bhd ("IKTC") Established in Malaysia and engaging in the business of design and manufacture of roll-forming and extrusion tools, jigs and dies for the automotive components manufacturing.	IKTC is a subsidiary of ICB which is holding 60 percent of shares in IKT and the remaining 40 percent of shares of IKT is being held by KK.

Related companies

	Related party and nature of business	Relationship with the Group
2.	Organic Gain Sdn Bhd ("OGSB") Established in Malaysia and engaging in manufacturing and trading Agro-based product and Halal food product	OGSB is 98.9% owned by the Company director, Dato' Dr. Ab. Wahab bin Ismail of which he is also a director in OGSB.

The significant business transactions with related parties for FY2017/18 and FY2016/17 are as follows:

	Transaction Value (Million Baht)		Transfer pricing policy
	FY2017/18	FY2016/17	
Transactions with parent company			
Dividend paid	132.45	75.86	As announcement
Interest expense	-	11.78	At rates of COF plus 1.25 percent per annum
Transactions with corporate shareholders of subsidiaries			
Sale of goods	0.31	4.06	As agreed
Purchase of raw materials and supplies	20.62	24.79	As agreed
Purchase of machinery and equipment	8.11	9.88	As agreed
Royalty fee	19.85	17.72	Contract price
Technical assistance fee	7.90	6.22	Contract price
Dividend paid	71.49	41.37	As announcement
Transactions with subsidiaries of a corporate shareholder of a subsidiary			
Sale of goods	700.48	1,122.82	As announcement
Transactions with related companies			
Sale of goods	2.38	4.38	As agreed
Rental income	2.04	1.80	Contract price
Purchase of machinery and equipment	33.98	78.29	As agreed
Purchase of supplies	0.29	-	As agreed

For FY2017/18 and FY2016/17, the balance of accounts between the Group and those related parties are as follows:

	Transaction Value (Million Baht)	
	FY2017/18	FY2016/17
Trade and other receivables – related parties		
Trade receivables – related parties		
Subsidiaries of a corporate shareholder of a subsidiary	106.37	45.77
Related companies	1.18	3.26
Total trade receivables – related parties	107.55	49.03
Other receivables – related parties		
Parent company	3.07	8.64
Corporate shareholders of subsidiaries	-	0.2
Subsidiaries of a corporate shareholder of a subsidiary	9.76	145.23
Related companies	15.34	10.91
Total other receivables – related parties	28.17	164.98
Total trade and other receivables – related parties	135.72	214.00
Trade and other payables – related parties		
Trade payables – related parties		
Corporate shareholders of subsidiaries	1.58	1.06
Related companies	1.37	0.25
Total trade payables – related parties	2.95	1.31
Other payables – related parties		
Parent company	16.23	9.01
Corporate shareholders of subsidiaries	2.69	11.99
Subsidiaries of a corporate shareholder of a subsidiary	-	84.74
Associate company	-	0.33
Related companies	9.98	26.25
Total other receivables – related parties	28.90	132.31
Total trade and other receivables – related parties	31.85	133.62

The Group's borrowing guarantee by ICB

The Group's borrowing with financial institution which ICB as corporate guarantees as at 31 January 2018 and 31 January 2017 are as follows:

No.	Borrower	Consolidated Financial Statements				Description of asset for security/mortgage
		31 January 2018		31 January 2017		
		Type	Amount (Million Baht)	Type	Amount (Million Baht)	
1.	Ingress Industrial (Malaysia) Sdn Bhd	TL	222.66	TL	370.01	Corporate guarantee by ICB
2.	Ingress Precision Sdn Bhd	TL	220.24	TL	266.08	Corporate guarantee by ICB
		BA	19.85	BA	11.99	
		RC	80.51	RC	75.56	
3.	Ingress Technologies Sdn Bhd	TL	304.04	TL	395.87	Corporate guarantee by ICB
		BA	80.65	BA	-	
		RC	110.95	RC	77.34	
4.	PT Ingress Malindo Ventures	TL	-	TL	23.66	Corporate guarantee by ICB
		RC	-	RC	47.56	

Remarks: OD = Overdraft; PN = Promissory note; LC = Letter of credit; BA = Banker's acceptance; BG = Bank guarantee; RC = Revolving credit; TL = Term loan

The corporate guarantees provided by ICB were conducted on the borrowing secured from financial institutions, which were historical transactions. For such guarantees, ICB did not charge any compensation from the Group, so the Group did not lose any benefit from such transactions.

Necessity and reasonableness of related party transactions

The Audit Committee considered that the Group's related party transaction entered into with the related parties during the financial year ended 31 January 2018 and 31 January 2017 were normal business transactions and within the normal practice in the automotive industry and were conducted fairly and at the arm's length basis and did not cause the Group to lose any benefits entering into the transactions.

Policies or trends relating to future related party transactions

The connected transactions or related party transactions of the Group with parties that may have a conflict of interests, may hold a stake, or may have a conflict of interests in the future will comply with effective rules provided by the relevant rules of the Securities and Exchange Commission (SEC) and/or the Stock Exchange of Thailand (SET). If the Group wishes to conduct connected transactions or related party transactions with a party that may have a conflict of interests, may hold a stake, or may have a conflict of interests in the future, the Group will strictly comply with the policies and procedures. The Audit Committee has provided the guidelines for the consideration, which include the consideration of the necessity of transactions for the Group's business operations, comparison of prices with those offered by the third parties (if any), and consideration of the essence of the transaction size.

If the related party transactions exist, the Company will designate the Audit Committee to provide opinion about the appropriateness of these transactions. In the event that the Audit Committee has no expertise in considering the related party transactions, the Company will provide an expert, such as an auditor or an independent appraiser, to provide opinion about these related party transactions. The opinions from the Audit Committee or the expert will be used for assisting the decision-making of the Board of Directors or shareholders, as the case may be. This aim is to ensure that such transactions takes into account the utmost benefits of all shareholders.

21 MANAGEMENT DISCUSSION AND ANALYSIS

1. Basis for analysis of the operating results and financial position of the Group

Ingress Industrial (Thailand) Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is an investment holding company whose subsidiaries are principally engaged in the manufacturing and distribution of automotive components. The registered office of the Company is 9/141, 14th Floor, Unit A1, UM Tower Building, Ramkhamhaeng Road, Suanluang, Bangkok, Thailand. The Group's factories and facilities are located in four countries, namely Thailand, Malaysia, Indonesia and India.

The analysis for the Group's business performance, financial position and cash flow is based on the Company's consolidated financial statements for the financial year ended 31 January 2018.

2. Overall operating results

For the financial year ended 31 January 2018 ("FY2017/18") and 31 January 2017 (FY2016/17"), the Group's registered sales revenue of Baht 2,912.9 million and Baht 2,915.9 million respectively which represents a marginal decrease of Baht 3.0 million or 0.1%. Despite the newly inclusion Ingress Autoventures (India) Pvt Ltd ("IALPL") (formerly known as Ingress Mayur Auto Ventures Pvt Ltd) as a wholly owned subsidiary effective from 13 November 2017 which contributed sales revenue of Baht 27.8 million during FY2017/18, the Group sales revenue decrease mainly due to lower sales revenue recorded by Thailand and Indonesia operation by Baht 23.9 million and Baht 34.3 million respectively. Malaysian operation registered higher sales revenue by Baht 19.5 million in comparison to FY2016/17.

Despite lower sales revenue recorded for FY2017/18, the Group's recorded higher gross profit margin of 22.2% as compared to 22.1% recorded in FY2016/17.

The Group registered profit after taxation and minority interest ("PATMI") of Baht 97.8 million in FY2017/18 as compared to Baht 169.6 million in FY2016/17 which represents a decrease of Baht 71.8 million or 42.3%. The decrease was mainly due to the recognition of a significant foreign exchange gain amounting to Baht 77.7 million in FY2016/17 as compared to the recognition of foreign exchange loss amounting to Baht 1.4 million in FY2017/18. The foreign exchange gain/(loss) was mainly due to the gain/(loss) recorded on the elimination of intercompany balances within the Group on the exchange rate fluctuation between local and foreign currency at the end of the financial year as compared to the transaction date.

For FY2017/18, the Group PATMI margin was 3.4% as compared to 5.8% in FY2016/17.

3. Analysis of the operating results

3.1 Sales revenue

The Group was principally engaged in the sales of two major types of automotive components namely roll forming products and stamping products. Most of the subsidiaries in each country manufactured

and sold their products to local Original Equipment Manufacturers ("OEMs") in local currencies (unless advised by the OEM).

The sales revenue structure of the Group by countries and products are as follows:

	Financial Year Ended			
	31 January 2018		31 January 2017	
	Million Baht	Percent	Million Baht	Percent
Sales Revenue by Country				
Thailand	1,137.6	39.0	1,163.3	39.9
Malaysia	1,549.3	53.2	1,522.4	52.2
Indonesia	189.1	6.5	230.2	7.9
India	36.9	1.3	-	-
Total Sales Revenue	2,912.9	100.0	2,915.9	100.0
Sales Revenue by Products				
Roll Forming Products	1,517.3	52.1	1,580.3	54.2
Stamping Products	1,383.0	47.5	1,326.2	45.5
Automation Solution Provider	12.6	0.4	9.4	0.3
Total Sales Revenue	2,912.9	100.0	2,915.9	100.0

Based on the above table, Malaysia was the main contributor for the sales revenue for FY2017/18, accounted for 52.8% from the total Group's sales revenue followed by Thailand and Indonesia operation. The newly inclusion of IALPL contributed sales revenue of 1.2% from the total Group's sales revenue.

The roll forming products were the main contributor of the sales revenue to the Group for FY2017/18, accounted for 52.0% from the total Group's sales revenue while stamping products and automation solution provider contributes sales revenue by 47.6% and 0.4% respectively.

3.2 Other income

Other income comprise of foreign exchange gain, interest income, gain on disposal, etc. The details of other income are follows:

	Financial Year Ended			
	31 January 2018		31 January 2017	
	Million Baht	Percent	Million Baht	Percent
Exchange gain	-	-	75.7	56.0
Scrap sales	39.7	60.5	33.3	24.1
Fair value adjustment on interest free loan	-	-	13.6	9.9
Gain from acquisition of share from non-controlling interest	14.3	21.8	-	-
Miscellaneous income	11.6	17.7	15.1	11.0
Total other income	65.6	100.00	137.7	100.0

For FY2017/18 and FY2016/17, the total other income of the Group were Baht 65.6 million and Baht 137.7 million respectively accounted for 2.2% and 4.5% respectively of the Group's total revenues. From the above table, it can be seen that some of the other income of the Group's were non-normal business transactions such as foreign exchange gains, fair value adjustment on interest free loan and gain from acquisition of share from non-controlling interest.

The Group recognized the foreign exchange gain of Baht 75.71 million in FY2016/17 mainly due to the gain recorded on the elimination of intercompany balances within the Group on the exchange rate fluctuation between local and foreign currency at the end of the financial year as compared to the transaction date. In addition to foreign exchange gains, the Group also recognized other revenues related to the business such as the revenues from scrap from the production of automotive parts, interest income that the Group obtained from short-term investment, income from IPSB's investment property in Malaysia, and gain on sale of equipment and tools, etc.

For FY2017/18, the Group recognised gain from acquisition of share from non-controlling interest in relation to the acquisition of the additional 60% shares in IAIP. The amount recognized in FY2017/18 amounting to Baht 14.3 million was derived from the difference of the carrying amount of investment in associated company as at the date of acquisition of shares in comparison to 40% of the value determined by the independent valuer upon the acquisition of the additional 60% shares in IAIP.

For FY2016/17, the Group recognized income from long-term loans with no interest of Baht 13.6 million as the long-term non-interest income derived from the fact that ITSB and IPSB, Malaysian subsidiaries, received a Malaysian Industrial Development Finance ("MIDF") loans under the Malaysian Government (via MIDF) from with the intention to assist and support the business of manufacturing and selling auto parts to Proton Vendors, the national car manufacturer of Malaysia, who were affected by the unmatched volume of Proton Vendors orders which ITSB and IPSB had advantage of said soft loans subsidised by the government in accordance with TAS 20, accounting for government grants and disclosure of government assistance. As a result, the subsidiaries in Malaysia recognized income from the acquisition of long-term loans with no interest of Baht 13.62 million in the statement of comprehensive income for FY2016/17. In addition, the long-term loan interest income of Baht 13.62 million was based on the difference between the long-term loan as specified in the loan agreement and the fair value of the loan, which based on the sum of the currents that the loaner must repay to the lender's financial institution in accordance with the period specified in the discounted loan agreement with the discount rate based on the market rate.

3.3 Cost of sales

The cost of sales comprises mainly the following:

1. Direct variable costs – materials, purchase parts, indirect materials, sub-contractor costs, consumables, factory sales and distribution, royalty fees, direct labour and factory utility expenses;
2. Fixed overhead costs – indirect labour factory, factory maintenance, factory rental, insurance and factory expenses; and

3. Depreciation and amortisation for factory, plant and machinery.

The components of the Group's cost of sales are as follows:

	Financial Year Ended			
	31 January 2018		31 January 2017	
	Million Baht	Percent	Million Baht	Percent
Direct variable costs	1,729.1	76.3	1,706.8	75.1
Fixed overhead costs	268.8	11.8	278.7	12.3
Depreciation and amortisation	268.9	11.9	285.6	12.6
Total Cost of Sales	2,266.8	100.0	2,271.1	100.00

The cost of sales of the Group classified by countries is as follows:

	Financial Year Ended			
	31 January 2018		31 January 2017	
	Million Baht	Percent	Million Baht	Percent
Cost of Sales by Country				
Thailand	844.1	37.2	868.8	38.2
Malaysia	1,254.0	55.3	1,237.5	54.5
Indonesia	146.4	6.5	164.8	7.3
India	22.3	1.0	-	-
Total Cost of Sales	2,266.8	100.0	2,271.1	100.0

Over the years, the Group continued to have a strict cost and operating expenses control policy to achieve the earning target as well as to adapt with a challenging business environment and the demand by the OEMs to be competitive. In terms of the production cost management, the Group negotiated with the manufacturers and distributors of raw materials including some OEMs to change the type of raw materials but maintained the same product qualities in accordance with Value Added Value Engineering ("VAVE") which resulted in the reduction on the production costs benefiting the group and the customers obtained the automotive components in more reasonable price. The Group also managed to increase the efficient production processes and reduced overall production costs.

