



ANNUAL REPORT 2019/2020

AN ASEAN COMPANY
WITH GLOBAL REACH



INGRESS INDUSTRIAL (THAILAND) PUBLIC COMPANY LIMITED



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Statement

OUR VISION

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

iNGRESS





OUR MISSION

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.

INGRESS

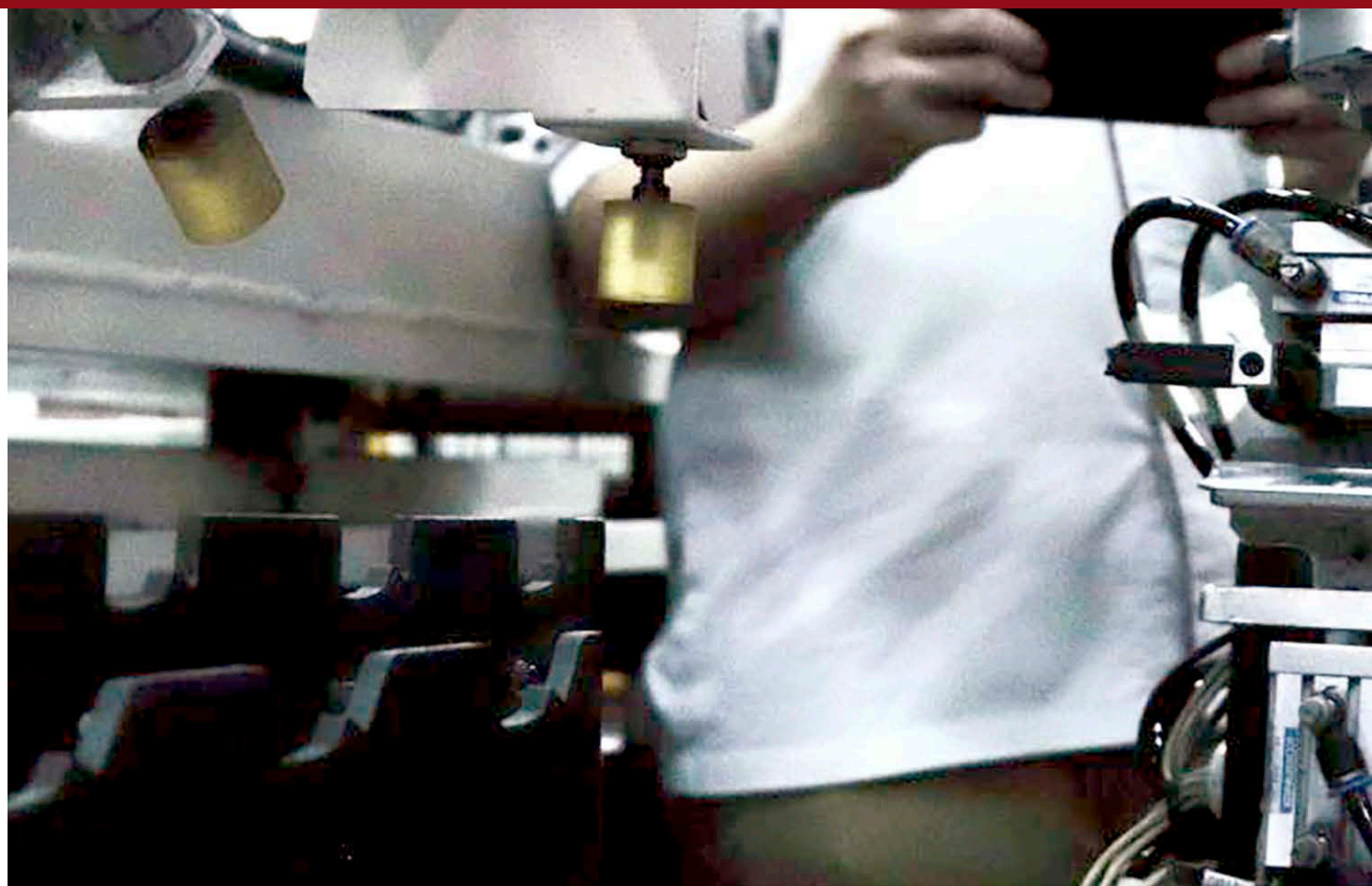
OUR CORE VALUES

INGRS adhere strongly to corporate governance and conduct their business with honour, transparency and integrity. We create high-trust culture, entrepreneurship, professional attributes and meaningful partnership since the formative years of Ingress is therefore a manifestation of our belief in these values

INGRESS







A large industrial robotic arm with a white body and black flexible conduits is the central focus of the image. It is positioned in a factory environment, with various mechanical components and structures visible in the background. The lighting is bright, highlighting the metallic surfaces of the robot and the surrounding equipment.

OUR FUTURE

INGRS have put in various strategies in place, with Cash flow management needs as an integral element of company's overall COVID-19 risk assessment and managing the supply chain disruptions caused by the efforts to contain the spread of the virus.

Strengthening our management structure, in order to support the "Growth Engines" to ensure all projects exceeds all customers' expectations, is another key area. At the same time, we shall continue to explore opportunities to further market expansions in Thailand and Vietnam, as well as potential technologies acquisition that shall enhance INGRS' competitiveness and potentially discovering new "Growth Engines" of the future.

INGRESS

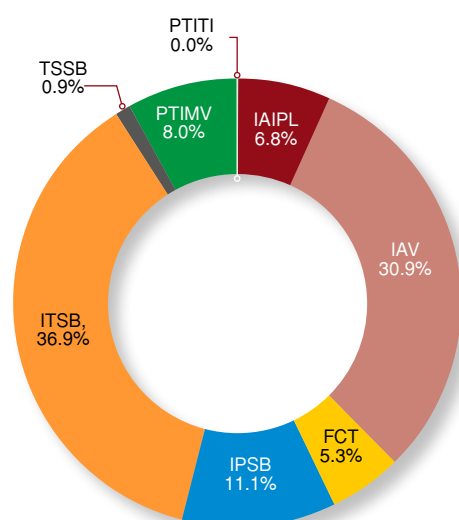
FINANCIAL HIGHLIGHTS

	Consolidated Financial Statements				
	FY2019/20	FY2018/19	FY2017/18	FY2016/17	FY2015/16
Statement of Financial Position (Million Baht)					
Current Assets	1,280.0	1,179.4	1,259.4	1,362.3	1,173.7
Non-current Assets	2,845.0	2,962.0	3,221.8	3,163.0	3,222.9
Current Liabilities	1,200.7	1,020.5	1,155.5	1,302.5	1,237.1
Non-current liabilities	462.0	552.9	780.7	957.7	837.5
Paid up capital	1,446.9	1,446.9	1,446.9	1,185.4	1,185.4
Shareholder's Equity	1,594.6	1,758.4	1,739.5	1,444.3	1,470.0
Total Equity	2,462.3	2,568.1	2,544.9	2,265.1	2,322.0
Statement of Comprehensive Income (Million Baht)					
Sales Revenue	2,838.1	3,199.3	2,912.9	2,915.9	3,158.6
Gross Profit	546.4	633.0	644.3	636.4	642.0
Other Revenue	87.8	92.1	65.6	137.7	146.8
EBITDA	405.4	464.8	516.1	586.3	574.9
Net Profit Before Tax	48.2	99.5	142.8	193.4	210.0
Net (Loss)/Profit After Tax	(79.3)	76.4	147.2	210.4	177.0
Net (Loss)/Profit After Tax					
Attributable to Equity Holders	(76.1)	54.1	97.1	169.6	132.0
(Loss)/Earning per share	(0.05)	0.04	0.07	0.14	0.11
Dividend paid - interim	37.6	37.6	94.4	37.9	40.0
Dividend paid - final	37.6	37.6	37.6	37.9	37.9
Financial Ratios					
Current Ratio (times)	1.07	1.16	1.09	1.05	0.95
Gross Profit Margin	19.3%	19.8%	22.1%	21.8%	20.3%
Net Profit Before Tax Margin	1.7%	3.1%	4.9%	6.6%	6.6%
Net (Loss)/Profit After Tax Margin	(2.8)%	2.4%	5.1%	7.2%	5.6%
Return on Total Assets	(1.8)%	1.3%	2.2%	3.7%	3.0%
Return on Equity	(3.1)%	2.1%	3.8%	7.5%	5.7%
Debt to Equity Ratio (times)	0.65	0.55	0.71	1.04	0.88
Dividend payout (% of Net (Loss)/Profit After Tax)					
Tax Attributable to Equity Holders)	(98.8)%	139.0%	135.9%	44.7%	59.0%