3.4 Gross profit and gross profit margin

The gross profit and gross profit margin of the Group classified by countries are as follows :

	Financial Year Ended			
	31 January 2018		31 January 2017	
	Gross Profit Million Baht	Profit Margin Percent	Gross Profit Million Baht	Profit Margin Percent
Gross Profit/Margin by Country				
Thailand	293.5	25.8	294.5	25.3
Malaysia	295.3	19.1	284.9	18.7
Indonesia	42.7	22.6	65.4	28.4
India	14.6	39.6	-	-
Group Gross Profit/Margin	646.1	22.2	644.8	22.1

For FY2017/18 and FY2016/17, the Group's gross profits were Baht 646.1 million and Baht 644.8 million respectively, which represented a margin of 22.2% and 22.1% respectively.

3.5 Selling Expenses

Selling expenses of the Group consisted of distribution, staff and other expenses which can be classified as follows :

	Financial Year Ended			
	31 January 2018		31 January 2017	
	Million Baht	Percent	Million Baht	Percent
Distribution costs	26.4	59.3	28.3	61.3
Staff costs	13.0	29.2	11.4	24.7
Other expenses	5.1	11.5	6.4	14.0
Total Selling Expenses	44.5	100.0	46.1	100.0

3.6 Share of Profit from Associate Company

On 30 January 2017, the Group via IIM acquired 40% shares in IAIPL from IESB with the purpose of expanding the Group's business in India. With the completion of the acquisition, IAIPL became a 40% associate of the Group as at 31 January 2017. The acquisition of such investment was part of the Group's business restructuring and was considered as the acquisition under common control and therefore has assumed IAIPL was in the Group since the inception. On 13 November 2017, the Group via IIM has completed the acquisition of the additional 60% shares from the existing shareholder, Mayur Industries Pvt Ltd. The completion resulted in a change of status from associate company to a wholly owned subsidiary of IIM.

During FY2017/18 (up to 13 November 2017) and FY2016/17, the Group recognized the amount of Baht 4.0 million and Baht 5.1 million respectively as share of profit from associate company.

3.7 Administrative Expenses

The Group's administrative expenses consisted of staff, depreciation and amortization of office assets, management fees and general administrative expenses, such as consulting fees, office expenses, office rental and office maintenance fees. Most of the administrative expenses are personnel expenses. The table below shows the Group's administrative expenses classified by type of expenses.

	Financial Year Ended			
	31 January 2018		31 January 2017	
	Million Baht	Percent	Million Baht	Percent
Staff costs	274.0	60.6	267.8	56.5
General administrative expenses	137.1	30.3	168.8	35.6
Depreciation and amortization of office assets	41.2	9.1	37.0	7.8
Management fees	-	-	0.4	0.1
Total Administrative Expenses	452.3	100.0	474.0	100.0

3.8 Finance cost

The Group's financial expenses consist of interests from overdrafts and short-term loans from financial institutions, interest from hire purchase and financial lease agreements and long-term loans. For FY2017/18 and FY2016/17, the Group's financial expenses were Baht 72.9 million and Baht 74.1 million respectively.

3.9 Income Tax Expenses/(Income)

For FY2017/18 and FY2016/17, the income tax expense/(income) of the Group were Baht (3.2) million and Baht (17.0) million respectively. The income tax expense shown in the statement of comprehensive income was different from the profit before tax multiplied by the applicable tax rate due to the improvements related to the tax calculation, which comprised of the following:

- Adjustment of corporate income tax expense of the previous year;
- Utilization of business tax losses and tax allowances in the current year;
- Difference in income tax rate which was not equal in the Group;
- IAV was granted promotional privileges by the Board of Investment (BOI) for the manufacture of auto parts under the promotional certificates with the exemption from corporate income tax for promoted businesses for a period of 8 years commencing from the first earning operating income and obtained a 50% reduction in corporate income tax for the promoted business of 5 years from the exemption date;
- Adjustment on the non-allowable expenses and tax exempt income;
- Deferred tax recognition on unabsorbed business tax losses and unused reinvestment allowances and capital allowances;
- Deferred tax adjustment item of the previous year;
- Deferred tax effects on tax rate change; and
- Other items.

The income tax expenses/(income) of the Group for FY2017/18 and FY2016/17 are as follows:

	Financial Year Ended			
	31 January 2018		31 January 2017	
	Million Baht	Percent	Million Baht	Percent
Current income tax				
Current income tax charge	19.7	103.7	25.5	45.1
Adjustment in respect of tax/(income) expenses of previous year	(0.7)	(3.7)	31.0	54.9
Total current income tax	19.0	100.0	56.5	100.00
Deferred tax				
Adjustment in respect of tax expense/(income) of previous year	(2.1)	9.5	(69.1)	94.0
Adjustment in respect of deferred tax of previous year	(20.1)	90.5	(4.4)	6.0
Total deferred tax	(22.2)	100.0	(73.5)	100.0
Tax expense/(income) reported in the statement of comprehensive income	(3.2)	100.0	(17.0)	100.0

Note:

- Items considered for tax purposes of the Group were mainly related to Capital Allowance ("CA") and Reinvestment Tax Allowance ("RA") which are tax deductions related to capital expenditure in accordance with Malaysian Law.
- Companies in Malaysia that used the CA deductions would need to invest in capital expenditures for business purposes. The type of fixed assets that a Malaysian company had invested in which would receive a CA tax benefit must be a property that complied with the qualifying capital expenditure according to Malaysian Qualifying Law by which tax deduction from CA was subject to the relevant laws of Malaysia. The unutilized CA would be recognized as deferred tax assets on the statement of financial position and such the unutilized CA could reduce the future tax liabilities of the subsidiary in Malaysia. This was in accordance with the terms and conditions of using the CA of Malaysian tax law.
- RA was an additional tax relief to the CA for a Malaysian company investing in qualifying capital expenditure with the purposes of expanding the existing production capacity, diversification of business into related products or increase the capacity of modernization or automation of the production facilities. The primary objective in providing RA was to promote the business of the manufacturing sectors in Malaysia. The calculation and usage of tax deductions from RA shall be in accordance with the relevant laws of Malaysia and RA that had not been used would be recognized as deferred tax assets on statement of financial position as well as unutilized CA.

3.10 Net Profit and Net Profit Margin

Unit: Million Baht	Financial Year Ended		Increase/(decrease)	
	31 January 2018	31 January 2017	Million Baht	Percent
Net profit for the financial year	147.9	210.4	(62.5)	(29.7)
Non-controlling interests	50.1	40.8	9.3	22.8
Net profit attributable to equity holders of the Company *	97.8	169.6	(71.8)	(42.3)
Earning per share * (Baht)	0.07	0.14	(0.07)	(50.0)

* Inclusive of profit attributable to shareholders of subsidiaries and associated company before combination of business under common control

For FY2017/18 and FY2016/17, the Group registered net profit for the financial year of Baht 147.9 million and Baht 210.4 million respectively, decreased by Baht 62.5 million or 29.7%. The decrease in the net profit was mainly due to the recognition of foreign exchange loss amounting to Baht 1.38 million during FY2017/18 as compared to the recognition of foreign exchange gain amounting to Baht 75.71 million during FY2016/17.

4. Financial position analysis

As at 31 January 2018, the Group has total assets of Baht 4,481.2 million, total liabilities of Baht 1,932.8 and total shareholders' equity of Baht 2,548.3 million.

4.1 Assets

Unit: Million Baht	Financial Year Ended		Increase/(decrease)	
	31 January 2018	31 January 2017	Million Baht	Percent
Trade and other receivables	651.1	692.2	(41.1)	(5.9)
Inventories	272.2	234.3	37.9	16.2
Cash and cash equivalents	288.2	418.5	(130.3)	(31.1)
Property, plant and equipment	2,736.9	2,781.1	(44.2)	(1.6)
Deferred tax assets	352.2	286.7	65.5	22.8
Other assets	180.6	112.5	68.1	60.5
Total assets	4,481.2	4,525.3	(44.1)	(1.0)

As at 31 January 2018, the total assets decreased by Baht 44.1 million or 1.0% in comparison to total assets as at 31 January 2017.

4.2 Liabilities

Unit: Million Baht	Financial Year Ended		Increase/(decrease)	
	31 January 2018	31 January 2017	Million Baht	Percent
Trade and other payables	455.7	594.8	(139.1)	((23.4)
Bank overdrafts and short-term loans				
from financial institution	445.6	401.5	44.1	11.0
Long-term loans	753.7	1,073.3	(319.6)	(29.8)
Deferred tax liabilities	156.9	114.1	42.8	37.5
Other liabilities	120.9	76.4	44.5	58.2
Total liabilities	1,932.8	2,260.1	(327.3)	(14.5)

As at 31 January 2018, the total liabilities decreased by Baht 327.3 million or 14.5% in comparison to total liabilities as at 31 January 2017 mainly due to the decrease in long term loans amounting to Baht 319.6 million of which the amount of Baht 109.5 million was utilizing the listing proceeds.

4.3 Shareholders' equity

Total shareholders' equity increased by Baht 283.1 million, from Baht 2,265.2 million as at 31 January 2017 to Baht 2,548.3 million as at 31 January 2018. The increase was mainly due to the issuance of 261.6 million new ordinary shares with a par value of Baht 1, at an offering price of Baht 1.33 per share to Baht 342.3 million (net of expenses relating to the share offering amounting to approximately Baht 5.6 million).

5. Key financial performance

5.1 Profitability ratio

	FY2017/18	FY2016/17	Increase/(decrease)
Return on assets ("ROA") (%)	2.2%	3.7%	(1.5%)
Return on equity ("ROE") (%)	3.8%	7.5%	(3.7%)

Due to lower profits recorded for FY2017/18, the ROA and ROE decreased by 1.5% and 3.7% respectively in comparison to FY2016/17.

5.2 Liquidity ratio

	FY2017/18	FY2016/17	Increase/(decrease)
Accounts receivable days	69.9	58.2	11.7
Inventory days	43.2	36.6	6.6
Accounts payable days	63.7	68.9	(5.2)
Cash conversion cycle (days)	49.4	25.9	23.5

Even though the average collection period and inventory holding period was deteriorate in FY2017/18 as compared to FY2016/17, the Group monitored and controlled the accounts receivable, inventories and accounts payable throughout the FY2017/18 which resulted the cash conversion cycle recorded at 49.4 days.

5.3 Leverage ratio

	FY2017/18	FY2016/17	Increase/(decrease)
Debt to Equity ratio (times)	0.71	1.04	(0.33)
Current ratio (times)	1.09	1.05	0.04

The interest-bearing debt to equity ratio had continuously decreased to 0.71 times as at 31 January 2018 from 1.04 times as at 31 January 2017, achieving the Group's target of long-term funding structure below 1.0 times. The current ratio had also improved to 1.09 times, indicating that the Group's liquidity fund was sufficient to match current obligations.

6. Cash flow analysis

Unit: Million Baht	Financial Year Ended		Increase/(decrease)	
	31 January 2018	31 January 2017	Million Baht	Percent
Net cash flows from operating activities	214.9	358.6	(143.7)	(40.1)
Net cash flows used in investing activities	(218.8)	(415.8)	197.0	47.4
Net cash flows from (used in) financing activities	(140.2)	127.1	(267.3)	(210.3)
Translation adjustments	16.3	(23.6)	39.9	169.1
Net increase (decrease) in cash and cash equivalents	(127.8)	46.3	(174.1)	(376.0)
Cash and cash equivalents at beginning of the financial year	398.4	352.1	46.3	13.1
Cash and cash equivalents at end of the financial year	270.6	398.4	(127.8)	(32.1)

The balance of cash and cash equivalents as at 31 January 2018 decreased by Baht 127.8 million as compared to FY2016/17 to Baht 270.6 million.

7. Major factors and influence potentially affecting future operations or financial position

The Group's performance was greatly dependent on the development of the automotive industry and economy in the country where we operate namely Thailand, Malaysia, Indonesia and India. The vehicle production volume is an important driver for the manufacture of automotive parts business in Thailand, Malaysia, Indonesia and India, as the Group's revenue tends to move in the same trend as the industry's performance. Apart from the industry's performance, the other factors that would affect the performance of the Group are as follows:

7.1 Exchange rate

Although the Group's policy for subsidiaries in Thailand, Malaysia, Indonesia and India was to manufacture and distribute to local OEMs in local currency, subsidiaries in the Group also had intercompany transactions occurred during the period. The Group's income statement over the past years had been recognized on foreign exchange gain and loss mainly due to the elimination of intercompany transactions in local currency and foreign currency at the end of the period as compared to the transaction date in the future. If the exchange rate fluctuated, net profit of the Group was affected by the recognition of foreign exchange gains or

losses arising from the exchange rate when eliminating of intercompany transaction. In some cases, the Group would need to buy raw materials and equipment for manufacturing from other country which would have affected the Group by the changes of the exchange rate.

7.2 Rate of interest

As at 31 January 2018, the Group had long-term loans from financial institutions amounting to Baht 753.7 million. Some loan agreements included floating interest rates of MLR - 1.50, COF + 1.25% and COF + 1.75. %. Then if interest rates in financial markets had changed significantly, it would also significantly affect business performance of the Group.

In view of the volatility and increase of uncertainties in the economy globally, the Group would continue its close monitoring of the development of the automotive industry in key major markets. In preparation of the challenges ahead, the Group would continue to focus on controlling cost activities and cost reduction measures, as well as improving efficiency and efficient use of resources across the organization. At the same time, the Group would explore new opportunities and new markets to grow. The Group would also continue to emphasis on quality, cost, delivery, morale and safety to meet customers' high standard requirements and continuous improvement across the organization.

22 REPORT OF AUDIT COMMITTEE

The Audit Committee of the Company was formed on 28th October 2014 and is comprised of three (3) qualified Independent & Non-Executive Directors according to the definition and requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The particulars of the Audit Committee members are as follows:

No.	Name	Designation
1.	Mr. Abdul Khudus Bin Mohd Naaim	Chairman
2.	Mr. Nuthavuth Chatlertpipat	Member
3.	Mr. Apichat Suttiisitum	Member

The Audit Committee is tasked to assist the Board of Directors ("the Board") and the overall duties and responsibilities are as follows:

1. to review the financial statements, the significant accounting and reporting issues including complex or unusual transactions and highly judgmental areas including to discuss with the Company's Management and external auditor regarding audit results, relevant risks and management action to decrease the identified risks and to review the effectiveness of internal control over the financial reporting process.
2. to review the effectiveness and adequacy of internal control system including control over the information technology system and the implementation of the recommendations on internal control from internal and external auditors.
3. to review and approve the internal audit charter, annual audit plan, staffing and resources required for the internal audit and to review the effectiveness of the internal audit that complies with the Professional Practices of Internal Auditing.
4. to review and approve the compliance charter, annual plan, staffing and resources required of compliance and control function including to review the non-compliance issues raised by regulatory agencies and the rectification of those issues.
5. to review the adequacy of the Company's risk management process and policies and the effectiveness of the implementation of the Company's risk management systems; and
6. to ensure that the code of conduct and conflict of interest policy is in writing and arrangements are made for all management and employees to be aware of it and promote the compliance with the code of conduct and conflicts of interest policy.

The Audit Committee meets four (4) times annually, or more, whenever necessary. Meetings will normally be attended by the Group Chief Financial Officer, the Head of the Internal Audit Department and a representative of the external auditor (if required). Heads of operation units or other Board members may also be called upon to attend meetings.

For the financial year ended 31st January 2018, the Audit Committee convened four (4) meetings and had expressed their opinion, which can be summarized as follows.

1. The review of quarterly and annual financial statements

The financial reports, disclosure of notes to financial statements, the accounting policy and significant provisions and compliance with financial reporting standards and regulatory requirements were reviewed by the Audit Committee and material matters were highlighted to the Management. The Audit Committee also held a meeting with external auditor in absence of the Management to discuss the auditors' independence and their comments, as well as the auditor's report and concerned issues of the audit and review of financial statements. After the review, the Audit Committee considered that the financial statements in the year 2017-2018 were prepared in accordance with the Thai Financial Reporting Standards (TFRS) and contained sufficient disclosure in the notes to financial statements, and thereby approved the financial statements which external auditor reviewed and audited without reservation.

2. The review of the effectiveness and adequacy of internal control system and internal audit

The Audit Committee conducted quarterly meeting with internal auditor and the Management to review and assess internal control system and performance of each subsidiary. The Audit Committee considered the report from internal auditor to ensure the appropriate and sufficient adequate internal control system. Upon reviewing, the Audit Committee has concluded that the Company's internal control system is at good level without any significant deficiencies.

3. The review of risk management

The Audit Committee identified that the Company has in place the risk management executives who assess the Company's risk factors and evaluate risk management measures to reduce impact to an acceptable level and report to the Audit Committee on quarterly basis. The Audit Committee also noted that the Company has the annual review of risk factors with consideration of the business nature and changes of business environment locally and globally and has appropriate and adequate risk management measures where impact is mitigated within acceptable level.

4. The appointment of external auditor

The Audit Committee noted that the appointment of external auditor is based on knowledge, experience, ability, adequacy of resources, as well as level of independence and quality of their services. The remuneration of auditor is considered based on the scope of duties and responsibilities. Based on the satisfactory results and their widely recognized audit standard and experience, the Audit Committee recommended the reappointment of EY Office Limited as the Company's external auditor for the year ended 31st January 2018 for another term which was concurred by the Board for submission to the Annual General Meeting of shareholders for approval.

5. The review of the compliance with relevant laws and regulations

The Audit Committee presented that the Company's operations and reporting are in compliance with the SEC and SET requirements and regulations relating to the Company's business. The Company has conducted its business according to good governance practices, business ethics, the anti-corruption policy and other policies according to the guidance of the Board. There was no reporting of any misconduct in FY2017/18.

6. The review of related transactions and transactions of potential conflict of interest

The Audit Committee satisfied that these transactions arose in the ordinary course of business for the benefit of the Company and were reasonable, transparent, and had been properly disclosed in compliance with regulatory requirements and good corporate governance principles.

The Audit Committee has performed its duties prudently and independently and issued its opinion for the benefit of the Company without any restriction in obtaining information, resources, and with cooperation from the management. The Audit Committee also assessed its performance of duties and responsibilities in the past year as effective, efficient and achieve the objectives assigned by the Board.

On behalf of the Committee



Mr. Abdul Khudus Bin Mohd Naaim
Chairman of Audit Committee

23 REPORT OF NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") was established on 28th October 2014. Currently, the NRC comprises five (5) members, three (3) of whom are Independent & Non-Executive Directors and the remaining two (2) are Non-Independent & Executive Directors. The particulars of the NRC members are as follows:

No.	Name	Designation
* 1.	Mr. Nuthavuth Chatlertpipat	Chairman
^ 2.	Datuk Rameli Bin Musa	Deputy Chairman
* 3.	Mr. Abdul Khudus Bin Mohd Naaim	Member
* 4.	Mr. Apichat Suttisiltum	Member
^ 5.	Dato ^r Dr. Ab Wahab Bin Ismail	Member

* Independent & Non-Executive Directors

^ Non-Independent & Executive Directors

For the period ended 31st January 2018, the NRC convened four (4) meetings and reported its meetings and performances to the Board.

Similar to the formation of the Audit Committee and the Executive Committee (EXCO), the Board has approved specific Terms of Reference for the NRC whereby it outlines the scope of duties, responsibilities and limits of authority.

1. Overall Duties and Responsibilities

Generally, the NRC is tasked to:-

1.1 assist the Board of Directors of the Company ("the Board") in respect of the recruitment and selection process of the nomination of directors and senior management;

1.2 recommend qualified candidates to the Board for consideration prior to nomination proposal at the Shareholders' Meeting for further approval and appointment; and

1.3 review the compensation package of directors including the Chief Executive Officer ("the CEO") for further recommendation to the Board.

Specifically, the NRC is entrusted to:-

1.4 review the Company's business organization, the required mix of skills, experience and qualifications of its directors and CEO in accordance with the Company's business requirements as directed or necessitated by the decision of the Board;

1.5 propose and recommend candidates to be member of the Board with proper qualifications for the Board to submit for appointment in the Shareholders' meeting of the Company;

1.6 make recommendations to the Board for the successor of the CEO;

1.7 ensure that the Company's remuneration packages are competitive in view of industry practices; and

1.8 perform any other activities, roles and responsibilities as approved, assigned and directed by the Board.

2. Authority

In discharging the roles and responsibilities, the NRC shall have the right to:-

2.1 full and unrestricted access to information and consult any employee of the Company in order to conduct any investigation and to obtain any information pertaining to the Group;

2.2 invite any employee or other individual to attend the NRC meeting; and

2.3 obtain independent professional or other advice to assist the NRC in the performance of its responsibilities and duties.

The NRC has performed its duties prudently for the benefit of the Company. The committee is assured that its performance in the past year was effective, efficient, and achieves the objectives assigned by the Board of Directors. The committee also has disclosed the remunerations and benefits of directors of the Company in the Annual Report and Form 56-1 for transparency purpose.

On behalf of the Committee



Mr. Nuthavuth Chatlertpipat
Chairman of the Nomination and Remuneration Committee

24 REPORT OF EXECUTIVE COMMITTEE

The Company formed an Executive Committee ("EXCO") comprises five (5) Non-Independent and Executive Directors. The members of the EXCO are as follows:

No.	Name	Designation
1.	Datuk Rameli Bin Musa	Chairman
2.	Dato' Dr. Ab Wahab Bin Ismail	Deputy Chairman
3.	Mr. Abdul Rahim Bin Haji Hitam	Member
4.	Mr. Affandi Bin Mokhtar *	Member
5.	Mr. Datin Seri Farah Binti Datuk Rameli **	Member

Notes:

* To maintain the balance of 50/50 on Thailand Resident Director and Foreigner on the demise of the late Tan Sri Dr. Surin Pitsuwan, Mr Affandi Bin Mokhtar resigned as Non-Independent and Executive Director of the Company effective from 14th December 2017. He was however remained as a member of the EXCO.

** Datin Seri Farah Binti Datuk Rameli was appointed as the EXCO Member effective from 1 February 2018.

The EXCO was set up on 28th October 2014 by the Board with clear and well-defined objectives namely to support the Board's roles and duties by providing organizational directions on behalf of the Board, ensure that business decisions or directions can be made in timely manner and most importantly, to provide advice to the Board on decisions and business matters ranging from strategy planning, policy, investment and risk. In determining that the EXCO meets its objectives, the Board further approved a definite Terms of Reference governing the process and conduct of the EXCO.

In FY2017/18, the EXCO convened ten (10) meetings, most of which were project related. For every new project where the subsidiary companies intend to participate in any projects that require new investment, detailed feasibility study will have to be prepared and presented to the EXCO prior to the tabling of the same at the respective board meetings of the subsidiary companies for approval. EXCO meeting is the platform for the Company to evaluate, deliberate, identify the relevant risks and challenge the proposal submitted by the subsidiary companies. With these processes, not only the subsidiary companies are able to provide a competitive offer but also interest of the same is safeguarded.

The Board is of the view that throughout FY2017/18, the EXCO has performed its duties and obligations diligently and prudently within its authorities and limits as provided in its Terms of Reference. The Board further concludes that the EXCO has met its objectives as assigned and expected by the Board.

On behalf of the EXCO



Datuk Rameli Bin Musa
Chairman of the EXCO

25 COMPANY CONTACT INFORMATION

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INGRESS

Ingress Industrial (Thailand) Public Company Limited
and its subsidiaries

**REPORT AND CONSOLIDATED
FINANCIAL STATEMENT**

31 January 2018

26 INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Ingress Industrial (Thailand) Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Ingress Industrial (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 January 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Ingress Industrial (Thailand) Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ingress Industrial (Thailand) Public Company Limited and its subsidiaries and of Ingress Industrial (Thailand) Public Company Limited as at 31 January 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 11 to the financial statements that the process of assessing the fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date of subsidiaries has not yet completed. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The Group is principally engaged in the manufacture and distribution of automotive components.

The Group's revenue was mainly derived from sales of automotive components, which were significant in terms of volume and value, accounting for approximately 98 percent of total revenues. As this revenue had a direct impact on the Group's operating performance, I focused on the recognition of revenue from sales of automotive components, especially the timing of such recognition.

I have assessed and tested the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed key controls. In addition, on a sampling basis, I examined supporting documents for sales transactions occurring during the year and near the end of the accounting period, reviewed credit notes issued after the period-end and performed analytical procedures on revenue from sales accounts.

Business combination

As discussed in the emphasis of matter and Notes 11 to the financial statements regarding the acquisition of investment in Ingress Autoventures (India) Private Limited (Formerly known as "Ingress Mayur Auto Ventures Private Limited"). As at 31 January 2018, the Group provisionally recorded the acquisition using a best estimate of the values of the assets acquired and liabilities assumed, determined by applying the acquisition method. The Group will complete the recording of the acquisition within 31 January 2019, and the amount recorded as at 31 January 2018 may change. I have focused on this business acquisition since it is material to the financial statements as a whole, and the management was required to exercise substantial judgment when appraising the fair value of the assets acquired and liabilities assumed. Therefore, there is a risk with respect to the recognition and the measurement of the assets acquired and liabilities assumed, including initial difference on the acquisition.

I reviewed the terms and conditions of the agreement and inquired with management as to the nature and objectives of the acquisition in order to assess whether the acquisition meets the definition of a business combination under Thai Financial Reporting Standard 3 (revised 2016) *Business Combinations*. I checked the value of the acquisition against supporting documents and related payments to assess whether it reflected the fair value of the consideration transferred and did not include the acquisition-related costs. I tested the calculation and considered the reason for the initial difference on acquisition recognised from the business combination and reviewed the disclosures related to the business combination in the notes to the financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. 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 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.

I am responsible for the audit resulting in this independent auditor's report.