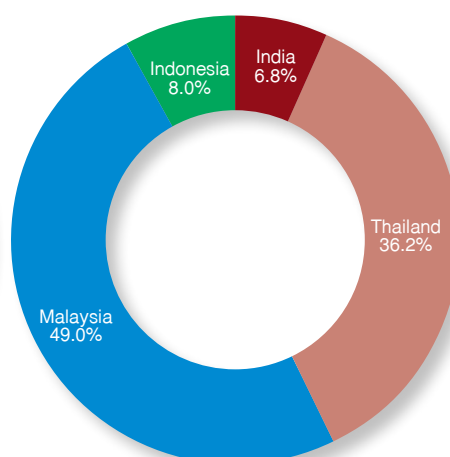
REVENUE STRUCTURE

EXTERNAL SALES REVENUE (Million Baht)	Consolidated Financial Statements				
	FY2019/20	FY2018/19	FY2017/18	FY2016/17	FY2015/16
Sales Revenue by Company					
Ingress Autoventures Co., Ltd	876.3	1,021.5	972.6	984.7	1,024.5
Fine Components (Thailand) Co., Ltd	151.2	182.2	165.0	178.6	205.1
Ingress Precision Sdn Bhd	316.2	311.7	319.0	370.8	365.8
Ingress Technologies Sdn Bhd	1,046.5	1,214.3	1,217.7	1,132.2	1,343.1
Talent Synergy Sdn Bhd	26.7	17.0	12.6	9.4	15.3
PT Ingress Malindo Ventures	226.8	228.8	188.8	239.7	204.3
PT Ingress Technologies Indonesia	0.0	0.0	0.3	0.5	0.5
Ingress Autoventures (India) Pvt Ltd	194.4	223.8	36.9	-	-
	2,838.1	3,199.3	2,912.9	2,915.9	3,158.6
Sales Revenue by Country					
Thailand	1,027.5	1,194.8	1,137.6	1,163.3	1,229.6
Malaysia	1,389.4	1,542.5	1,549.3	1,512.4	1,724.2
Indonesia	226.8	238.3	189.1	240.2	204.8
India	194.4	223.7	36.9	-	-
	2,838.1	3,199.3	2,912.9	2,915.9	3,158.6
Sales Revenue by Products					
Rollforming products	1,613.7	1,785.8	1,517.3	1,595.2	1,594.6
Stamping products	1,197.7	1,396.5	1,383.0	1,311.3	1,548.7
Automation solution	26.7	17.0	12.6	9.4	15.3
	2,838.1	3,199.3	2,912.9	2,915.9	3,158.6

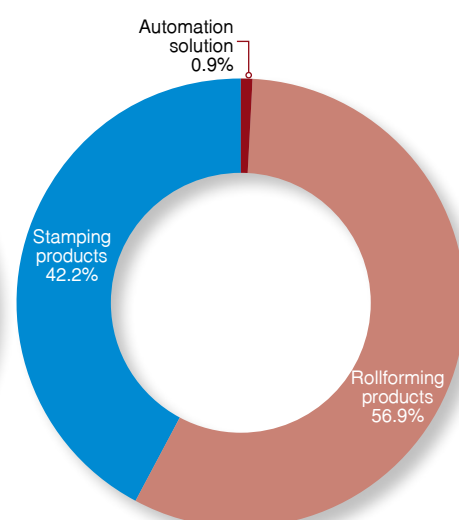
SALES REVENUE BY COMPANY



SALES REVENUE BY COUNTRY



SALES REVENUE BY PRODUCTS



BOARD OF DIRECTORS' MESSAGE



2.85 BN
REVENUE OF FINANCIAL YEAR

12
COMPANIES
IN 4 COUNTRIES



DEAR ALL SHAREHOLDERS,

The world as we know it has changed dramatically since January 2020, the coronavirus has overtaken our lives and transformed our world, presenting an unprecedented medical, economic and humanitarian challenges. The implications of the outbreak for every nation and for our customers, employees and shareholders are profound and it will reverberate for years to come. These past months have also shown that the necessary measures taken by countries such as “Restricted Movement Order (RMO)” and full “Lock Down”, come with high consequences for society as we see industries and businesses struggle for survival.

Since financial year 2019, the world's economy was impacted by trade tensions, political and economic uncertainties which have severely affected the performances of INGRS. This was felt throughout the countries that we are present, namely Thailand, Malaysia, Indonesia and India. In fact, additional temporary factors that have slowed down the automotive manufacturing, include adjustments to new emission standards and increase cost of car ownership in India, unfavorable foreign exchange rates in Thailand and tax impact of localization issues in Malaysia, have worsened the situation.

Due to drop in sales revenue for FY 2019/20, INGRS registered LAT of Baht 79.35 million in comparison to PAT registered for FY2018/19 of Baht 76.36 million. The decrease was mainly due to lower profits recorded by the Thailand Operation on a lower sales revenue recorded in FY 2019/20 in comparison to FY2018/19 and increase in deferred tax for FY2019/20 by Baht 118.20 million as compared to FY 2018/19.

Silver Lining, the new “GROWTH ENGINES”.

In 2019, INGRS management have aggressively pursued numerous “Growth Engines” to ensure future increase in business size and sustainability for the group of companies.

As to thrust INGRS Group into the era of Industry 4.0, Talent Synergy Sdn. Bhd. (TSSB), the System Integration arm of INGRS, signed a “Distributorship Agreement” with Neuoromeka Co. Ltd., of Korea on 22 January 2019. This agreement will allow TSSB to distribute Collaborative Robots (COBOTS - Robots that can interact with Humans safely within close proximity) for ASEAN, Middle East & India. TSSB has taken advantage of this opportunity by creating numerous automation projects to achieve efficient and high-quality products for INGRS companies and are also collaborating with numerous government agencies to promote COBOTS within the industry. TSSB is currently moving towards implementing “Smart Factory” within INGRS and beyond.

We received a major long outstanding boost in our presence in Indonesia by successfully securing Letter of Intent (LOI) on 3 of September 2019 for supply of Door sash and Stamping related parts to Hyundai Motors Manufacturing Indonesia (HMMI). This new “Growth Engine” in Indonesia will benefit PT Ingress Malindo Ventures (PTIMV) supplying Roll Forming related products, PT Ingress Technologies Indonesia (PT ITI) supplying small stamping parts and newly established PT Ingress Industrial Indonesia (PT III) supplying Medium Stamping and Module Assemblies. This is the result of strong collaborative efforts together with our Korean Technical Assistance (TA) partners, namely Tae Sung Automotive (TSA) for Stamping and Woo Young for Roll Forming related parts. Since then, we have acquired a 35,000 square meters facility to accommodate this expansion. We are also in the best position to secure the next upcoming models, respectively.

Another major expansion for INGRS in Malaysia is the newly established Joint Venture company (JV Co) - Ingress AOI Technologies Sdn. Bhd. (IATSB). This is the result of collaboration between Ingress Technologies Sdn. Bhd. (ITSB - INGRS subsidiary for medium stamping in Malaysia) with Perodua (A major OEM in Malaysia and our main customer) and Aoi Kikai (Daihatsu Owned company in Japan) in Selangor, Malaysia on 14 October 2019. The manufacturing facility of 36,800 square meters is located near the Perodua facilities in Selangor, Malaysia to benefit from an efficient delivery system. With this new joint venture, IATSB shall be the forefront of “High Tensile” stamping and Assembly, providing strong and lightweight parts which is the platform for “Energy Efficient Vehicle (EEV)” of the future. This will place IATSB at the forefront, serving the customers with the best technology moving forward for Malaysia and the region.

In addition, our Indian operation Ingress Autoventures (India) Private Limited (IAIPL) has moved from Gurugram to a larger facility in Manesar with a land size of 11,055 square meters in July 2019. This location is necessary to accommodate further business expansions for the company.

As for the operation side, as part of our continuous efforts to ensure competitiveness, through various initiatives including Innovative and Employee Suggestion Scheme (ESS), Innovative Creative Circle (ICC), Small Improvement Team (SIT) and Group Purchasing. The success attributes from the strong Management participation and systematic monitoring at each company level.

Testament to our commitment to supply only the highest quality products to our customers, we continue to receive numerous awards such as Mitsubishi Motors Thailand Quality Achievement for Ingress Autoventures in Thailand and Toyota Zero Defect for PT Ingress Malindo Ventures in Indonesia.

BEYOND Covid-19

In 2020, as the world continues to face economic uncertainties, the International Monetary Fund (IMF) forecasts that the World and Asean-5 Gross Domestic Products (GDP) shall shrink by 3.0% and 0.6%, respectively. It is believed that the economies shall endure a gradual recovery, in part due to most countries' Central banks moving quickly to address problems in the credit markets with the Governments implementing fiscal Stimulus to counter the impact.

Assuming the pandemic fades in the second half of 2020 and containment efforts can be gradually eased, the global economy is projected to grow by 5.8% in 2021 while emerging and developing Asia is expected to rebound to 8.5%. The IMF has projected the real GDP will grow for Asean-5 countries which are expected to see a combined GDP growth of 7.8% with Thailand, Malaysia, Indonesia and India which are set to expand by 6.1%, 9.0%, 8.2% and 7.4%, respectively.

We take our responsibility seriously as our main focus is to ensure the health and safety of our team, partners and customers. Following the recommendations of the authorities in the countries where we operate with focus to stop the spread and minimize the pressure on the healthcare system. Furthermore, we have taken extensive preventive measures to avoid the spread of the virus within our premises and facilities to safeguard our personnel and production to be able to continue to serve our customers.