Supanee Triyanantakul

Certified Public Accountant (Thailand) No. 4498



EY Office Limited

Bangkok: 29 March 2018

27 FINANCIAL STATEMENT

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 January 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	7	288,172,524	418,541,452	15,071,139	8,030,604
Trade and other receivables	8	651,153,807	692,178,458	378,073,565	108,737,523
Inventories	9	272,241,095	234,287,250	-	-
Other current assets	10	47,797,279	17,292,548	1,111,350	540,471
Total current assets		1,259,364,705	1,362,299,708	394,256,054	115,308,598
Non-current assets					
Restricted bank deposits		14,037,847	2,372,994	-	-
Unallocated cost of business acquisition	11	46,630,762	-	-	-
Investments in subsidiaries	11	-	-	1,881,160,230	1,881,160,230
Investment in associated company	12	-	30,127,977	-	-
Investment properties	13	42,672,420	42,153,020	-	-
Property, plant and equipment	14	2,736,962,605	2,781,058,916	1,398,832	2,036,185
Intangible assets - computer software		11,826,191	9,753,142	33,332	49,131
Deferred tax assets	24	352,162,780	286,678,749	4,820,490	129,462
Other non-current assets		17,545,990	10,901,430	551,797	495,272
Total non-current assets		3,221,838,595	3,163,047,228	1,887,964,681	1,883,870,280
Total assets		4,481,203,300	4,525,346,936	2,282,220,735	1,999,178,878

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 January 2018

		Consolidated financial statements		(Unit: Baht)	
				Separate financial statements	
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	15	445,641,575	401,484,648	-	-
Trade and other payables	16	455,692,792	594,833,583	668,683,516	705,007,451
Current portion of liabilities under hire-purchase and					
finance lease agreements	17	11,642,867	9,260,216	-	-
Current portion of long-term loans	18	197,487,786	275,748,440	-	-
Dividend payable to related party	6	9,057,825	-	-	-
Income tax payable		16,973,533	17,013,163	-	6,592,426
Other current liabilities		19,046,398	4,140,373	4,181,074	4,305,211
Total current liabilities		1,155,542,776	1,302,480,423	672,864,590	715,905,086
Non-current liabilities					
Liabilities under hire-purchase and finance lease					
agreements, net of current portion	17	28,648,986	20,133,099	-	-
Long-term loans, net of current portion	18	556,267,287	797,517,875	-	-
Provision for long-term employee benefits	19	35,509,676	25,903,187	831,123	647,309
Deferred tax liabilities	24	156,900,449	114,107,827	-	-
Total non-current liabilities		777,326,398	957,662,088	831,123	647,309
Total liabilities		1,932,869,174	2,260,142,511	673,695,713	716,552,397

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 January 2018

					(Unit: Baht)
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Shareholders' equity					
Share capital					
Registered					
1,446,942,690 ordinary shares of Baht 1 each		1,446,942,690	1,446,942,690	1,446,942,690	1,446,942,690
Issued and fully paid					
1,446,942,690 ordinary shares of Baht 1 each					
(2016: 1,185,380,190 ordinary shares of Baht 1 each)	20	1,446,942,690	1,185,380,190	1,446,942,690	1,185,380,190
Share premium	20	80,749,575	-	80,749,575	-
Deficit from the change in the ownership interests in subsidiary	11	(6,399,560)	-	-	-
Deficit from business combinations under common control		(114,092,533)	(114,092,533)	-	-
Retained earnings					
Appropriated - statutory reserve	22	17,000,000	11,000,000	17,000,000	11,000,000
Unappropriated		178,887,272	202,901,417	63,832,757	88,246,291
Other components of shareholders' equity		139,885,531	159,149,884	-	-
Equity attributable to owners of the Company		1,742,972,975	1,444,338,958	1,608,525,022	1,282,626,481
Non-controlling interests of the subsidiaries		805,361,151	820,865,467	-	-
Total shareholders' equity		2,548,334,126	2,265,204,425	1,608,525,022	1,282,626,481
Total liabilities and shareholders' equity		4,481,203,300	4,525,346,936	2,282,220,735	1,999,178,878

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

Directors

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 January 2018

(Unit: Baht)				
	Note	Consolidated financial statements	Separate financial statements	
		2018	2017	
Profit or loss:				
Revenues				
Sales		2,912,920,922	2,915,906,408	-
Other income				
Dividend income	11	-	-	136,460,740
Management fee income		-	-	37,525,965
Gains on exchange rate		-	75,707,990	-
Scrap sales		39,655,728	33,278,647	-
Gain from acquisition of share from non-controlling interest	11	14,332,255	-	-
Others		11,568,969	28,760,490	422,459
Total revenues		2,978,477,877	3,053,653,535	174,409,064
Expenses				
Cost of sales		2,266,758,917	2,271,141,908	-
Selling expenses		44,475,644	46,148,831	-
Administrative expenses		452,288,272	474,028,824	53,466,896
Losses on exchange rate		1,384,604	-	7,919,236
Total expenses		2,764,907,437	2,791,319,563	61,386,132
Profit before share of gain from investments in associated company, finance cost and tax income (expenses)		213,570,440	262,333,972	113,022,932
Share of gain from investments in associated company	12	4,002,210	5,152,721	-
Profit before finance cost and tax income (expenses)		217,572,650	267,486,693	113,022,932
Finance cost		(72,960,168)	(74,104,730)	-
Profit before tax income (expenses)		144,612,482	193,381,963	113,022,932
Tax income (expenses)	24	3,248,918	17,046,154	3,062,608
Profit for the year		147,861,400	210,428,117	116,085,540

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 January 2018

(Unit: Baht)				
	Note	Consolidated financial statements	Separate financial statements	
		2018	2017	
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of financial statements in foreign currency		(1,265,500)	(133,343,690)	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(1,265,500)	(133,343,690)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Actuarial gains (loss) - net of income tax		(4,918,512)	2,273,426	(48,150)
Gains on revaluation of assets - net of income tax		-	13,658,778	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(4,918,512)	15,932,204	(48,150)
Other comprehensive income for the year		(6,184,012)	(117,411,486)	(48,150)
Total comprehensive income for the year		141,677,388	93,016,631	116,037,390
Profit attributable to:				
Equity holders of the Company		97,802,705	164,041,067	116,085,540
Non-controlling interests of the subsidiaries		50,058,695	40,781,978	-
Shareholders of subsidiaries and associated company before combination of business under common control		-	5,605,082	-
		147,861,400	210,428,117	116,085,540
Comprehensive income attributable to:				
Equity holders of the Company		95,172,426	79,627,876	116,037,390
Non-controlling interests of the subsidiaries		46,504,962	10,257,575	-
Shareholders of subsidiaries and associated company before combination of business under common control		-	3,131,180	-
		141,677,388	93,016,631	116,037,390
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	26	0.07	0.14	0.09

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 January 2016

(Unit: Baht)

Note	Consolidated financial statements									
	Equity attributable to owners of the Company									
	Other components of equity									
	Issued and fully paid-up share capital	Reserves	Retained earnings	Exchange differences on translation of foreign currency	Reserves on translation of foreign currency	Share of other comprehensive income	Share of other comprehensive income	Share of other comprehensive income	Share of other comprehensive income	Share of other comprehensive income
Balance as at 1 February 2016	1,163,380,190	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Transfer surplus to the same amount of depreciation of revalued building to retained earnings	-	-	-	-	-	-	-	-	-	-
Cost of business combinations under common control	-	-	-	-	-	-	-	-	-	-
Net assets transfer from business combinations under common control	-	-	-	-	-	-	-	-	-	-
Transfer unappropriated retained earnings to statutory reserve	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
Balance as at 31 January 2017	1,163,380,190	-	-	-	-	-	-	-	-	-

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 January 2016

Note	Consolidated financial statements									
	Equity attributable to owners of the Company									
	Other components of equity									
	Issued and fully paid-up share capital	Reserves	Retained earnings	Exchange differences on translation of foreign currency	Reserves on translation of foreign currency	Share of other comprehensive income	Share of other comprehensive income	Share of other comprehensive income	Share of other comprehensive income	Share of other comprehensive income
Balance as at 1 February 2017	1,163,380,190	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Income in share capital	-	-	-	-	-	-	-	-	-	-
Cost retained to pay for additional shares of a subsidiary	-	-	-	-	-	-	-	-	-	-
Change in the remaining interest in subsidiary	-	-	-	-	-	-	-	-	-	-
Transfer non-current surplus to the same amount of depreciation of revalued building to retained earnings	-	-	-	-	-	-	-	-	-	-
Cost of business combinations under common control	-	-	-	-	-	-	-	-	-	-
Net assets transfer from business combinations under common control	-	-	-	-	-	-	-	-	-	-
Transfer unappropriated retained earnings to statutory reserve	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
Balance as at 31 January 2018	1,163,380,190	-	-	-	-	-	-	-	-	-

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 January 2018

						(Unit: Baht)
Separate financial statements						
Note	Share capital	share premium	Retained earnings		Total shareholder's equity	
			Appropriated - statutory reserve	Unappropriated		
Balance as at 1 February 2016	1,185,380,190	-	5,000,000	53,063,702	1,243,443,892	
Profit for the year	-	-	-	115,072,024	115,072,024	
Total other comprehensive income for the year	-	-	-	(25,104)	(25,104)	
Total comprehensive income for the year	-	-	-	115,046,920	115,046,920	
Transfer of unappropriated retained earnings to statutory reserve	22	-	-	6,000,000	(6,000,000)	-
Dividend paid	27	-	-	(75,864,331)	(75,864,331)	
Balance as at 31 January 2017	1,185,380,190	-	11,000,000	86,246,291	1,282,626,481	
Balance as at 1 February 2017	1,185,380,190	-	11,000,000	86,246,291	1,282,626,481	
Profit for the year	-	-	-	116,085,540	116,085,540	
Total other comprehensive income for the year	-	-	-	(48,150)	(48,150)	
Total comprehensive income for the year	-	-	-	116,037,390	116,037,390	
Increase share capital	20	261,562,500	807,495,75	-	342,312,075	
Transfer of unappropriated retained earnings to statutory reserve	22	-	-	6,000,000	(6,000,000)	-
Dividend paid	27	-	-	(132,450,924)	(132,450,924)	
Balance as at 31 January 2018	1,446,942,690	80,749,575	17,000,000	83,832,757	1,608,525,022	

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 January 2018

					(Unit: Baht)
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Cash flows from operating activities					
Profit before tax		144,612,482	193,381,963	113,022,932	121,176,324
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation		300,008,441	318,809,807	754,653	740,714
Increase in allowance for doubtful debts (Reverse)		(60,725)	2,023,902	-	-
Reversal of reduction of inventory to net realisable value		(4,129,924)	(969,601)	-	-
Dividend income from subsidiaries		-	-	(136,460,740)	(81,923,158)
Gain on changes in fair value of investment property		-	(1,698,322)	-	-
Gains on sales equipment		(4,029,010)	(57,469)	-	-
Write-off equipment		6,947,221	1,582,428	-	-
Unrealised exchange (gains) loss		1,465,144	1,200,212	(4,371,993)	(48,749,622)
Gain from acquisition of share from non-controlling interest		(14,332,258)	-	-	-
Share of gain from investment in associated company		(4,002,210)	(5,162,721)	-	-
Provision for long-term employee benefits		4,364,550	4,457,111	123,627	190,711
Income from Long-term non-interest bearing loans		-	(13,616,654)	-	-
Interest income		(454,782)	(3,602,782)	-	-
Interest expenses		72,960,168	74,104,730	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities		503,349,097	570,562,604	(26,931,521)	(8,565,031)
Operating assets (increase) decrease					
Trade and other receivables		77,493,899	(183,364,501)	(273,138,951)	(14,141,862)
Inventories		(55,754,780)	(10,240,345)	-	-
Other current assets		(14,025,009)	46,511,878	452,814	(537,162)
Other non-current assets		(5,953,321)	2,053,668	(56,525)	-
Operating liabilities increase (decrease)					
Trade and other payables		(184,817,421)	70,957,559	(30,149,034)	19,936,835
Dividend payable to related party		(9,057,825)	-	-	-
Other current liabilities		9,138,863	(498,863)	(124,137)	3,814,967
Provision for long-term employee benefits		(393,946)	(1,970,641)	-	(534,735)
Other non-current liabilities		(4,969,657)	-	-	-
Cash flows from (used in) operating activities		315,009,700	494,021,359	(329,947,354)	(26,988)
Cash paid for interest expenses		(72,960,168)	(72,836,314)	-	-
Cash paid for income tax		(27,128,907)	(62,615,620)	(7,840,989)	(4,883,654)
Net cash flows from (used in) operating activities		214,920,725	358,569,425	(337,788,343)	(4,890,642)

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

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Cash received from dividend paid from subsidiaries	-	-	136,460,740	81,923,158
Cash paid for acquisition of investment in subsidiary	(81,554,929)	-	-	-
Decrease in restricted bank deposits	(10,271,355)	130,745	-	-
Decrease in current investments	-	11,341,351	-	-
Acquisition of building improvement and equipment	(126,271,478)	(527,812,624)	(101,500)	-
Acquisition of intangible assets - computer software	(4,968,768)	(2,869,833)	-	-
Proceeds from sales of equipment	4,505,640	99,969,504	-	-
Cash received from interest income	(298,865)	3,502,782	-	-
Net cash flows from (used in) investing activities	(218,857,755)	(415,838,075)	136,359,240	81,923,158
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	46,237,806	74,957,446	-	-
Decrease in long-term loans from related party	-	(22,410,917)	-	-
Repayment of liabilities under hire-purchase and financial lease agreements	(10,240,303)	(15,962,984)	-	-
Cash received from long-term loans	58,092,199	444,839,379	-	-
Repayment of long-term loans	(383,412,815)	(204,942,353)	-	-
Cash received in payment for additional shares of subsidiary	12,200,000	-	-	-
Cash received from issuance ordinary shares	347,878,125	-	347,878,125	-
Cash paid for direct cost related to the share offering	(6,957,563)	-	(6,957,563)	-
Cash paid for former shareholders of subsidiaries and associated company before the business combination	-	(32,283,456)	-	-
Dividend paid	(132,450,924)	(75,864,330)	(132,450,924)	-
Dividends paid by the subsidiaries to non-controlling interests	(71,551,013)	(41,365,237)	-	(75,864,331)
Net cash flows from (used in) financing activities	(140,204,489)	127,067,548	208,469,638	(75,864,331)
Decrease (increase) in translation adjustment	16,349,585	(23,557,942)	-	-
Net increase (decrease) in cash and cash equivalents	(127,791,934)	46,240,956	7,040,535	1,168,185
Cash and cash equivalents at beginning of year	398,429,455	352,188,499	8,030,604	6,862,419
Cash and cash equivalents at end of year (Note 7)	270,637,521	398,429,455	15,071,139	8,030,604
	-	-	-	-
Supplemental cash flows information:				
Non-cash transactions				
Purchase of machinery and equipment for which no cash has been paid	41,319,361	25,846,765	-	-
Purchase of assets under hire-purchase and finance lease agreements	19,293,186	23,398,356	-	-
Novation of long-term loan from related party of the subsidiary to long-term loan from financial institution	-	419,586,516	-	-

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

28 NOTES TO CONSOLIDATED FINANCIAL STATEMENT

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

For the year ended 31 January 2018

1. Corporate information

Ingress Industrial (Thailand) Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its parent company is Ingress Corporation Berhad, incorporated in Malaysia and its parent company of the group is Ramdawi Sdn. Bhd., incorporated in Malaysia. The Company is principally engaged in the investment holdings. The subsidiaries are principally engaged in the manufacture and distribution of automotive components. The registered office of the Company is 9/141, 14th floor, Unit A, UM Tower Building, Ramkhamhaeng Road, Suanluang, Bangkok.