It is as an integral element of our company's overall COVID-19 risk assessment and managing the supply chain disruptions caused by the efforts to contain the spread of the virus.

Strengthening our management structure in order to support the "Growth Engines" to ensure all projects exceeds all customers' expectations is another key area. At the same time, we shall continue to explore opportunities to further market expansions in Thailand and Vietnam, as well as potential technologies acquisition that shall enhance INGRS' competitiveness and potentially discovering new "Growth Engines" of the future.

Management priorities continues in the areas of providing Safe, Healthy and Productive workplace, Cost Reduction (enlarging Group Purchasing activity) and continuation of the Ingress Lean System (ILS) merging with the new digital technologies embedded in Industry 4.0.

ACKNOWLEDGEMENTS

On behalf of the INGRS Shareholders, Directors and Management, we would like to extend our most sincerest appreciations to all INGRS team members and family, customers, suppliers, Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET), Financial Advisor - Maybank Kim Eng, Auditors and Consultants for their hard work, commitment and dedication that helped us throughout the year.

CONCLUSIONS

We will once again work in 2020 in partnership with all 1,766 INGRS members within the 12 companies in 4 countries, with the strong and undivided support, we look forward to overcome the challenges together. It is at most important and expedient that we continue our collaboration across the industry to keep our respective businesses progression to ensure the employment of our people and to help Minimize the financial impacts we are seeing globally

With all these new "Growth Engines" in terms of market and technologies, including a few more in the pipeline, INGRS have set the motion plans to continue on the path of long-term sustainable growth for the business, which in turn shall ensure substantial financial returns for our shareholders and stakeholders over the coming years.

THE BOARD OF DIRECTORS,
Ingress industrial (Thailand) Public Company Limited.

REPORT OF AUDIT COMMITTEE



“ The Audit Committee supports the Board by critically evaluating the governance and assurance process on which the Board places its reliance. ”

Mr. Abdul Khudus Bin Mohd Naa'im
Chairman of Audit Committee

The Audit Committee of the Company was formed on 28 October 2014 and comprises (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 Naa'im	Chairman
2.	Mr. Nuthavuth Chatlertpipat	Member
3.	Mr. Apichat Suttijsiltum	Member

DUTIES AND RESPONSIBILITIES

FINANCIAL STATEMENT	INTERNAL CONTROL	RISK MANAGEMENT	POLICIES AND PROCEDURE
<ul style="list-style-type: none"> 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 actions to decrease the identified risks and to review the effectiveness of internal controls over the financial reporting process. 	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> 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. Review the adequacy of the Company's risk management process, policies and the effectiveness of the implementation of the Company's risk management systems; 	<ul style="list-style-type: none"> 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.

AUDIT COMMITTEE MEETING

The Audit Committee meets at least 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 the meetings.

In FY2019/20, 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 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 for FY2019/20 were prepared in accordance with the Thai Financial Reporting Standards (TFRS) and contained sufficient disclosures 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 company within the Group.
- 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 Group's internal control system is at good and adequate 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 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 impacts are 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 on the scope of duties and responsibilities.
- Based on the satisfactory results and their widely recognized audit standard and experience, the Audit Committee recommends the reappointment of the auditor from EY Office Limited as the Company's external auditor for the financial year ending 31 January 2020 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 FY2019/20.

6. The Review of Related Transactions and Transactions of Potential Conflict of Interest

- The Audit Committee is satisfied that these transactions arose in the ordinary course of business for the benefits of the Company and were reasonable, transparent, and have 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 management. The Audit Committee has assessed its performance of duties and responsibilities in the past year was 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

REPORT OF NOMINATION AND REMUNERATION COMMITTEE



“ NRC assist the Board to recruit Quality Directors and Experience Senior Management for the Bright future of the Company ”

Mr. Nuthavuth Chatlertpipat
Chairman of the 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 Chatlertpipat	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

In FY2019/20 the NRC convened four (4) meetings in which three (3) NRC meeting were related to the on re-election of directors, appointment of directors and senior management in subsidiaries and new joint venture company, review payment of directors, appointment representative to attend Annual General meeting and the remaining one (1) NRC meeting was related to the review of annual increment for senior management.

Similar to the formation of the Audit Committee and the Executive Committee, 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 to 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 Nomination and Remuneration Committee 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 Chatlerpipat

Chairman of the Nomination and Remuneration
Committee

REPORT OF THE EXECUTIVE COMMITTEE



“The EXCO evaluate, deliberate, identify the relevant risks and challenges all new business proposals of the Group to ensure our competitiveness as well as to safeguard our interest.”

Datuk Rameli Bin Musa
Chairman of the EXCO

The Company formed an Executive Committee (“EXCO”) comprising seven (7) 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. Hamidi Bin Maulod	Member
4.^	Datin Seri Farah Binti Datuk Rameli	Member
5.	Mr. Affandi Bin Mokhtar	Member
6.	Mr. Mohd Safri Bin Sabtu	Member
7.	Mr. Nosri Bin Hamzah	Member

Notes: ^ Board of Directors of the Company

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.

In FY2019/20, the EXCO convened eleven (11) meetings, in which eight (8) EXCO meetings were project related and the remaining three (3) EXCO meetings were related to other relevant matters.

For every new project when the subsidiary companies intend to participate that require new investment, detailed feasibility study 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 challenges 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 FY2019/20, 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

COMPANY INFORMATION

INGRESS INDUSTRIAL (THAILAND) PUBLIC COMPANY LIMITED



BOARD OF DIRECTORS



1 Nuthavuth Chatlertpipat
Chairman of the Board of Directors
Independent and Non-Executive Director

2 Datuk (Dr.) Rameli Bin Musa
Deputy Chairman of the Board of Directors
Non-Independent and Executive Director

3 Hamidi Bin Maulod
Chief Executive Officer (CEO)
Non-Independent and Executive Director

4 Dato' Dr. Ab. Wahab Bin Ismail
Non-Independent and Executive Director



5 Abdul Khudus Bin Mohd Naaim
Independent and Non-Executive Director

6 Apichat Suttisiltum
Independent and Non-Executive Director

7 Datin Sri Farah Binti Datuk Rameli
Non-Independent and Executive Director

8 Surin Wungcharoen
Non-Independent and Non-Executive Director

BOARD OF DIRECTORS

BIODATA AND EDUCATION BACKGROUND OF IIT DIRECTORS



NUTHAVUTH CHATLERTPIPAT
CHAIRMAN OF THE BOARD OF DIRECTORS
INDEPENDENT & NON-EXECUTIVE DIRECTOR

Mr. Nuthavuth Chatlertpipat graduated with 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 Tammathirat University. A licensed attorney, Mr. Nuthavuth Chatlertpipat is also a Thai Barrister-at-law.

He is the managing partner of BKK Legal Limited. He has considerable experience in wide range of corporate and commercial areas. He started his legal practice in 1992. He had 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"), a member of the Audit Committee and the Chairman of the Nomination and Remuneration Committee. He has assumed the chairmanship of IIT since December 2017.



DATUK (Dr.) RAMELI BIN MUSA
DEPUTY CHAIRMAN OF THE BOARD OF DIRECTORS
NON-INDEPENDENT & EXECUTIVE DIRECTOR

Datuk (Dr.) Rameli Bin Musa holds a Bachelor of Telecommunications Engineering degree and a Master in Microwave Communications degree both from University of Sheffield, United Kingdom. He started his career as a lecturer in electronics and microwave telecommunications at University Teknologi Malaysia in 1972. He left University Teknologi Malaysia in 1975 to work with Pernas 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 in 1991. 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. In February 2020, Datuk (Dr.) Rameli bin Musa was appointed as the Chairman of Keretapi Tanah Melayu Berhad, the National Railway Company.

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



HAMIDI BIN MAULOD
CHIEF EXECUTIVE OFFICER (CEO)
NON-INDEPENDENT & EXECUTIVE DIRECTOR

Mr. Hamidi Bin Maulod holds a Bachelor of Science in Industrial Engineering from the University of Toledo, Ohio, USA. He started his career at Mitsubishi Electric (Malaysia) Sdn. Bhd. in 1989 until 1994, after which he then joined a Consultant as the Operation Manager until 1995.

In 1995, he joined the Ingress Group as a manager in Ingress Engineering Sdn, Bhd and has held various positions within the subsidiaries of INGRS, including of the Managing Directors of Ingress Autoventures Co. Ltd. (2007-2010) and Ingress Technologies Sdn. Bhd. (2012-2018). He assumes his position of CEO of Ingress beginning from September 2018.

Starting from September 2018, Mr. Hamidi Bin Maulod is a member of the Executive Committee and the Chief Executive Officer of the Company.



DATO' DR. AB. WAHAB BIN ISMAIL
NON-INDEPENDENT & 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, Selangor and also served as lecturer in the same university from 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 being the 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 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 KHUDUS BIN MOHD NAAIM
INDEPENDENT & NON-EXECUTIVE DIRECTOR

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

His career started as an Audit Junior in 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 the Director of Corporate Affairs at Emile Woolf Group of Colleges, Kuala Lumpur. He later joined SKMN Associates, Chartered Accountants, Malaysia in January 1997 as a Partner then with Citi Partners, Chartered Accountants since January 2000.