The Stock Exchange of Thailand ("SET") has approved the listing of the Company's ordinary shares as securities to be traded on the SET, effective from 9 August 2017.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Ingress Industrial (Thailand) Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018 Percent	2017 Percent
<u>Subsidiaries held directly by the Company</u>				
Ingress Industrial (Malaysia) Sdn. Bhd.	Investment holding	Malaysia	100.0	100.0
Ingress Autoventures Company Limited	Manufacture and distribution of automotive components	Thailand	62.5	62.5
Fine Components (Thailand) Company Limited	Manufacture and distribution of automotive components	Thailand	85.0	90.0
<u>Subsidiaries held through Ingress Industrial (Malaysia) Sdn. Bhd.</u>				
Ingress Precision Sdn. Bhd.	Manufacture and distribution of automotive components	Malaysia	90.0	90.0
Ingress Technologies Sdn. Bhd.	Manufacture and distribution of automotive components	Malaysia	70.0	70.0
Talent Synergy Sdn. Bhd.	Provision of engineering and automatic production system design services	Malaysia	100.0	100.0
Ingress Autoventures (India) Private Limited (Formerly known as "Ingress Mayur Auto Ventures Private Limited")	Manufacture and distribution of automotive components	India	100.0*	40.0
<u>Subsidiary held through Ingress Precision Sdn. Bhd.</u>				
PT Ingress Malindo Ventures	Manufacture and distribution of automotive components	Indonesia	60.0	60.0
<u>Subsidiary held through Ingress Technologies Sdn. Bhd.</u>				
PT Ingress Technologies Indonesia	Manufacture and distribution of automotive components	Indonesia	100.0	100.0

* Change status from an associate to a subsidiary on 13 November 2017.

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.

f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

h) The difference between the net proceeds paid or received from the change in the percentage of shareholding in the Company's subsidiaries and the interest of the non-controlling interests of the subsidiaries in the net book value of the subsidiaries as of the date of such change it is included in the consolidated statement of changes in shareholders' equity under caption of "Deficit from the change in the ownership interests in subsidiary".

2.3 The separate financial statements, which present investments in subsidiaries, under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Accounts receivable

Accounts receivable is stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

4.5 Investments

a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

b) Investments in associated company are accounted for in the consolidated financial statements using the equity method.

c) Investments in subsidiaries and associated company are accounted for in the separate financial statements using the cost method. The Company performs impairment reviews in respect of the investments whenever there is an indication that it may be impaired.

4.6 Investment properties

Its subsidiary's investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

Land is stated at revalued amount less allowance for loss on impairment of assets (if any). Buildings and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

The Company and its subsidiaries' land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional valuer to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the assets of the Company and its subsidiaries, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus on property and plant". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.

- When an asset's carrying amount is decreased as a result of a revaluation of the assets of the Company and its subsidiaries, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on property and plant" in respect of the same asset.

The Company and its subsidiaries plan to have these assets revalued every 3 years.

The assets acquired under finance leases are depreciated over the useful life of the assets or the lease terms, whichever is lower, provided there is no reasonable uncertainty that the Company and its subsidiaries will own the assets at the end of the lease terms.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives with the exception of molds used for specific goods, for which depreciation is calculated based on units of production. The estimated useful lives using the straight-line method are as follows:

Long-term leasehold land	-	20 and 99 years
Buildings and buildings improvement	-	5 - 50 years
Long-term leasehold buildings and buildings improvement	-	20 years
Machinery and equipment	-	5 - 10 years
Furniture, fixtures and office equipment	-	3 - 6.7 years
Motor vehicles	-	5 - 6.7 years

Depreciation is included in determining income. The surplus on plant and equipment is amortised to retained earnings on a straight-line basis over the remaining lives of the related assets.

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

The revaluation surplus on land and buildings can neither be offset against deficits nor used for dividend payment.

The Company and its subsidiaries' property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and allowance for impairment losses of the assets (if any).

The Company and its subsidiaries's computer software with finite life is amortised on a straight-line basis over the useful life of 5 and 10 years and tested for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method of such computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

4.10 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiaries that give them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the Company and its subsidiaries' operations.

4.11 Long-term leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period.

The assets acquired under finance leases are depreciated over the shorter the useful life of the asset and the lease period.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However in cases where property, plant and equipment was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment loss may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligations under the defined benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.15 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholder's equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is

required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Net realisable value of inventories

The management uses judgment to estimate the net realisable value of inventories based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of reporting date. In addition, the management makes judgment and estimates expected loss from stock obsolescence based upon past sales history and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company and its subsidiaries measure land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the depreciation replacement cost approach for buildings. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligations under the defined benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

The significant business transactions with related parties, for the years ended 31 January 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements		(Unit: Thousand Baht)
	2018	2017	2018	2017	
Transactions with parent company					<u>Transfer pricing policy</u>
Dividend income	132,451	75,864	132,451	75,864	As announcement
Interest expenses	-	11,781	-	-	At rates of COF plus 1.25 percent per annum
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Management fee income	-	-	37,526	36,916	Contract price
Dividend income	-	-	136,461	81,923	As announcement
Transactions with corporate shareholders of subsidiaries					
Sale of goods	305	4,062	-	-	As agreed
Purchase of raw materials and supplies	20,617	24,794	-	-	As agreed
Purchase of machinery and equipment	8,117	9,883	-	-	As agreed
Royalty fee	19,850	17,716	-	-	Contract price
Technical assistance fee	7,902	6,224	-	-	Contract price
Dividend paid	71,497	41,365	-	-	As announcement
Transactions with subsidiaries of a corporate shareholders of a subsidiary					
Sale of goods	700,482	1,122,823	-	-	As agreed
Transactions with related companies					
Sale of goods	2,380	4,383	-	-	As agreed
Rental income	2,040	1,797	-	-	Contract price
Purchase of machinery and equipment	33,876	78,289	-	-	As agreed
Purchase of supplies	288	-	-	-	As agreed

As at 31 January 2018 and 2017, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade and other receivables - related parties				
Trade receivables - related parties (Note 8)				
Subsidiaries of corporate shareholders of subsidiaries	106,373	45,767	-	-
Related companies	1,181	3,259	-	-
Total trade receivables - related parties	107,554	49,026	-	-
Other receivables - related parties (Note 8)				
Parent company	3,073	8,636	-	-
Corporate shareholders of subsidiaries	-	200	-	-
Subsidiaries	-	-	378,074	106,738
Subsidiaries of corporate shareholders of subsidiaries	9,760	145,229	-	-
Related companies	15,340	10,912	-	-
Total other receivables - related parties	28,173	164,977	378,074	106,738
Total trade and other receivables - related parties	135,727	214,003	378,074	106,738
Trade and other payables - related parties				
Trade payables - related parties (Note 16)				
Corporate shareholders of subsidiaries	1,579	1,064	-	-
Related companies	1,373	250	-	-
Total trade payables - related parties	2,952	1,314	-	-
Other payables - related parties (Note 16)				
Parent company	16,232	9,005	58	65
Corporate shareholders of subsidiaries	2,688	11,985	-	-
Subsidiaries	-	-	663,004	702,767
Subsidiaries of corporate shareholders of subsidiaries	-	84,738	-	-
Associated company	-	331	-	-
Related companies	9,978	26,251	-	-
Total other payables - related parties	28,898	132,310	663,062	702,832
Total trade and other payables - related parties	31,850	133,624	663,062	702,832
Dividend payable to related party				
Corporate shareholder of subsidiary	9,058	-	-	-
Total dividend payable to related party	9,058	-	-	-

Directors and management's benefits

During the year ended 31 January 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	83,403	68,303	15,004	13,673
Post-employment benefits	3,121	2,752	907	907
Total	86,524	71,055	15,911	14,580

7. Cash and cash equivalents

The balances of cash and cash equivalents as at 31 January 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cash	301	347	12	30
Bank deposits	287,872	418,194	15,059	8,001
Total	288,173	418,541	15,071	8,031

As at 31 January 2018, bank deposits in saving accounts and fixed deposits carried interests between 0.10 to 1.10 percent per annum (2017: between 0.38 to 0.85 percent per annum) (the Company only: 1.10 percent per annum 2017: Nil).

Cash and cash equivalents as at 31 January 2018 and 2017 presented in the cash flow statements consist of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cash	301	347	12	30
Bank deposits	287,872	418,194	15,059	8,001
Total cash and bank deposits	288,173	418,541	15,071	8,031
Less: Bank overdrafts (Note 15)	(17,535)	(20,112)	-	-
Total	270,638	398,429	15,071	8,031

8. Trade and other receivables

The balances of trade and other receivables as at 31 January 2018 and 2017 are as follow:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	77,493	45,659	-	-
Past due				
Up to 3 months	4,293	630	-	-
3 - 6 months	25,467	114	-	-
6 - 12 months	-	52	-	-
Over 12 months	301	2,571	-	-
Total trade receivables - related parties	107,554	49,026	-	-
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	315,532	237,173	-	-
Past due				
Up to 3 months	104,325	147,270	-	-
3 - 6 months	35,362	33,378	-	-
6 - 12 months	1,141	537	-	-
Over 12 months	4,313	6,582	-	-
Total trade receivables - unrelated parties	460,673	424,940	-	-
Less: Allowance for doubtful debts	(2,677)	(2,705)	-	-
Total trade receivables - unrelated parties, net	457,996	422,235	-	-
Total trade receivables - net	565,550	471,261	-	-
Other receivables				
Other receivables - related parties	28,173	164,977	378,074	106,738
Other receivables - unrelated parties	75,897	74,995	-	-
Total other receivables	104,070	239,972	378,074	106,738
Less: Allowance for doubtful debts	(18,466)	(19,055)	-	-
Total other receivables - net	85,604	220,917	378,074	106,738
Total trade and other receivables - net	651,154	692,178	378,074	106,738

9. Inventories

The balance of inventories as at 31 January 2018 and 2017 are as follows:

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	43,236	57,985	(1,459)	(2,243)	41,777	55,742
Work in process	44,409	51,609	(777)	(1,055)	43,632	50,554
Raw materials	174,996	119,406	(1,538)	(4,606)	173,458	114,800
Spare parts and factory supplies	12,131	12,639	-	-	12,131	12,639
Goods in transit	1,243	552	-	-	1,243	552
Total	276,015	242,191	(3,774)	(7,904)	272,241	234,287

During the current year, the subsidiaries reversed the write-down of cost of inventories by Baht 4.1 million (2017: Baht 1.0 million), and reduced the amount of inventories recognised as expenses during the year.

10. Other current assets

The balance of other current assets as at 31 January 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Prepaid expenses	13,583	8,936	-	-
Tax Recoverable	10,561	5,874	1,024	-
Advance payment for mold	21,319	1,675	-	-
Others	2,334	808	87	540
Total	47,797	17,293	1,111	540

11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Registered capital		Paid-up capital		Shareholding percentage		Cost		Dividend received during period	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Ingress Industrial (Malaysia) Sdn. Bhd.	118 Million Ringgit	118 Million Ringgit	118 Million Ringgit	118 Million Ringgit	100.0	100.0	1,114,334	1,114,334	61,461	44,423
Ingress Autoventures Company Limited	300 Million Baht	300 Million Baht	300 Million Baht	300 Million Baht	62.5	62.5	685,883	685,883	75,000	37,500
Fine Components (Thailand) Company Limited	267 Million Baht	267 Million Baht	220 Million Baht	208 Million Baht	85.0	90.0	80,943	80,943	-	-
Total							1,881,160	1,881,160	136,461	81,923

Joint venture agreement and shareholding in FCT

On 15 April 2014, Ingress Corporation Berhad ("ICB"), the parent company, entered into a joint venture agreement with Iwamoto Co., Ltd. ("Iwamoto"), a business partner from Japan, with respect to investment in Fine Components (Thailand) Co., Ltd. ("FCT"), under which Iwamoto was to provide FCT with operational support relating to the manufacturing and maintenance of molds and customer acquisition.

Under the agreement, Iwamoto was to invest in 801,000 new ordinary shares of FCT (representing a stake of 30 percent) within two years from the date of the joint venture agreement. If Iwamoto was unable to fully invest in the shares of FCT as specified in the agreement within such period, the two investors were to negotiate to find a reasonable solution.

From July to December 2014, Iwamoto invested in 208,000 new ordinary shares of FCT with a par value of Baht 100 each, amounting to Baht 21 million, representing a 10 percent shareholding in the paid-up capital of Baht 208 million.

On 1 June 2015, the Company entered into an agreement granting rights under the above a joint venture agreement with ICB and Iwamoto, whereby the rights and obligations under the joint venture agreement would be transferred to the Company by the ICB, effective from 1 February 2015.

During the first quarter of the year 2016, the Company and Iwamoto made an additional agreement to extend the period for investment in the remaining 593,000 ordinary shares of FCT to be made by Iwamoto to be within 15 April 2017.

During the first quarter of the current year, the Company and Iwamoto entered into additional agreements as follows:

(1) An agreement to make payment for 122,000 shares with a par value of Baht 100 each, amounting to Baht 12 million. In May 2017, the Company received full payment for the additional shares.

(2) An agreement to make payment for the remaining 471,000 shares with a par value of Baht 100 each, amounting to Baht 47 million, within 15 April 2018.

On 26 May 2017, Fine Components (Thailand) Co., Ltd., a subsidiary, received payment for the additional shares. As a result, the Company's shareholding in this subsidiary decreased from 90 percent to 85 percent. The Company recorded the difference of Baht 6 million between the cost and the book value of the Company's equity interest in the subsidiary that resulted from the change in shareholding under the caption of "Deficit from the change in ownership interests in subsidiary". This is presented as a separate item in shareholders' equity in the consolidated statements of financial position.

Subsidiary held through Ingress Industrial (Malaysia) Sdn. Bhd.

Acquisition of investment in Ingress Autoventures (India) Private Limited (Formerly known as "Ingress Mayur Auto Ventures Private Limited")

On 14 September 2017, the Board of Directors' meeting of the Company approved a resolution requiring a wholly owned subsidiary (Ingress Industrial (Malaysia) Sdn. Bhd. ("IIM")) to enter into a Shares Sales Agreement with Mayur Industries Private Limited ("MIPL"), whereby IIM is to acquire from MIPL 5.3 million ordinary shares of Ingress Autoventures (India) Private Limited ("IAIPL") (Formerly known as "Ingress Mayur Autoventures Private Limited") at a par value of INR 10 per share, representing a 60 percent shareholding in IAIPL, for a total consideration of INR 159.0 million or Baht 82.6 million. As a result of the acquisition, IAIPL's shareholding of IIM would increase from 40 percent to 100 percent. Subsequently, on 11 October 2017, IIM paid INR 15.9 million or Baht 8.8 million, representing 10 percent of the total consideration. On 13 November 2017, IIM paid the remaining consideration, amounting to INR 143.1 million or Baht 78.2 million. As a result of the acquisition, IIM has control over IAIPL. The Group, therefore, classified IAIPL as a subsidiary and has included the financial statements of such subsidiary in the consolidated financial statements from 13 November 2017 (share acquisition date).