He served as a director and member of the audit committee for Inch Kenneth Kajang Rubber PLC, London from 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 & NON-EXECUTIVE DIRECTOR

Mr. Apichat Suttisiltum holds BSc. of 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 to 1997, the Managing Director of Viriyah Food Industry Co. Ltd. from 2004 to 2007, Malee Sampran PLC as the Agribusiness Vice President from 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 both the Audit Committee and the Nomination and Remuneration Committee.



DATIN SRI FARAH BINTI DATUK RAMELI
NON-INDEPENDENT & EXECUTIVE DIRECTOR

Datin Sri Farah Binti Datuk Rameli holds Bachelor 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 was promoted to her current position as the Director, Corporate Services of ICB in early 2017. She sits as a member of the Board of Directors since March 2017.



SURIN WUNGCHAROEN
NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR

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

He started his career in Somboon Group operation in 1983 to 1998. While in Somboon Group, he was appointed as a committee member to draft and prepare the Industrial Standard to manufacturing parts for Automotive Industry including coil spring, stabilizer bar, torsion bar, break lining and clutch disk. He was also responsible to audit the steel manufacturing industrial and had audited the steel manufacturing operations 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 of the Board of Directors since March 2017. Board approved of directorship status of Mr. Surin Wungchareon to Non-Independent & Non-Executive Director on 13 December 2019.

ORGANIZATION AND MANAGEMENT

The organization structure of Ingress Industrial (Thailand) Public Company Limited as of 31 January 2020 is as follows:



**Changed from Executive Director to Non-Executive Director in December 2019*

BOARD OF DIRECTORS

The Board of Directors of Ingress Industrial (Thailand) Public Company Limited comprises of eight (8) qualified Directors, who have knowledge and experience in the automotive industry or other areas which are beneficial to INGRS operations. As of 31 January 2020, 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 Chatlertpipat	Chairman & 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. Hamidi Bin Maulod ¹	Executive Director	-	-	Member
5.	Mr. Abdul Khudus Bin Mohd Naaim	Independent Director	Chairman	Member	-
6.	Datin Sri Farah Binti Datuk Rameli ¹	Executive Director	-	-	Member
7.	Mr. Surin Wungcharoen	Non-Independent & Non-Executive Director	-	-	-
8.	Mr. Apichat Suttisiltum	Independent Director	Member	Member	-

Remark:

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

The Board of Directors were 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 2020, 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	6/6	4/4	4/4	
2.	Datuk (Dr.) Rameli Bin Musa	6/6		4/4	11/11
3.	Dato' Dr. Ab. Wahab Bin Ismail	6/6			11/11
4.	Mr. Hamidi Bin Maulod	6/6			11/11
5.	Mr. Abdul Khudus Bin Mohd Naaim	5/6	4/4	4/4	
6.	Datin Sri Farah Binti Datuk Rameli	6/6			10/11
7.	Mr. Surin Wungcharoen	5/6			
8.	Mr. Apichat Suttisiltum	6/6	4/4	4/4	

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. Hamidi Bin Maulod	Chief Executive Officer
2.	Mr. Surin Wungcharoen	Head of Corporate Service
3.	Mr. Eddie Dzurraimin Bin Zulkipli	Chief Financial Officer
4.	Mr. Sarawoot Sriwannayos	Corporate Secretary and Head of Group Legal & Secretarial
5.	Mr. Supachai Meererg	Deputy General Manager, Sales & Business Development

Management Council (“MC”)

Management Council was formed to ensure that the business of the companies with the Group in Thailand, Malaysia, Indonesia and India follow the same direction. It also offers the Group's Senior Management Officers an opportunity to meet and share ideas and experience in business, including jointly find solution if they face challenges in business environment. MC members comprise all high-ranking management of the Company and subsidiaries in Thailand,

Malaysia, Indonesia and India. CEO (Mr. Hamidi Bin Maulod) 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 2020, the MC consists of the following members:

Name of Management Council Member	Position	Representing Companies within the Group
Mr. Hamidi Bin Maulod	Chairman of Management Council	MC member representing the Company
Mr. Eddie Dzurraimin Bin Zulkipli	Member of Management Council	MC member representing the Company
Mr. Supachai Meererg	Member of Management Council	MC member representing the Company
Mr. Mohd Safri Bin Haji Sabtu	Member of Management Council	MC member representing ITSB
Mr. Nosri Bin Hamzah	Member of Management Council	MC member representing IPSB
Mr. Sarayut Mekso	Member of Management Council	MC member representing IAV
Mr. Jaruek Thammajong	Member of Management Council	MC member representing FCT
Mr. Hishamuddin Bin Lah	Member of Management Council	MC member representing PTIMV
Mr. Pami Bin Jani	Member of Management Council	MC member representing PT ITI
Mr. Shamsuddin Bin Isa	Member of Management Council	MC member representing IA IPL
Mr. Mohd Idris Bin Karim	Member of Management Council	MC member representing TSSB

CORPORATE SECRETARY

The Board of Directors has appointed Mr. Sarawoot Sriwannayos as Corporate Secretary 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 filling of documents as stipulated by laws, the SET and 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 approved at the Annual General Meeting of Shareholders on annual basis.

The remuneration of directors for the financial year ended 31 January 2020 ("FY2019/20") 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 FY2019/20	Board of Director	Audit Committee ("AC")	Nomination & Remuneration Committee	Executive Committee
Annual Remuneration (person/year)				
• Chairman	800,000	-	-	-
• Member (Independent Director)	600,000	-	-	-
Attendance Fee (per person/ meeting)	20,000	20,000	20,000	-

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 FY2019/20, the Company paid the directors' remuneration in a total amount of Bath 2,820,000.00. The details of compensation paid by the Company to the Company directors during year FY2019/2020 are as follows:

Name List	Remuneration	Allowance			Total
		BOD	AC	NRC	
Mr. Nuthavuth Chatlertpipat	800,000	120,000	80,000	80,000	1,080,000
Mr. Abdul Khudus Mohd Naaim	600,000	100,000	80,000	80,000	860,000
Mr. Apichat Suttisiltum	600,000	120,000	80,000	80,000	880,000
Total	2,000,000	340,000	240,000	240,000	2,820,000

DIRECTORS AND MANAGEMENT BENEFITS

During the financial year ended 31 January 2020 ("FY2019/20") and 31 January 2019 ("FY2018/19"), the Group had employee benefit expenses payable to their directors and management as follows:

	Consolidated financial statements	
	FY2019/20 (Million Baht)	FY2018/19 (Million Baht)
Short-term employee benefits	80.2	87.7
Post-employment benefits	3.0	3.1
Total	83.2	90.8

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 FY2019/20 in the form of cash and cash equivalent was in a total amount of Baht 627.8 million, as compared to Baht 652.0 million in FY2018/19.

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 2020 and January 2019, the Group has in total 1,766 and 1,780 employees respectively, which can be classified as follow:

Location	31 January		
	2020	2019	
Malaysia 	737	714	▲ 23
Thailand 	612	631	▼ 19
Indonesia 	180	171	▲ 9
India 	237	264	▼ 27
TOTAL	1,766	1,780	▼ 14

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 has encouraged 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 arranged trainings and development programs for its employees, considering the standard operational procedures, the needs of each department, and the basic skills of 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 conformed 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.

SUPERVISORY SKILL TRAININGS

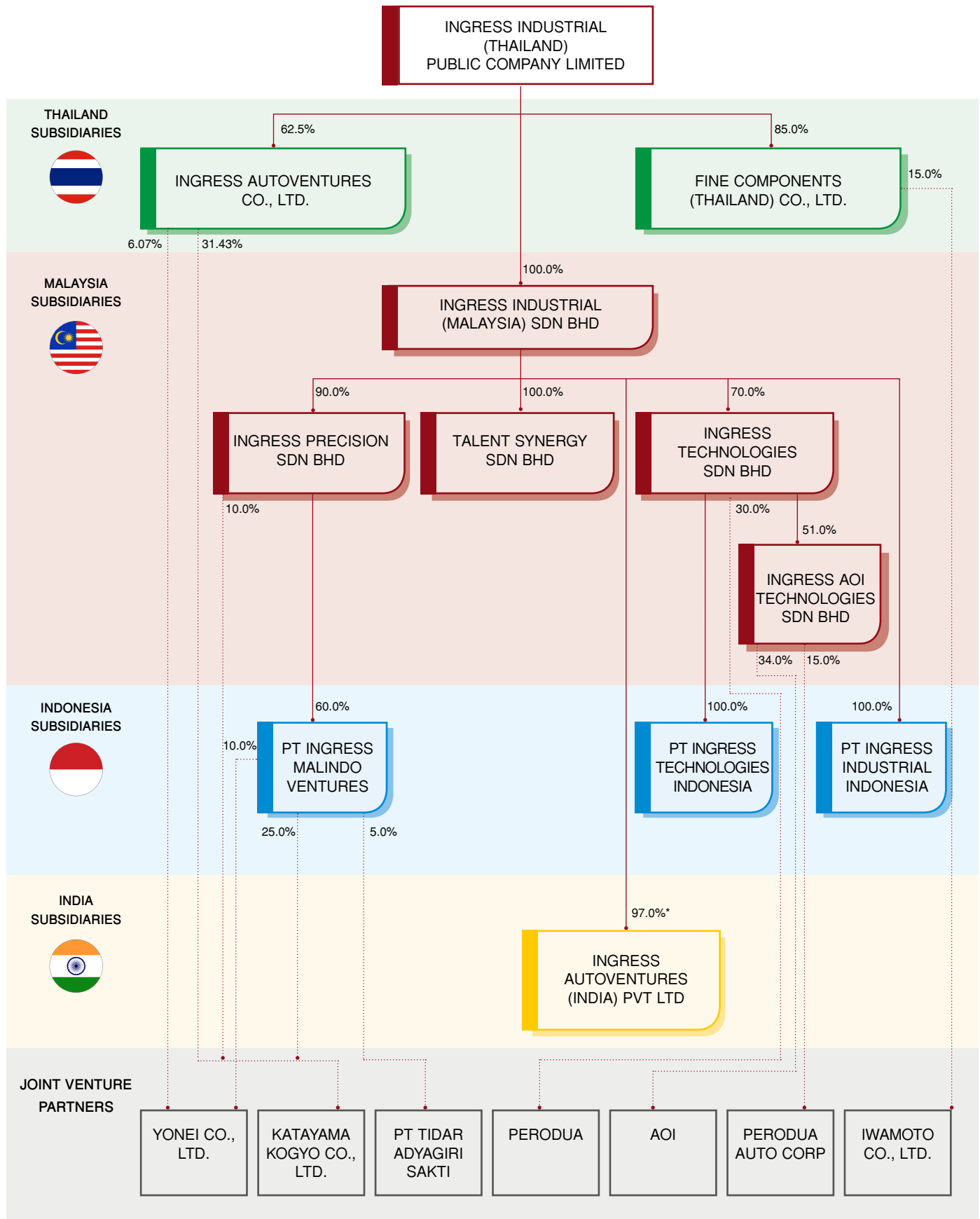
The Company provides training courses to increase knowledge and develop coaching skills for managers to support and prepare for leading roles in the management level.

INGRS GROUP BUSINESS

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

BUSINESS UNIT		THAILAND	MALAYSIA	INDONESIA	INDIA
1. Automotive 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	
	Non High Tensile Strength Steel - Stamping and Assembly	Fine Component (Thailand) Co., Ltd. ("FCT")	Ingress Technologies Sdn Bhd ("ITSB")	PT Ingress Technologies Indonesia ("PTITI") PT Ingress Industrial Indonesia ("PTIII")	
	High Tensile Strength Steel (AHSS) - Stamping and assembly		Ingress AOI Technologies Sdn. Bhd. ("IATSB")		
	Fine Blanking	FCT			
	Acoustic Heat Management		IPSB	PTIMV	
	Door Hinges		ITSB		
	Collapsible Pipe	IAV			
	EGR Pipe	IAV			
	Plastic Lower Sash	IAV			
	Impact Beam		ITSB & IPSB		
	Pantograph Jack Assembly		ITSB	PTIMV	
	Steel and Iron Press Dies	FCT			
	Fine Blanking Dies	FCT			
3. Design and Manufacturing of Industrial Automation system	"Custom made" System integration for industrial automation		Talent Synergy Sdn Bhd ("TSSB")		
4. Others	Authorized Agent of Fuji Robots from Japan		TSSB		
	Authorized Agent of Yajima for Nut Weld Feeder from Thailand and Japan		TSSB		
	Authorized Agent of Nawootec Co., Ltd from Korea for Welding gun and accessories		TSSB		
	Authorized Distributor of Neuromeka for collaborative robots for ("COBOT") in ASEAN, India and Gulf Countries		TSSB		
	Investment Activities	Ingress Industrial (Thailand) Public Company Limited ("IIT")	Ingress Industrial (Malaysia) Sdn Bhd ("IIM")		

COMPANY HOLDING STRUCTURE



* The remaining 3% shared owned by individual

SHAREHOLDING STRUCTURE

As at 30 April 2020, 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 ("ICB")	868,499,770	60.023%
2.	Mr. Kiattisak Tritruengtassana	57,902,900	4.002%
3.	Thai NVDR Co., Ltd.	21,593,700	1.492%
4.	Mr. Vasin Phatikulset	16,100,000	1.113%
5.	Mr. Wutthiphol Pariyakanok	15,300,000	1.057%
6.	Ms.Thanyarat Sopajitwattana	14,000,000	0.968%
7.	Mr. Poonsombat Dumnernchanvanit	11,674,300	0.807%
8.	Mr. Pichai Vichakphan	11,000,000	0.760%
9.	Mr. Suthep Rachatasomboon	10,324,900	0.714%
10.	Mr. Prasong Nakcharoen	9,830,000	0.679%
	Others	426,017,120	29.443%
	Total	1,446,942,690	100.000

Source : Thailand Depository (Thailand) Co., Ltd. (Information at the closing of share register book on 30 April 2020)

Remark : The shareholders of ICB are 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.

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 Ingress Group. The establishment of INGRS enable all the automotive components manufacturing business in Thailand, Malaysia, Indonesia and India to be grouped together, hence consolidating its strength and resources in addressing specific customer needs and also focusing in expanding its operation within and beyond the current plant locations.



INGRESS INDUSTRIAL (MALAYSIA) SDN BHD – IIM

Ingress Industrial (Malaysia) Sdn Bhd (“IIM”) was incorporated on 21st November 2014 as the immediate and intermediate holding company for all subsidiaries under the INGRS Group domiciled outside the Kingdom of Thailand. It was also the requirement from the subsidiaries in Malaysia holding manufacturing licenses, that their holding company must be a local company domiciled in Malaysia. IIM acts as intermediary under INGRS to further strengthen the work relation that can be focused on two main division of INGRS, Roll Forming Business and Stamping Business.



AUTOMOTIVE PARTS MANUFACTURING – ROLL FORMING AND SEALING SYSTEM

INGRESS AUTOVENTURES CO., LTD. – IAV

IAV runs the business of the manufacturing and distributing the co-extruded mould parts, mouldings and door frames, heat protector 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 other 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 such as Mitsubishi, Honda, Isuzu, Ford, Mazda, Nissan, Suzuki and General Motors. IAV has two 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 and one warehouse facilities at Prachinburi, to cater for Honda.



INGRESS PRECISION SDN. BHD. - IPSB

IPSB was established in 1994 involved in the manufacturing and sales of car sealing system, door frames, heat protector, small stamping and welding assembly for major OEM in Malaysia, including Proton, Perodua and Honda. IPSB runs its operation in Nilai, Negeri Sembilan 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 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.



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 and two others Japanese partners, namely Katayama Kogyo Co., Ltd and Yonei Co., Ltd. runs the business in manufacturing and distributing car sealing system, door frames, heat protector and Jack Pantograph system to the major OEM in Indonesia, including Mitsubishi, Honda, Suzuki, Toyota and Daihatsu. PTIMV is ranked as Tier-1 supplier which manufactures and sells the products directly to the OEMs as well as to similar Tier-1 suppliers. In April 2019, PTIMV has entered a Technical Assistant Agreement (TAA) with Woo Young Industry Co. Ltd of South Korea to develop and supply door sash parts to Hyundai in Indonesia.



INGRESS AUTOVENTURES (INDIA) PRIVATE LIMITED. - IA IPL

IAIPL - was established on 6 March 2010. IAIPL's manufacturing plant has relocated to Manesar, Gurugram with a land area of 11,055 m² in July 2019.

IAIPL is involved in the manufacture and sale of auto components using extrusion and roll forming technologies for sealing systems module, which include weather strip roof drip windshield moulding and trim door opening for passenger cars. IAIPL also supply parts to three-wheeler and two-wheeler OEM assemblers.

IAIPL's main OEM customers for passenger cars in India are the Maruti Suzuki, Mahindra & Mahindra and Fiat Chrysler Automobiles (FCA). IAIPL is also a Tier-2 supplier for many Tier-1 companies in India, who mostly supply parts to Maruti Suzuki.



AUTOMOTIVE PARTS MANUFACTURING – STAMPING, WELDING AND ASSEMBLY, DIE MAKING

INGRESS TECHNOLOGIES SDN. BHD. - ITSB

ITSB runs the business 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 maintains its position as the leading Tier-1 Supplier in Malaysia, manufacturing and selling the products directly to the OEMs as well as other similar Tier-1 suppliers. ITSB customers include major automotive manufacturers in Malaysia including Perodua, Proton and Honda. ITSB operates from two plants, in Bukit Beruntung, Selangor and Alor Gajah, Melaka. The plants are equipped with modern technology, high speed press machines and automated assembly lines with the latest manufacturing system.