The fair values of identified assets and liabilities of IAIPL as at the acquisition date were as follows:

	(Unit: Thousand Baht)
Asset	
Cash and cash equivalents	1,045
Trade and other receivables	35,933
Inventories	21,283
Other current assets	9,615
Restricted bank deposits	1,393
Plant and equipment	67,585
Other non-current assets	713
Total assets	137,567
Liabilities	
Short-term loans from financial institutions	(496)
Trade and other payables	(38,073)
Other current liabilities	(8,003)
Provision for employee benefit	(1,095)
Other non-current liabilities	(6,065)
Total liabilities	(53,732)
Net asset	83,835
Net assets in the portion held by the Company	33,535

(Unit: Thousand Baht)

Investment in subsidiary - at cost	130,467
Less: Acquisition costs	(82,600)
Net book value of investment at the equity method - at acquisition date	47,867
Gain from acquisition of shares from non-controlling interest of the subsidiary	(14,332)
Net assets in the portion held by the Company	33,535
Investment in subsidiary - at cost	130,467
Less: Net assets	(83,835)
Unallocated costs of business acquisition	46,632

Summarised effect about cash flow from acquisitions are as follows:

(Unit: Thousand Baht)

Acquisition costs	82,600
Less: Cash and cash equivalents	(1,045)
Net cash flows paid for acquisition	81,555

As at 31 January 2018, the Group was still in the process of determining the fair value of the business, and therefore assigned an independent appraiser to assess the fair value. In this regard, the fair values of assets acquired and liabilities assumed as at the date of acquisition were the estimated values, which might be adjusted in accordance with TFRS 3 (revised 2016) Business Combinations. According to the standard, the Group's management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the Group is to retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. In addition, the fair values of the businesses acquired during the period are dependent on the result of the purchase price allocation exercise and this process is currently not completed. The Company therefore recorded such discrepancy of INR 89 million or Baht 47 million as non-current assets in the consolidated statement of financial position under the caption of "Unallocated costs of business acquisition".

11.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit or loss allocated to non-controlling interests during the year		Other comprehensive income allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Percent	Percent								
Ingress Autoventures Company Limited	37.5	37.5	406	425	27	13	(1)	1	45	23
Ingress Technologies Sdn. Bhd.	30.0	30.0	344	355	21	21	4	(31)	35	19

11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Ingress Autoventures Company Limited		Ingress Technologies Sdn. Bhd.	
	As at 31 January		As at 31 January	
	2018	2017	2018	2017
Current assets	672	634	1,005	1,178
Non-current assets	677	777	1,151	1,044
Current liabilities	223	236	564	585
Non-Current liabilities	44	43	448	459

Summarised information about comprehensive income

(Unit: Million Baht)

	Ingress Autoventures Company Limited		Ingress Technologies Sdn. Bhd.	
	For the year ended 31 January		For the year ended 31 January	
	2018	2017	2018	2017
Revenue	982	995	1,255	1,173
Profit	71	33	71	71
Other comprehensive income	(1)	2	14	(103)
Total comprehensive income	70	35	85	(32)

Summarised information about cash flow

(Unit: Million Baht)

	Ingress Autoventures Company Limited		Ingress Technologies Sdn. Bhd.	
	For the year ended 31 January		For the year ended 31 January	
	2018	2017	2018	2017
Cash flow from operating activities	137	159	230	24
Cash flow from investing activities	(121)	(23)	(100)	(110)
Cash flow from (used in) financing activities	(140)	(60)	(113)	64
Decrease in translation adjustment	-	-	(2)	(3)
Net increase (decrease) in cash and cash equivalents	(124)	76	15	(25)

12. Investments in associated company

12.1 As at 31 January 2018 and 2017, details of investment in associated company held through Ingress Industrial (Malaysia) Sdn. Bhd., a subsidiary, are as follows:

(Unit: Thousand Baht)

Consolidated financial statements									
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		
			2018	2017	2018	2017	2018	2017	
Ingress Autoventures (India) Pvt. Limited ("IAIPL") (Formerly known as "Ingress Mayur Auto Venture Pvt. Ltd.")*	Manufacture and distribution of automotive components	India	-	40	-	28,572	-	30,128	

* Changed status from an associated to a subsidiary on 13 November 2017.

12.2 Share of comprehensive income

During the years, the Company has recognised its share of profit from investments in associate companies in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Consolidated financial statements				
	Share of profit from investments in associates during the year		Share of other comprehensive income from investments in associates during the year	
	2018	2017	2018	2017
Ingress Autoventures (India) Pvt. Ltd. (Formerly known as "Ingress Mayur Auto Ventures Pvt. Ltd.")*	4,002	5,153	(595)	1,759

* Changed status from an associated to a subsidiary on 13 November 2017.

12.3 Summarised financial information about material associates

Summarised information about financial position of Ingress Autoventures (India) Pvt. Ltd. (Formerly known as "Ingress Mayur Auto Ventures Pvt. Ltd.")*.

(Unit: Thousand Baht)

As at 31 January 2017

Current assets	58,399
Non-current assets	72,865
Current liabilities	(44,774)
Non-current liabilities	(5,580)
Net assets	80,910
Shareholding percentage (%)	40
Share of net assets	32,364
Translation adjustment	(2,236)
Carrying amounts of associates based on equity method	30,128

* Changed status from an associated to a subsidiary on 13 November 2017.

Summarised information about comprehensive income of Ingress Autoventures (India) Pvt. Ltd. (Formerly known as "Ingress Mayur Auto Ventures Pvt. Ltd.")*.

(Unit: Thousand Baht)

As at 31 January 2017

Revenue	214,576
Profit	12,882
Other comprehensive income	(5,575)
Total comprehensive income	7,307

* Changed status from an associated to a subsidiary on 13 November 2017.

13. Investment properties

A reconciliation of the net book value of investment properties for the years ended 31 January 2018 and 2017 is presented below.

(Unit: Thousand Baht)

Consolidated financial statements

	2018	2017
Net book value at beginning of year	42,153	44,021
Gain on change in fair value of investment properties	-	1,698
Translation adjustment	519	(3,566)
Net book value at ending of year	42,672	42,153

A subsidiary (Ingress Precision Sdn. Bhd) leased land to a related company (Ingress Katayama Technical Centre Sdn. Bhd) under a long-term lease agreement for land and buildings on the plot. The subsidiary presented these investment properties at fair value as appraised by an independent appraiser.

During the current year, such company received rental income from investment properties of Baht 2 million (2017: Baht 2 million).

The subsidiary has used the investment properties as collateral for loans granted by financial institutions, as described in notes to the financial statements No.15 and 18.

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis			Cost basis			
	Land	Long-term leasehold land	Buildings and buildings improvement	Long-term leasehold buildings and buildings improvement	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation
Cost/Revalued amount:							
As at 1 February 2016	331,825	259,236	869,323	180,347	5,730,214	137,526	448,560
Additions	-	-	1,412	16,845	135,991	4,586	276,871
Revaluation	-	21,247	-	295	-	-	21,542
Disposals/written-off	-	-	-	-	(63,780)	(1,012)	(82)
Transfers	-	-	8,356	38,336	546,452	381	139
Translation adjustment	(9,154)	(5,561)	(5,918)	(9,405)	(267,605)	(3,525)	(1,115)
As at 31 January 2017	322,671	274,922	872,173	226,218	6,081,212	137,956	50,765
Additions	-	-	793	194	25,584	2,537	8,643
Additional of acquisition during the year	-	-	-	515	102,716	3,346	5,872
Disposals/written-off	-	-	-	-	(67,496)	(3,734)	(4,952)
Transfers	-	-	23	-	118,034	-	-
Translation adjustment	1,323	(14,594)	(13,354)	(7,395)	(1,077)	(47)	662
As at 31 January 2018	323,994	260,328	859,635	219,532	6,258,973	140,058	95,986
							8,200,561

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis			Cost basis			
	Land	Long-term leasehold land	Buildings and buildings improvement	Long-term leasehold buildings and buildings improvement	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation
Accumulated depreciation:							
As at 1 February 2016	-	39,395	255,786	43,161	4,597,778	126,942	23,023
Depreciation for the year	-	10,120	34,359	7,305	253,477	5,346	2,828
Revaluation	-	7,588	-	90	-	-	-
Depreciation on disposals/written-off	-	-	-	-	(38,609)	(983)	-
Translation adjustment	-	(173)	15,100	(3,074)	(158,107)	(3,273)	(598)
As at 31 January 2017	-	56,930	305,245	47,482	4,654,539	128,032	25,253
Depreciation for the year	-	9,639	34,762	6,266	239,133	4,357	3,035
Additional of acquisition	-	-	-	510	40,488	2,059	1,807
Depreciation on disposals/written-off	-	-	-	-	(64,433)	(3,726)	(4,484)
Translation adjustment	-	(5,797)	(17,097)	(1,953)	1,651	68	(168)
As at 31 January 2018	-	60,772	322,910	52,305	4,871,378	130,790	25,443
Net book value:							
As at 31 January 2017	322,671	217,992	566,928	178,736	1,426,673	9,924	7,370
As at 31 January 2018	323,994	199,556	536,725	167,227	1,387,595	9,268	16,612
Depreciation for the year							
2017 (Baht 269 million included in manufacturing cost, and the balance in selling and administrative expenses)							313,435
2018 (Baht 256 million included in manufacturing cost, and the balance in selling and administrative expenses)							297,192

(Unit: Thousand Baht)

	Separate financial statements		
	Buildings improvement	Furniture, fixtures and office equipment	Total
Cost:			
As at 1 February 2016	2,335	1,290	3,625
As at 31 January 2017	2,335	1,290	3,625
Additions	-	102	102
As at 31 January 2018	2,335	1,392	3,727
Accumulated depreciation:			
As at 1 February 2016	593	271	864
Depreciation for the period	467	258	725
As at 31 January 2017	1,060	529	1,589
Depreciation for the period	467	272	739
As at 31 January 2018	1,527	801	2,328
Net book value:			
As at 31 January 2017	1,275	761	2,036
As at 31 January 2018	808	591	1,399

Depreciation for the period are recorded in selling and administrative expenses

In October 2015, the subsidiaries arranged for an independent professional valuer to appraise the value of certain assets on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the market approach.
- Buildings were revalued using the depreciated replacement cost approach.

As a result of the revaluation the subsidiaries increased the surplus on revaluation of land and buildings in the statement of comprehensive income in the year 2016 by Baht 191 million (net of income tax).

In December 2016, a subsidiary (PT Ingress Malindo Ventures) arranged for a revaluation of land and buildings using the current basis. As a result of the revaluation the subsidiary increased the surplus on revaluation of land and buildings by Baht 14 million in the statement of comprehensive income for the year ended 31 January 2017.

Had the land and buildings been carried in the financial statements on a historical cost basis, their net book value as of 31 January 2018 and 2017 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Land	204,417	203,689
Long-term leasehold land	81,857	83,573
Buildings and buildings improvement	341,891	359,026
Long-term leasehold buildings and improvement	158,275	178,858

As at 31 January 2018, the subsidiaries had machinery, vehicles and equipment with net book value of Baht 64 million (2017: Baht 48 million) which were acquired under hire-purchase and finance lease agreements.

As at 31 January 2018, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 3,922 million (2017: Baht 3,811 million).

The subsidiaries have pledged their property, plant and equipment amounting to approximately Baht 1,535 million (2017: Baht 1,683 million) as collateral against credit facilities received from financial institutions as described in Note 15 and 18 to the financial statements.

Long-term leasehold rights to land in Malaysia

As at 31 January 2018, a subsidiary in Malaysia (Ingress Precision Sdn. Bhd.) had the outstanding long-term leasehold rights to land with net book values amounting to RM 11.7 million or Baht 94.6 million (2017: RM 11.9 million or Baht 94.7 million). The leasehold rights to the land were derived from two long-term lease agreements and the Government of Malaysia granted written permission for the subsidiary to utilise the rights to the two plots of land for manufacturing business activity for periods of 99 years, ending in 2086 and 2092. During the lease term, the subsidiary is not required to pay rent annually. After the expiry of 99 years, if the subsidiary wishes to renew the lease, it is required to comply with legal requirements, including payment of fees for renewal and use of the land to the government. Each subsequent renewal may not exceed 99 years. However, if the subsidiary does not follow the legal procedures to seek permission from the Government of Malaysia for the utilisation of two plots of land for business purposes, the right to use the land and buildings thereon will be returned to the Government of Malaysia.

The long-term leasehold rights to the land of the subsidiary is subject to several restrictions with which the subsidiary must comply, including on the use of land for the purposes permitted by the relevant authorities, the transfer or sale of the leasehold rights to the land to other individuals or juristic persons, or the use of land as collateral for debt repayment. The utilisation of land for these purposes requires permission from the authorities before proceeding in accordance with relevant regulations.

The Malaysian law on the possession of land for commercial or industrial purposes stipulates that the type of possession and use of land (defined by the Malaysian government and relevant authorities) is mainly divided into two types, namely the possession and use of land by an occupier who has the ownership of the land (Freehold title) and the possession and use of land by an occupier who has the right to use the land for a period of not exceeding 99 years (Leasehold title).

Long-term leasehold rights to land in Indonesia

As at 31 January 2018, a subsidiary in Indonesia (PT Ingress Malindo Ventures), had the outstanding long-term rights to land with net book values amounting to INR 44,812 million or Baht 105.0 million (2017: INR 46,704 million or Baht 123.3 million). The Government of Indonesia granted the subsidiary the right to build on land in Indonesia for a period of 30 years, which will expire in 2026. During the lease term, the subsidiary is not required to pay rent annually. (The right to build is regarded as a right to utilise and derive benefit from land in Indonesia (Right of Usage)). After a period of 30 years, the right to use such land may be extended, with the first renewal to be for 20 years, while subsequent renewals will be for 30 years. If the subsidiary wishes to renew the lease, it must follow legal procedures, including the payment of fees for the renewal and use of the land to the government. However, if the subsidiary does not follow the legal procedures to seek permission from the Government of Indonesia to use the land for business purposes, the right to use the land, buildings and structures thereon will be returned to the Government of Indonesia.