FINE COMPONENT (THAILAND) CO., LTD. – FCT

FCT is the joint venture company with Iwamoto Co., Ltd of Japan. Operating from its plant in Banchang Rayong Province, FCT is mainly involved in the manufacturing and distributing of automotive metal parts, produced by stamping and fine blanking technology. FCT main customers are the leading Tier-1 and Tier-2 OEM suppliers of the automotive industry in Thailand such as Thai Asakawa, Bridgestone NCR, Valeo Automotive, Schott, Toyota Boshoku, AAPICO, Adient Summit and INGRS Group. FCT also involved in design, fabrication and die maintenance services of fine blanking and stamping press die. Beside for in-house usage, FCT also supply dies to local and oversea automotive customers.



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 manufactures and sells product as Tier-2 to Tier-1 suppliers namely PTIMV and Miyuki Indonesia with the incorporation of the new PT Ingress Industrial Indonesia. PTITI will expand its business by becoming the prominent Tier 2 in Indonesia.



INGRESS AOI TECHNOLOGIES SDN. BHD. – IATSB

IATSB is a joint venture company between ITSB, Perodua Auto Corporation Sdn. Bhd. (PCSB) and AOI Machine Industry Co., Ltd. Japan (AOI). The company was established in October 2019. IATSB's state of the art manufacturing set-up is mainly for the press stamping business to cater production using advanced high strength steel (AHSS) materials. AOI, Japan is an experienced strategic partner in this technology and proven able to meet OEMs' requirements.

IATSB automation level at the start of its operation will be at 95% for its production and assembly process.

IATSB will operate in Serendah, Selangor and to start its production by end of 2020.



PT. INGRESS INDUSTRIAL INDONESIA. - PTIII

PTIII was incorporated in November 2019 and wholly owned by Ingress Industrial Malaysia Sdn Bhd (IIM). PTIII will involve in manufacturing and assembling of medium to high tonnage press automotive parts for sales to the OEM customers in Indonesia. PTIII aims to supply parts to Hyundai Motor Manufacturing Indonesia, HMMI with technical assistant received from Tae Sung Automotive

(TSA) of Korea. The plant located at Delta Silicon Industrial Park, Lippo-Cikarang will be equipped with modern technology, high tonnage press machines, automated and assembly lines with the latest manufacturing system. The operation plans to start operation in end of 2021.



DESIGN AND MANUFACTURING OF INDUSTRIAL AUTOMATION

TALENT SYNERGY SDN. BHD. - TSSB

TSSB was established in 1995 and is mainly involved in the automation solution system provider for the automotive and other industry. With the coming of I-4.0 in the industry, TSSB will focus on adding new products related to it such as Automated Guided Vehicle (AGV), Production Monitoring System (PMS), Manufacturing Execution System (MES) and Smart Factory. The services include design, fabrication and installation, customised to specific technical requirements of the customer needs. TSSB customers include INGRS Group, OEM's, other Tier-1 and other manufactures. Some of TSSB products are also being used by learning institutions and testing bodies. TSSB also provides after-sales service for the customers for the mutually agreed period of time.



INGRS Milestones

2015

ITSB entered into a TAA with Metaltech Limited from Japan for the development of new project



INGRS was converted into public company (change its name to Ingress Industrial (Thailand) Public Company Limited) on 9 December 2015

Ingress Group's Restructuring completed on 30 January 2015

2016

ITSB started to operate its automotive parts plant in Malacca, Malaysia for HONDA

TSSB entered into a TAA with Tae Sung Tech Co., Ltd from Korea for automation solution



First delivery by ITSB to HONDA (Stamping related parts) from Malacca Plant



2017

First delivery by PTITI (through PTIMV) to MITSUBISHI (Stamping related parts)



First delivery by PTIMV to MITSUBISHI (Sash related parts)



First delivery by IA IPL to MAHINDRA (Moulding related parts)



Acquisition of the remaining 60% shares in IA IPL from Mayur Industries Pvt Ltd by IIM resulted in IA IPL become subsidiary of IIM which was completed on 13 November 2017

ITSB entered into a TAA with AOI Kikai Co., Ltd from Japan for the development of new model



INGRS was listed on the Stock Exchange of Thailand ("SET") on 9 August 2017





PTIMV entered into TAA with Woo Young on 26 April 2019



Establishment of Ingress AOI Technologies Sdn Bhd ("IATSB") in Malaysia on 17 October 2019. JV with PERODUA and AOI Kikai Co., Ltd for manufacturing and assembly for high tensile material of press parts for automotive components.



Registration of PT Ingress Industrial Indonesia ("PTIIL") in Indonesia on 30 October 2019



Establishment of PT Ingress Industrial Indonesia ("PTIIL") in Indonesia on 15 November 2019 for manufacturing of stamping parts.

Acquired new land and factory for PT Ingress Industrial Indonesia ("PTIIL") in Indonesia on 16 December 2019.

2018

2019

IIM entered into TAA with Tae Sung Tech for Hyundai Project on 24 January 2019



TSSB entered into Distributorship Agreement with Neuromeka for ASEAN, India and Gulf countries for Collaborative Robots (COBOT) distributor on 22 January 2019



LOCATION OF MAIN FACTORIES



INGRESS AUTOVENTURES (INDIA) PVT. LTD.
(IAIPL), MANESAR PLANT



PT. INGRESS MALINDO VENTURES
(PT IMV), JABABEKA PLANT



PT. INGRESS TECHNOLOGIES INDONESIA
(PT ITI), JABABEKA PLANT



PT. INGRESS INDUSTRIAL INDONESIA (PT III),
LIPPO CIKARANG PLANT



INGRESS AUTOVENTURES CO., LTD. (IAV),
RAYONG PLANT



INGRESS AUTOVENTURES CO., LTD. (IAV),
AYUTTHAYA PLANT



INGRESS AUTOVENTURES CO., LTD. (IAV),
PRACHINBURI WAREHOUSE



FINE COMPONENT CO., LTD. (FCT),
BANCHANG PLANT



TALENT SYNERGY SDN. BHD. (TSSB),
BANGI PLANT



INGRESS PRECISION SDN. BHD. (IPSB),
NILAI PLANT



INGRESS TECHNOLOGIES SDN. BHD. (ITSB),
BUKIT BERUNTUNG PLANT



INGRESS TECHNOLOGIES SDN. BHD. (ITSB),
ALOR GAJAH PLANT



INGRESS AOI TECHNOLOGIES SDN. BHD. (IATSB),
SERENDAH PLANT

BUSINESS OPERATION

INGRS business is mainly linked to the automotive industry. Having operations in ASEAN countries and India with ten (10) operating factories, INGRS has elevated its position to become one of the “preferred Tier-1 suppliers” in the region. Thailand being the main Automotive Hub in the region, emerged as one of INGRS main revenue contributors. 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 which 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

The year 2019, IAV focused on the business growth under the company motto of “GROWTH 2019” to enhance company revenue and profitability from year 2018. IAV had also put focus on maintaining all the existing customer and striving to secure new project through aggressive participation in customers' new project bidding as well as continued maintaining key KPIs achievement such as Zero defect outflow, Cost reduction and 100% on time delivery to all customers.

In facing the present economic downturn challenges, IAV, apart from its ongoing quest for manufacturing excellence, will also be focusing on the following strategic initiatives:

- Maintaining business with existing customers via closer Customer Relationship Management programs and better offering of QCDSM (Quality, Cost, Delivery, Safety & Morale)
- Developing new products within the Group for existing and new customers
- Developing new technology for diversification to other markets
- Exploration into new customer market and product.
- Business expansion via mergers and acquisitions

The above is to ensure the continuous development of IAV growth engine with a motto of “Active 2020” this year.

IAV's core for manufacturing excellence; the Ingress Lean System or ILS will continue the “Just-In-Time” initiative in maintaining optimum stock level and the elimination of wastes at each stages of production. The automation of major manual production processes will also receive greater attention especially during these challenging times.

In addition, IAV is also targeting the extension of the Ingress Production On-Line System (I-POS) to other production lines as part of our initiative towards achieving the Industrial 4.0 status and enhancing our production efficiencies. The key benefit of I-POS will assist the management to make fast and accurate decision in day today activities.

Last but not least, IAV will also continue the Cost Awareness and Cost Reduction Programs in complimenting the strategic efforts to ensure the achievement of the overall profitability.

1.2 IAV Future Project

In 2019, IAV successfully launched mass production for sash and moulding components and supplied to the OEMs such as Honda and ISUZU for small passenger car and 1 ton pickup truck. These models are expected to continue to receive favourable demand from both domestic and export markets.

In the beginning of 2020, IAV once again received letter of awards from Mitsubishi to start developing components for new 1 ton pickup truck and this award also included new product initiative for IAV to start first supply heat protector to OEMs in Thailand.

Moving forward, IAV has been conducting marketing drive focusing on new customers such as Toyota, MG and others incoming OEMs from China i.e. Great Wall Motor by introducing IAV current products and light weight component to support their future requirements

2 INGRESS PRECISION SDN. BHD. (“IPSB”)

2.1 IPSB Business Strategy

IPSB is a leading supplier of advanced automotive technology, systems and components for major Malaysia automakers. IPSB is a joint venture between Ingress and

Katayama Kogyo Co. Ltd of Japan. IPSB was 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-strip.
- Extrusion moulding and weather-strips.
- Heat management system.
- Door impact systems.
- Small stamping parts.

IPSB main products are door sash and beltline moulding. These IPSB traditional parts are supplied to major OEM in Malaysia such as Proton, Perodua and Honda. IPSB other customers are second Tier supplier to door trim manufacturers namely APM Plastic Sdn Bhd, Delloyd Industries Sdn Bhd., Azman Hamzah Plastik Sdn. Bhd. and Kasai Teck See (Malaysia) Sdn. Bhd. IPSB also supplies to other subsidiaries such as Ingress Technologies Sdn Bhd and PT Ingress Malindo Ventures.

A stable and efficient operation is a prerequisite for a successful business. Therefore, in 2019, IPSB has outlined 'Five Pillars' key strategies in meeting the annual business target, The summary is as follows:

1. Revenue Growth - To increase revenue through organic growth and new product introduction.
2. Financial Independency - To maintain good profitability in order to generate positive cashflow.
3. Operational Stability - QCDSMP (Quality, Cost, Delivery, Safety, Morale & Productivity) monitoring and control, with 'Self-Management Operation' with implementation of ILS and adopting Industry 4.0 approach.
4. Cost Reduction Initiatives - To achieve cost saving target through tangible savings via ICC (Innovative Creative Circle), SIT (Small Improvement Team), VA/VE (Value Analysis/Value Engineering) and Kaizen.
5. People Development - Identify talent and determine gap to develop people for Ingress's future expansion.

IPSB had been certified with IATF 16949, OHSAS 18001 and MS ISO 14001. These quality certifications are very crucial a ensuring the company is internationally

recognized. IPSB is also adopting best manufacturing practices in the work place with the implementation of Ingress Lean System (ILS) such as 5S (Seiri, Seiton, Seiso, Seiketsu and Shitsuke), morning market, kaizen activities and shop floor audits.

IPSB is gearing towards smart factory that integrate process automation and information management. IPSB had started the automated process for the glass guide assembly for process stability and consistency with the initial automated production line model in 2017. Currently IPSB has 7 automated production lines and 2 more lines will be completed in 2020. This will be in line with the Group aspiration towards Industry Revolution 4.0 (IR4.0).

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
- Non-automotive products utilising current technology
- Adoption of IR4.0 in the operation for new project

IPSB has received the Letter of Intent (LOI) by Honda for their new SUV segment model that is expected to be launched in 2021. IPSB aims to penetrate one new customer in 2020 for the supply of heat shield, besides targeting new RFQ (Request for Quotation) for Honda, Perodua and Toyota new models that are to be launched in 2022 and 2023 respectively.

Perodua had started a new approach for model development for models under Daihatsu New Global Architecture (DNGA) with the current under development project. Since IPSB had won the sealing system and sash related parts for the project, IPSB has high potential to win the next model under DGNA which is will be launched in 2022. Besides that, IPSB were given the opportunity to participate in another Honda new model that will be launched in 2022.

Internal process improvement is always a major emphasis by IPSB. SAP computerization system that had been fully commissioned in February 2018 will be enhanced with the integration of SAP system and manufacturing processes under Industry 4.0

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 company. Moreover, Indonesia experienced a remarkable transition as it evolves from being a merely export oriented car production centre (especially for the Southeast Asian Region) into a major (domestic) car sales market due to rising per capita GDP.

In terms of market size, Indonesia is the biggest domestic 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 it is also characterized by having a rapidly expanding middle class. Together, these two created a powerful customer force.

Currently, PTIMV has managed to supply its product to all major key 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 enhancing and ensuring the successfulness of the customer engagement process.

Based on the supply volume and sales revenue in the year 2019, Toyota, Daihatsu, Honda, Suzuki, and Mitsubishi continue to be the major customer for PTIMV. Mitsubishi is forecast to be PTIMV's main revenue contributor in the year 2019 and beyond, especially after the successful launching of its model MPV Xpander into the market September 2017.

In 26 April 2019, PTIMV has signed Technical Assistance Agreement (TAA) with Woo Young Industry Co. Ltd, a South Korean based company to strengthen its position as potential Tier-1 to Hyundai Motor Manufacturing Indonesia, HMMI. Under these collaborations, PTIMV will acquire access to technology transfer especially in production using automation and penetrate Korean OEM in Indonesia.

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 2019 with a number of new projects under development of which the LOIs had been awarded in 2018. The project in this year is new model for Hyundai Motor Manufacturing Indonesia, HMMI which is planned to be launched within the next 2 years.

The OEMs such as Mitsubishi, Astra Daihatsu and Toyota are expected to introduce new models commencing from 2021, in which PTIMV will be heavily involved in the development. These models are expected to continue to receive favorable market demand with new design and technologies with better fuel efficiencies.

PTIMV is making a concerted effort to introduce more products for a wider range of customers in the country. Hyundai presence in Indonesia with their long range product plan will be PTIMV key focus after receiving the LOI for 1st model.

4. INGRESS AUTOVENTURES (INDIA) PVT LTD. (“IAIPL”)

4.1 IAIPL Business Strategy

IAIPL operates in the automotive parts industry and is engaged in the business of manufacturing automotive sealing systems. The technologies utilised in its current operations include plastic extrusions, roll forming and bending. IAIPL's product range includes mouldings, trim door openings, seat catches, PVC beading and injection moulded components.

Key customers of IAIPL include Maruti Suzuki Industries Limited (“Maruti Suzuki”), Mahindra & Mahindra (“Mahindra”) and Fiat India Automobile Limited (“Fiat Group”) on Jeep and Fiat brands. Others are Tier-1 and Tier-2 customers (which in turn supply to OEMs).

In line with IAIPL's growth strategies, namely human capital development, operational excellence, and business growth, IAIPL had shifted its manufacturing facilities to a bigger new factory in July 2019, which is located at key industrial zone of Manesar, Gurugram. The new factory sits on 11,055 m² of

land area with build-up area of 6,670 m². It offers sufficient space for expansion to accommodate for more products and additional capacities for business growth.

Moving forward, IA IPL aims to strengthen its presence in Maruti Suzuki's supply chain through new products and models development, as currently Maruti Suzuki dominates almost 51% of market share in India. Besides that, Mahindra is the biggest Utility Vehicle OEM and fourth biggest in terms of total volume of approximately 0.46 million vehicles in India. With IA IPL's focus on furthering product portfolio for Mahindra, in 2019, IA IPL had received nomination for new Mahindra's flagship projects. This breakthrough has transformed IA IPL from being a single component supplier to key partner in designing and development of comprehensive sealing system components.

IA IPL aims to consolidate its business with Fiat Group brands i.e. Fiat and Jeep. IA IPL is already a supplier to Fiat platforms and had started supplying components for Jeep platform since July 2019.

On the operations aspect, IA IPL would continue its operational excellence and best practices through the Group's Ingress Lean System (ILS) and benchmarking exercise to upgrade human capital development and prepare for business growth. Inevitably, in line with Industry 4.0, IA IPL is also implementing robotic automation and ERP system (SAP) to enhance productivity and reduce wastes.

By middle of 2021, as part of IA IPL's expansion and as required by customer, Gujarat operations is targeted to commence for parts supply to Suzuki Motors Gujrat (SMG), located nearby. A manufacturing facility - consisting four (4) production lines, out of which two (2) are automated lines, measuring about 1,120 m² would produce weather strip outer and roof moulding for Suzuki model.

4.2 IA IPL Future Project

It is envisaged that India is expected to become the third largest passenger vehicle market by year 2020, as outlined in Automotive Mission Plan 2016~2026, with a total volume expected to reach 13.4 million vehicles per year by 2026 and Maruti Suzuki will continue to dominate the market share in India.

To be in stream with Maruti Suzuki growth, IA IPL had participated in bidding for new projects and had been successful in securing a number of Letter of Intent (LOI) for new models. The company is expected to receive more Request for Quotation (RFQ) in 2020 in the coming years.

Honda Cars India will be introducing new projects starting from 2021 with various model line-up to replace current models. IA IPL is aggressively pitching for business in new models and targeted for RFQs for the new models.

As part of IA IPL's diversification initiative, IA IPL has started supplying to Piaggio Vespa Scooter and is in final stage of developing two-wheeler components for Bajaj Auto Ltd.

For sustainable growth, IA IPL will be aggressively marketing for other products of the same or similar technologies available in other Ingress Group to be produced in IA IPL for India market. In 2019, IA IPL added Jeep as a new customer (OEM) for its Compass model. Going forward, for the next 5 years, IA IPL are targeting to become Tier-1 for SML Isuzu, VM, Hyundai, Honda, Ford and Nissan.

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

5.1 ITSB Business Strategy

Since its inception in September 1997, ITSB is one of the fastest growing companies and major players for medium stamping business in Malaysia. With more than two decades of manufacturing experiences, ITSB has embarked into the business of 'door in white' structural modules and functional parts such as jack assembly, door hinges and brake/clutch pedal assembly. ITSB 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, Ingress Lean System (ILS), Poka-yoke, Just-In-Time (JIT) and 5S has enabled ITSB to meet the customer's requirement especially in Quality, Delivery and Cost. ITSB major customers are Perodua, Honda, Proton and as the Tier-2 supplier to PHN Industry Sdn. Bhd that supply to OEM.