The long-term leasehold rights to the land of the subsidiary are subject to several restrictions with which the subsidiary must comply, including restrictions on the use of land to the purposes permitted by relevant authorities, the transfer or sale of the leasehold rights to the land to other individuals or juristic persons, or the use of land as collateral for debt repayment. The utilisation of land for these purposes requires permission from the authorities before proceeding in accordance with relevant regulations.

According to the Constitution of the Republic of Indonesia, the ownership of all lands in the country belongs to the government. The law governing the right to occupy and use the land of Indonesia restricts the rights of ownership and use of land (Freehold land ownership) to individuals who have Indonesian nationality and particular juristic persons organised under Indonesia under Indonesian law, such as government agencies, state-run banks, agriculture or agriculture-related cooperatives, and organisations for religious and social causes. Business organisations, whether incorporated in or outside Indonesia, can only seek approval from the Government of Indonesia for the right to use and derive benefit from land located in Indonesia (Right of usage).

15. Bank overdrafts and short-term loans from financial institutions

The balance of bank overdrafts and short-term loans from financial institutions as at 31 January 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements	
		2018	2017
Bank overdrafts (Note 7)	MOR	17,535	20,112
Promissory notes - Baht	MLR - 1.5	129,941	149,941
Revolving credits - USD	12.05	-	47,564
Revolving credits - Ringgit	5.21 - 7.70	191,467	152,893
Revolving credits - Rupee	9.35	6,193	-
Bills payable and trust receipts - Ringgit	3.39 - 4.72, 5.49	100,506	30,975
		<u>445,642</u>	<u>401,485</u>

Details of collateral of bank overdrafts and short term loans from financial institutions can be summarised as follows:

Company's name	Secured by
Ingress Autoventures Company Limited and Fine Components (Thailand) Company Limited	The mortgage of certain the land with structures thereon
Ingress Precision Sdn. Bhd. and Ingress Technologies Sdn. Bhd.	Guaranteed by Ingress Corporation Berhad (parent company)
PT Ingress Malindo Ventures	The mortgage of certain the land with structures thereon, machines and equipment and guaranteed by Ingress Corporation Berhad (parent company) and subsidiary's directors
Ingress Autoventures (India) Private Limited (Formerly known as "Ingress Mayur Auto Ventures Pvt. Ltd.")	Subsidiary's directors

16. Trade and other payables

The balance of trade and other payables as at 31 January 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade payables - related parties	2,952	1,314	-	-
Trade payables - unrelated parties	302,983	288,890	-	-
Other payables - related parties	28,898	132,310	663,062	702,832
Other payables - unrelated parties	91,814	129,405	1,701	25
Accrued expenses	29,046	42,915	3,921	2,150
Total trade and other payables	<u>455,693</u>	<u>594,834</u>	<u>668,684</u>	<u>705,007</u>

17. Liabilities under hire-purchase and finance lease agreements

The balance of liabilities under hire-purchase and finance lease agreements as at 31 January 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Liabilities under hire-purchase and finance lease agreements	44,928	33,112
Less: Deferred interest expenses	(4,636)	(3,719)
Total	40,292	29,393
Less: Portion due within one year	(11,643)	(9,260)
Liabilities under hire-purchase and finance lease agreements - net of current portion	<u>28,649</u>	<u>20,133</u>

Liabilities under hire-purchase agreement

Hire-purchase payable consists of amount payable under various vehicle hire-purchase agreements, with payments to be made over 36 - 60 monthly installments.

Liabilities under finance lease agreements

The subsidiaries have entered into finance lease agreements with various leasing companies for rental of machinery for use in their operations. Installments are paid on a monthly basis 60 periods and at the end of the agreements, the subsidiaries have the option to purchase the machinery at prices specified in the agreements.

Future minimum lease payments required under the hire-purchase agreements and the finance lease agreements as at 31 January 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Less than 1 year		1 - 5 years		Total	
	2018	2017	2018	2017	2018	2017
Future minimum lease payments	13,650	10,872	31,278	22,240	44,928	33,112
Deferred interest expenses	(2,007)	(1,612)	(2,629)	(2,107)	(4,636)	(3,719)
Present value of future minimum lease payment	11,643	9,260	28,649	20,133	40,292	29,393

18. Long-term loans from financial institutions

The subsidiaries have long-term loan agreements with commercial banks as at 31 January 2018 and 2017 as follows:

(Unit: Thousand Baht)

Consolidated financial statements									
Loan	Currency	Interest rate (% per annum)	Repayment schedule	As at 31 January 2018		As at 31 January 2017		Total	Remark
				Current portion	Long-term portion	Current portion	Long-term portion		
Fine Components (Thailand) Company Limited									
(1)	Baht	MLR - 1.50	The loan is repayment in monthly installments, starting from July 2013 to June 2018.	3,850	-	3,850	3,850	13,234	- The mortgage of certain the land.
(2)	Baht	MLR - 1.50	The loan is repayment in monthly installments, starting from May 2015 to February 2020.	1,440	1,520	2,960	1,440	4,400	
Total				5,290	1,520	6,810	10,824	17,634	
Ingress Precision Sdn. Bhd.									
(1)	MYR	5.00	The loan is repayment in monthly installments, starting from July 2015 to June 2018.	10,150	-	10,150	23,585	10,026	- The mortgage of certain the land and building.
(2)	MYR	-	The loan is repayment in monthly installments, starting from July 2016 to June 2021.	12,486	27,862	40,358	12,961	39,866	- The mortgage of certain the machines and equipment.
(3)	MYR	5.00	The loan is repayment in monthly installments, starting from August 2017 to July 2020.	49,797	83,659	133,456	18,620	124,501	- The guaranteed by Ingress Corporation Berhad (the parent company).
(4)	MYR	DOF + 1.75	The loan is repayment in monthly installments, starting from August 2017 to June 2022.	7,251	29,027	36,278	4,272	32,252	
total				79,684	140,548	220,242	59,438	206,645	266,083

(Unit: Thousand Baht)

(Unit: Thousand Baht)

Consolidated financial statements

Loan	Currency	Interest rate (% per annum)	Repayment schedule	As at 31 January 2018			As at 31 January 2017			Remark
				Current portion	Long-term portion	Total	Current portion	Long-term portion	Total	
PT Ingress Malindo Ventures										
(1)	USD	COF + 2.50	The loan is repayment in monthly installments, starting from December 2014 to October 2017	-	-	-	23,662	-	23,662	- The mortgage of certain the machines and equipment. - The guaranteed by Ingress Corporation Berhad (the parent company)
Ingress Technologies Sdn. Bhd.										
(1)	MYR	5.00	The loan is repayment in monthly installments, starting from December 2014 to November 2017.	-	-	-	42,531	-	42,531	- The mortgage of certain the land and buildings - The mortgage of certain the machines and equipment. - The guaranteed by Ingress Corporation Berhad (the parent company)
(2)	MYR	5.00	The loan is repayment in monthly installments, starting from January 2015 to December 2017.	-	-	-	46,461	-	46,461	
(3)	MYR	5.00	The loan is repayment in monthly installments, starting from December 2015 to November 2018.	7,542	-	7,542	7,773	7,451	15,224	
(4)	MYR	5.40	The loan is repayment in monthly installments, starting from January 2016 to November 2022.	26,040	120,903	146,943	22,191	147,216	169,407	
(5)	MYR	5.00	The loan is repayment in monthly installments, starting from July 2016 to June 2021	4,149	9,251	13,400	4,304	10,237	17,541	
(6)	MYR	5.00	The loan is repayment in monthly installments, starting from August 2017 to July 2021.	37,322	61,349	98,671	15,201	89,503	104,704	

(Unit: Thousand Baht)

Consolidated financial statements

Consolidated financial statements												
Loan	Currency	Interest rate (% per annum)	Repayment schedule	As at 31 January 2018			As at 31 January 2017			Remark		
				Current portion	Long-term portion	Total	Current portion	Long-term portion	Total			
(7)	MYR	5.90	The loan is repayment in monthly installments, starting from July 2018 to June 2022.	4,593	27,255	31,838	-	-	-			
(8)	MYR	5.90	The loan is repayment in monthly installments, starting from July 2018 to June 2020.	1,625	4,023	5,648	-	-	-			
Total				61,261	222,781	304,042	138,461	257,407	395,868			
Ingress Industrial (Malaysia) Sdn. Bhd.												
(1)		COF + 1.25	The loan is repayment in monthly installments, starting from August 2016 to October 2024	31,243	191,418	222,661	43,363	326,656	370,019	- The mortgage of the Ingress Precision Sdn. Bhd. and Ingress Technologies Sdn. Bhd.'s land and building. - The guaranteed by Ingress Corporation Berhad, Precision Sdn. Bhd. and Ingress Technologies Sdn. Bhd.		
Total				31,243	191,418	222,661	43,363	326,656	370,019			
Total long-term loans - net				197,468	556,267	753,735	275,748	797,518	1,073,286			

Key restrictions of long-term loans from financial institution are summarised below:

Subsidiaries' name	Key restriction
Fine Components (Thailand) Company Limited	- Maintaining the key financial ratios - Assignment of benefits from property insurance policy - Restrictions on dividend payments, disposal of and creation of obligations over property, etc.
Ingress Industrial (Malaysia) Sdn. Bhd.	- Restrictions on dividend payments, shareholding structure, and creation of obligations over property, etc.
Ingress Precision Sdn. Bhd. and Ingress Technologies Sdn. Bhd.	- Shareholding of Malaysian shareholders is at least 51 percent. - Restrictions on dividend payments, shareholding structure, and creation of obligations over property, etc.
PT Ingress Malindo Ventures	- Restrictions on dividend payments, shareholding structure, disposal of and creation of obligations with respect to property, and additional indebtedness and capital reduction, etc.

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement as at 31 January 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Provision for long-term employee benefits at beginning of year	25,903	26,299	647	960
Additional of acquisition during the year	1,095	-	-	-
Included in profit or loss:				
Current service cost	2,962	3,260	117	185
Interest cost	1,403	1,165	7	5
Past service costs and gains or losses on settlement	-	32	-	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	329	-	36	-
Financial assumptions changes	3,268	(4,317)	6	(85)
Experience adjustments	1,824	1,339	18	117
Benefits paid during the year	(394)	(1,971)	-	(535)
Translation adjustment	(880)	96	-	-
Provision for long-term employee benefits at end of year	<u>35,510</u>	<u>25,903</u>	<u>831</u>	<u>647</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	2018	2017	2018	2017
Cost of sales	3,211	3,062	-	-
Selling and administrative expenses	1,154	1,395	124	190
Total expenses recognised in profit or loss	<u>4,365</u>	<u>4,457</u>	<u>124</u>	<u>190</u>

The Company and its subsidiaries expect to pay Baht 2.3 million of long-term employee benefits during the next year (The Company only: Baht 0.4 million) (2017: Baht 1.5 million The Company only: 0.4).

As at 31 January 2018, the weighted average duration of the liabilities for long-term employee benefit is 13 - 20 years (The Company only: 13 years) (2017: 14 - 15 years) (The Company only: 14 years).

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(percent per annum)	(percent per annum)	(percent per annum)	(percent per annum)
Discount rate	2.70, 7.25, 7.50 and 7.84	3.20, 8.50 and 9.00	2.70	3.20
Future salary increase rate	5.00, 5.50 and 10.00	5.00 and 10.00	5.00	5.00
Staff turnover rate	0.00 - 25.00	0.00 - 30.00	1.00	1.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 January 2018 and 2017 are summarised below:

	(Unit: Thousand Baht)			
	As at 31 January 2018			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,924)	2,218	(36)	41
Salary increase rate	2,147	(1,904)	40	(36)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Staff turnover rate	(1,278)	1,446	(4)	4

(Unit: Thousand Baht)

	As at 31 January 2017			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,740)	2,094	(23)	27
Salary increase rate	2,045	(1,730)	27	(23)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Staff turnover rate	(1,417)	1,573	(3)	3

20. Share capital

Between 31 July 2017 and 2 August 2017 the Company made an initial public offering of 317 million of its existing ordinary shares and 262 million newly issued ordinary shares with a par value of Baht 1 each, at an offering price of Baht 1.33 per share, amounting to Baht 421 million and Baht 348 million, respectively. The Company has received full payment for the additional capital and registered the increase of its issued and paid-up share capital from Baht 1,185 million (1,185 million ordinary shares with a par value of Baht 1 each) to Baht 1,447 million (1,447 million ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on 4 August 2017. The Stock Exchange of Thailand approved the 1,447 million ordinary shares with a par value of Baht 1 each as listed securities, with trading permitted from 9 August 2017.

The Company incurred expenses relating to the share offering amounting to approximately Baht 5.6 million (net of income tax of Baht 1.4 million), and these expenses were recorded as a deduction against share premium.

21. Revaluation surplus

This represents surplus arising from revaluation of land and buildings. The surplus is amortised to retained earnings on a straight-line basis over the remaining useful lives of the related assets.

Movements of revaluation surplus account for the year ended 31 January 2018 and 2017 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Balance at beginning of year	321,313	327,142
Add: Revaluation of assets during the year	-	13,659
Less: Amortisation for the year	(19,600)	(19,488)
Balance at end of year	301,713	321,313

The revaluation surplus on land and buildings can neither be offset against deficits nor used for dividend payment.

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve equal to at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend payment.

According to Section 1202 of the Thai Civil and Commercial Code, a subsidiary (incorporated under Thai Laws) is required to set aside a statutory reserve equal to at least 5 percent of its net profit each time the company pays out a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend payment.

23. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Raw materials and consumables used	1,422,853	1,295,089	-	-
Changes in inventories of finished goods and work in progress	30,944	(14,323)	-	-
Salaries, wages and other employee benefits	618,462	589,533	28,716	23,072
Depreciation and amortisation	300,008	318,810	755	741
Repair and maintenance expenses	71,802	86,340	1,670	338
Rental expenses	42,795	47,690	906	843
Utility expenses	57,975	59,217	261	231
Travelling expenses	28,703	26,426	4,702	3,918
Transportation expenses	53,838	59,558	-	-
Royalty fee	19,853	17,748	-	-

24. Income tax

Tax (income) expenses for the years ended 31 January 2018 and 2017 were summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current income tax				
Current income tax charge	19,676	25,493	-	7,716
Adjustment in respect of tax (income) expenses of previous year	(748)	30,981	225	(1,681)
Total current income tax	18,928	56,474	225	6,035

Deferred tax

Adjustment in respect of tax income of previous year	(2,075)	(69,110)	(3,288)	69
Adjustment in respect of deferred tax of previous year	(20,102)	(4,410)	-	-
Total deferred tax	(22,177)	(73,520)	(3,288)	69
Tax (income) expenses reported in the statements of comprehensive income	(3,249)	(17,046)	(3,063)	6,104

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 January 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax relating to gains on revaluation of assets	-	-	-	-
Deferred tax relating to actuarial gains (loss)	(502)	705	(12)	(6)
	(502)	705	(12)	(6)

The reconciliation between accounting profit and tax (income) expenses are shown below:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit before tax	144,612	193,382	113,023	121,176
Thai corporate income tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	28,922	38,676	22,605	24,235
Adjustment in respect of tax (income) expenses of previous year	(748)	30,981	225	(1,681)
Used tax losses, capital allowance and reinvestment allowance in the current year, on which deferred tax assets have not been recognised	(12,472)	(98,448)	1,391	-
Difference in tax rate in group companies	(1,409)	(572)	-	-
Effects of:				
Promotional privileges (Note 25)	(5,401)	(6,538)	-	-
Non-deductible expenses	7,428	29,026	12	53
Tax-exempt income	-	-	(27,292)	(16,385)
Share of profit from investment in associated company	(800)	(1,031)	-	-
Adjustment of deferred tax of previous year	(20,102)	(4,410)	-	-
Others	1,333	(4,730)	(4)	(118)
Total	(17,542)	12,317	(27,284)	(16,450)
Tax (income) expenses reported in the statement of comprehensive income	(3,249)	(17,046)	(3,063)	6,104

The components of deferred tax assets and deferred tax liabilities as at 31 January 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets				
Allowance for doubtful debt	8,973	8,878	-	-
Differences of depreciation for accounting and tax purpose	210	227	-	-
Reduction of inventory to net realisable value	706	1,481	-	-
Provision for long-term employee benefits	4,699	3,305	166	129
Unused tax losses	6,321	1,662	4,654	-
Unused reinvestment allowance	331,254	271,127	-	-
Total	352,163	286,680	4,820	129

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax liabilities				
Differences of depreciation for accounting and tax purpose	105,249	59,716	-	-
Revaluation surplus on land and buildings	48,504	51,328	-	-
Liabilities under finance lease agreements	3,147	3,064	-	-
Total	156,900	114,108	-	-

As at 31 January 2018, the subsidiaries have unused tax losses totalling Baht 16 million (2017: Baht 16 million). No deferred tax assets have been recognised on these amounts as the management of the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

25. Promotional privileges

One subsidiary (Ingress Autoventures Company Limited) has received promotional privileges from the Board of Investment for the manufacture of automotive components, pursuant to the promotion certificate as follows:

Item	Certificate No.	Dated	Description of products	Income tax privilege (years)	Date of first income derived
1.	2345(2)/2553	3 December 2010	Door sashes	8	17 October 2011
2.	5092(2)/2556	21 May 2013	Door sashes	8	11 March 2013

Subject to certain imposed conditions, the privileges include exemptions from import duty on approved machinery and raw materials, exemption from corporate income tax on profits from the promoted activities, for a period of 8 years commencing from the date of the first sales, and decrease from corporate income tax on profits from the promoted activities 50 percent of the normal rate, for a period of 5 years commencing from the date of expiration of exemption.

26. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit attributable to equity holders of the Company (Thousand Baht)	97,803	164,041	116,086	115,072
The weighted average number of ordinary shares in issue during the year	1,315,087	1,185,380	1,315,087	1,185,380
Earnings per share (Baht per share)	0.07	0.14	0.09	0.10

27. Dividend paid

Dividend	Approved by	Dividend paid (Million baht)	Dividend per share (Baht)
Dividend for the year 2017	The Annual General Meeting of the shareholders on 26 April 2017	38.0	0.03
First Interim dividend for the year 2018	The Board of the Directors Meeting on 28 March 2017	56.8	0.05
Second Interim dividend for the year 2018	The Board of the Directors Meeting on 14 December 2017	37.6	0.03
Total dividends for 2018		132.4	0.11
Dividend for the year 2016	The Annual General Meeting of the shareholders on 31 May 2016	37.9	0.03
Total dividends for 2017		37.9	0.03

28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and its subsidiaries are principally engaged in the manufacturing of the automotive components. Its operations are carried on in Thailand, Malaysia, Indonesia and India. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

Revenue from external customers is based on locations of the customers for the year ended 31 January 2018 and 2017 as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2018	2017
Revenue from external customers		
Thailand	1,137,628	1,163,297
Malaysia	1,549,311	1,522,405
Indonesia	189,045	230,204
India	36,937	-
	2,912,921	2,915,906

Other non-current assets (other than deferred tax assets and unallocated costs of business acquisition) as at 31 January 2018 and 2017 as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Non-current assets		
Thailand	935,280	1,036,129
Malaysia	1,628,129	1,584,512
Indonesia	192,392	225,598
India	67,244	30,128
Total	2,823,045	2,876,367

Information about major customers

For the year ended 31 January 2018, the Group has revenue from two major customers in amount of Baht 982 million and Baht 542 million (2017: Baht 865 million and Baht 436 million derived from two major customers).

29. Provident fund

The company and its subsidiaries in Thailand and its employees in Thailand have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the subsidiaries and employees contribute to the fund monthly, at the rate of 5 percent of basic salary. The fund, which is managed by Kasikom Securities Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. For the year ended 31 January 2018, the company and its subsidiaries contributed Baht 4 million to the fund (2017: Baht 4 million).

The provident funds of the overseas subsidiaries and their employees have been established in accordance with each subsidiary's policies and the law of its country of domicile.

30. Commitments and contingent liabilities

30.1 Capital commitment

As at 31 January 2018 and 2017, the subsidiaries had capital commitments relate to the acquisitions of machinery and equipment as follows:

(Unit: Million)

	Consolidated financial statements	
	2018	2017
MYR	2	3
USD	1	1
IDR	671	3,131
JPY	250	192
Total in Million Baht	130	113

30.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of motor vehicles and residences. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease payments required under these non-cancellable operating leases contracts as at 31 January 2018 and 2017 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Payable:				
In up to 1 year	10	8	2	1
In over 1 and up to 5 years	4	9	2	-

30.3 Long-term service commitments

Three subsidiaries (Ingress Autoventures Company Limited, Ingress Precision Sdn. Bhd. and PT Ingress Malindo Ventures) have entered into license agreement and technical assistance agreement with Katayama Kogyo Co., Ltd., a corporate shareholder of that subsidiaries. Under the conditions of the license agreements, the subsidiaries are to pay an annual royalty fee as stipulated in the agreements.

One subsidiary (Fine Components (Thailand) Company Limited) has entered into license agreement and technical assistance agreement with Iwamoto Co., Ltd., a corporate shareholder of that subsidiary. Under the conditions of the license agreement, the subsidiary is to pay an annual royalty fee as stipulated in the agreements.

30.4 Guarantees

As at 31 January 2018, two local subsidiaries have outstanding bank guarantees of approximately Baht 10 million (2017: Baht 9 million) issued by banks on behalf of the subsidiaries in respect of certain performance bonds as required in the normal course of business.

31. Fair value hierarchy

As at 31 January 2018 and 2017, the subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements							
	As at 31 January							
	Level 1		Level 2		Level 3		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Assets measured at fair value								
Investment properties	-	-	-	-	43	42	43	42
Property plant and equipment	-	-	-	-	1,228	1,286	1,228	1,286
Liabilities for which fair value are disclosed								
Long-term loans	-	-	-	-	805	1,066	805	1,066
Liabilities under hire-purchase and finance lease agreements	-	-	-	-	40	30	40	30

32. Financial instruments

32.1 Financial risk management

The Company and its subsidiaries financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, restricted bank deposits, bank overdrafts and short-term loans from financial institutions, trade and other payables, dividend payable to related party, liabilities under hire-purchase and finance lease agreements and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, bank overdrafts and short-term loans from financial institutions, liabilities under hire-purchase and finance lease agreements and long-term loans. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements									
	As at 31 January									
	Fixed interest rates		Floating interest rate		Non-interest bearing		Total		Effective interest rate	
	Within 1 year	1 - 5 years	2018	2017	2018	2017	2018	2017	2018	2017
									(% p.a.)	(% p.a.)
Financial assets										
Cash and cash equivalents	40	-	-	-	237	377	288	419	Note 7	Note 7
Trade and other receivables	-	-	-	-	650	692	650	692	-	-
Restricted bank deposits	3	-	8	-	-	-	14	2	1.49 - 6.32	BLR-2 2.80
	43	-	8	-	887	1,069	952	1,113		
Financial liabilities										
Bank overdrafts and short-term loans from financial institutions	298	231	-	-	-	-	446	401	Note 15	Note 15
Trade and other payables	-	-	-	-	456	595	456	595	-	-
Dividend payables to related party	-	-	-	-	9	-	9	-	-	-
Liabilities under hire-purchase and finance lease agreements	11	9	29	20	-	-	40	29	2.35 - 8.15	2.68 - 15.00
Long-term loans	154	193	334	432	-	-	754	1,073	Note 18	Note 18
	463	433	363	452	465	595	1,705	2,098		

Separated financial statements								(Unit: Million Baht)
As at 31 January								
	Fixed interest rates		Non-interest bearing		Total		Effective interest rate	
	Within 1 year							
	2018	2017	2018	2017	2018	2017	2018 (% p.a.)	2017 (% p.a.)
Financial assets								
Cash and cash equivalents	10	-	5	8	15	8	Note 7	-
Trade and other receivables	-	-	378	107	378	107	-	-
	10	-	383	115	393	115		
Financial liabilities								
Trade and other payables	-	-	669	705	669	705	-	-
	-	-	669	705	669	705		

Foreign currency risk

Subsidiaries exposure to foreign currency risk arises mainly from trading transactions and acquisition of machines that are denominated in foreign currencies.

As at 31 January 2018 and 2017, the balances of financial assets and liabilities denominated in foreign currencies were summarised below.

Consolidated financial statements

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
MYR	-	-	0.1	-	8.0514	7.9534
USD	0.4	0.3	0.1	2.4	31.3762	35.1908
JPY	-	-	43.0	57.3	0.2883	0.3098
IDR	-	-	44.7	-	0.0024	0.0026

Separate financial statements

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
MYR	37.9	8.2	70.2	78.2	8.0514	7.9534
USD	0.2	-	-	-	31.3762	35.1908

32.2 Fair values of financial instruments

The estimated fair value of financial instruments, in comparison with the carrying amounts as at 31 January 2018 and 2017 are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	2018		2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Long-term loans	754	805	1,073	1,066
Liabilities under hire-purchase and finance lease agreements	40	40	29	30

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other receivables, restricted bank deposits, bank overdrafts and short-term loans from financial institutions, trade and other payables, dividend payable to related party and liabilities under hire-purchase and finance lease agreements, their carrying amounts in the statement of financial position approximate their fair value.

b) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value. The fair values of other long-term loans are determined by calculating the present value of expected future cash flows, with a discount rate that approximates the current market rate for loans with similar terms and conditions.

33. Capital management

The primary objective of the Company and its subsidiaries' capital management are to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 January 2018 and 2017, the Group's debt-to-equity ratio were summarised below.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Debt-to-equity rate	0.76:1	1.00:1	0.42:1	0.56:1

34. Events after the reporting period

On 29 March 2018, the Board of Directors' Meeting of the Company had the following resolutions.

a) To approve the increase register share capital of Ingress Autoventures (India) Private Limited (Formerly known as "Ingress Mayur Auto Ventures Private Limited") from INR 90 million (8,999,875 ordinary shares of INR 10 each) to INR 93 million (9,278,222 ordinary shares of INR 10 each) by issuing 278,347 ordinary shares of INR 10 each.

b) To propose the payment of a final dividend for the year 2017 to its shareholders at the rate of Baht 0.026 per share, calculated based on the 1,447 million registered and paid-up shares, or a total of Baht 38 million, for approval by the 2018 Annual General Meeting of the Company's shareholders. The Company will record the dividend in the first quarter of the year 2018 and pay the dividend in the second quarter of the year 2018

Ingress Autoventures Company Limited

On 27 March 2018, the Board of Directors' meeting of Ingress Autoventures Company Limited passed a resolution to propose the payment of a final dividend for the year 2017 to its shareholders at the rate of Baht 10 per share, calculated based on the 3 million registered and paid-up shares, or a total of Baht 30 million, for approval by the 2018 Annual General Meeting of the subsidiary's shareholders. The meeting also passed a resolution to propose the payment of an interim dividend for the year 2018 to its shareholders at the rate of Baht 10 per share, or a total of Baht 30 million. Such subsidiary will pay and record the dividend in the second quarter of the year 2018.

Ingress Technologies Sdn. Bhd.

On 23 March 2018, the Board of Directors' meeting of Ingress Technologies Sdn. Bhd. passed a resolution to propose the payment of a final dividend for the year 2017 to its shareholders at the rate of MYR 0.19 per share, calculated based on the 20 million registered and paid-up shares, or a total of MYR 3.75 million, for approval by the 2018 Annual General Meeting of the subsidiary's shareholders. Such subsidiary will record the dividend in the first quarter of the year 2018 and pay the dividend in the second quarter of the year 2018.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 29 March 2018.



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The investor can find more information of the Company from the Company's Annual Registration Statement (Form 56-1) at www.sec.or.th or the Company's website