Realizing the important to remain competitive in the industry, ITSB actively develops its manpower talent through training and development especially in 'Simultaneous Engineering for Die design'. ITSB had sent two (2) engineers through twining training program with Perodua for the period of 10 months in 2019.

In October 2019, ITSB has signed Joint Venture Agreement with AOI Machine Industry Co. Ltd., Japan (AOI) and Perodua Auto Corporation Sdn Bhd. (PCSB). Under these collaborations, ITSB, AOI and PCSB agreed to setup new joint venture company under the name of Ingress AOI Technologies Sdn. Bhd. (IATSB). IATSB will undertake the Daihatsu New Global Architecture (DNGA) project focusing on Advanced High Tensile Strength Steel (AHSS) components.

ITSB through its wholly owned subsidiary PT Ingress Technologies Sdn. Bhd. (PTITI) will gain from the Group expansion of Hyundai Project in Indonesia. PTITI will supply small stamping part to PT Ingress Industrial Indonesia (PTIII) for upcoming Hyundai Models.

5.2 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 while Sports Utility Vehicle (SUV) segment is increasingly becoming customer's preference.

With the incorporation of IATSB for the future of DNGA models, ITSB as a parent company will benefit from the expertise of the new technologies especially in stamping and automation in assembly process. The new thinking way is crucial in exploring potential business with other regional OEMs such as Toyota, Nissan, Mitsubishi, Isuzu and Mazda. Expanding customers' base is very important to ITSB as part of company's strategy for the Company continuous growth.

Upon successful development of Honda CRV and Honda BRV, Honda Malaysia Sdn. Bhd. has issued Letter of Intent (LOI) to ITSB for their new model that is expected to be launched in 2021.

Toyota have visited ITSB several times to evaluate ITSB capability for their future models' localization in Malaysia. The new model expected to be launched in 2023.

6. INGRESS AOI TECHNOLOGIES SDN. BHD. ("IATSB")

6.1 IATSB Business Strategy

On 14 October 2019, ITSB, AOI and PCSB have signed a Joint Venture Agreement and subsequently, a joint venture company has been incorporated on 17 October 2019 under the name of "Ingress AOI Technologies Sdn Bhd" (IATSB).

The formation of IATSB is a platform to acquire new advanced technology into Malaysia that will further help to improve the capability of our local industries in general. This is to remain relevant in line with the future road map of the Global OEMs by transferring the technical know-how of Advanced High Tensile Strength Steel (AHSS) stamping & assembly of automotive components in Malaysia. Perodua will be the initial beneficiaries of this technology which will then be further extended to other OEMs.

The establishment of IATSB has aligned the organisation towards DNGA Project for PERODUA, Daihatsu and Toyota localisation sourcing program in the ASEAN region (Export Market).

IATSB will operate with more than 95% automation level in line with the aspiration of Malaysian Government Industry 4.0 program, Green Technology and Slim, Simple and Compact (SSC) manufacturing concept.

IATSB is also targeted to become a model Company as a center for training and development by promoting best manufacturing practices among industry players (SME) in Malaysia by covering high degree of automation, technology & knowledge transfer and human capital development.

6.2 IATSB Future Project

Perodua has appointed IATSB to proceed with the development activities for their first DNGA model that is expected to be launched in 2020. IATSB will supply body parts jointly developed with AOI Japan.

Toyota is also in IATSB radar as a core potential customer focusing on new models since AHSS parts are the main component in their production with similar platform under DNGA projects.

PTITI is looking forward to conducting internal process improvement inclusive the Operational Equipment Efficiency (OEE) by looking into the process effectiveness, material handling and dies improvement. With the assistance of the Group Technical Service, the Company will enhance the implementation of Ingress Lean System (ILS) on the shop floor.

7. PT. INGRESS TECHNOLOGIES INDONESIA (“PTITI”)

7.1 PTITI Business Strategy

As a result of Ingress vision to penetrate medium stamping business in Indonesia, PTITI was established on 5 October 2012 as stepping stone and started its operation in November 2012 by supplying small brackets of Suzuki APV model to PTIMV. Currently the core competency of PTITI are 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 heat shield products. In order to achieve the international standard manufacturing company, PTITI had developed the quality management system and had been certified with ISO 19001:2015 in October 2017. PTITI has also adopted best manufacturing cultures in the work place such as lean management system, 5S, and kaizen. Ingress Lean System was implemented since 2016 and being coordinated by the Group Technical System.

The Company major customer is solely PTIMV that supply directly to the OEMs.

7.2 PTITI Future Project

PTITI had been appointed as the Tier 2 Stamping Supplier for body parts which will be supplied to PT Ingress Industrial Indonesia (PTIII) for Hyundai Project. The mass production for first model expected to commence in 2021. It will involve the purchase of 16 press machines to support the parts production. There are 109 parts to be supplied to PTIII covering Side Structure, Rear Floor and small brackets.

8. PT. INGRESS INDUSTRIAL INDONESIA (“PTIII”)

8.1 PTIII Business Strategy

On 24 January 2019, Ingress Industrial (Malaysia) Sdn. Bhd (IIM) and Tae Sung Automotive Co. Ltd (TSA) have signed a Technical Assistance Agreement and subsequently, a company has been incorporated on October 2019 under the name of “PT Ingress Industrial Indonesia” (PT III).

The formation of PTIII is a platform to acquire new technology and production system based on South Korean methodology for the Indonesia market that will further help to improve the capability and productivity. This is to remain relevant in line with the future road map of the Global OEMs by transferring the technical know-how of Korean Standard for stamping & assembly of automotive components to Indonesia. Hyundai Manufacturing Motor Indonesia (HMMI) will be the initial beneficiaries of this technology which will then be further extended to other OEMs.

The establishment of PTIII has aligned the organisation towards involving in Hyundai Project in Indonesia to support local and export market especially the ASEAN region.

PTIII is the first company for medium/large stamping business outside Malaysia.

PTIII will operate with more than 95% automation level in line with the aspiration of Indonesia Government Industry 4.0 program (Making Indonesia 4.0), Green Technology and Slim, Simple and Compact (SSC) manufacturing concept.

8.2 PTIII Future Project

INGRS received the Letter of Intent (LOI) from Hyundai on 3 September 2019. Further to that, INGRS has acquired a new manufacturing facilities at Delta Silicon 1, Lippo Cikarang located 17km from Hyundai Manufacturing plant. INGRS Group hopes it will lead to securing more business with Hyundai, and elevate its position as one of the preferred Tier-1 suppliers in the region for Hyundai. This will contribute significantly to revenue growth for the INGRS Group.

The newly acquired plant has a built up of 23,000 sqm and land area of 35,000 sqm, will be equipped with medium stamping and fully automation assembly lines, with the full adoption of Industry 4.0 technology in the pipeline. With the completion of the manufacturing facilities, INGRS is expected to employ 160 personnel at its peak and this new operation is expected to contribute 30 percent of the Group's revenue. The new operation will be under a new incorporated Indonesian subsidiary, PT Ingress Industrial Indonesia (PT III), and is expected to start mass production within the next 2 years.

The project will contribute significant impact to the group, a new milestone for the group as the 1st medium stamping plant outside Malaysia and the first group involvement with the Korean giant Hyundai Group.

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

9.1 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

Expected in 2021, the stamping business benefited from various new products launched in Thailand and abroad, of FCT has completed the development of 2 projects in 2019 for IAV and Siam Senator. As for die making business, FCT had completed several developments for customers in Thailand for GTEKT, AAPICO, IAV and Thai Yashiro.

In order to remain relevant and competitive, FCT will further upgrade its die making capability by investing in double column machine and new technology for program simulation of die's design with support from die making experts from Malaysia. FCT aimed to become Centre of Excellent of Tool and Die Making business to cater for Ingress group of companies and other automotive customers.

For stamping business, FCT adopting best manufacturing practices in the work place such as ILS (Ingress Lean System), 5S (Seiri, Seiton, Seiso, Seiketsu and Shitsuke), Morning Market, Kaizen and QCC (Quality Control Circle) for the shop floor improvement. In additional automation line will be introduced to enhance the productivity, quality and safe work environment.

9.2 FCT Future Project

For 2020, FCT forecast to start full mass production for both Siam Senator Toyota and IAV's New Honda models. As a continuous efforts, focus to secure projects from Topre, IAV, TACHI-S, Thai Yashiro, AAPICO, Hiruta, PTIII and IATSB for various new model's development for Mitsubishi, Ford, Hyundai and Perodua.

Die making business is currently undertaking developments of new project for GTEKT, Thai Yashiro, Topre, TS Automotive and several other re-tooling projects. FCT is targeted to secure various LOIs from Thailand customers for various new models which will start development in 2020. For Indonesia market, FCT had started the development of Hyundai project from PTIII. For Perodua, FCT is targeting to secure project from IATSB for new model that planned to be launched in Year 2022.

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

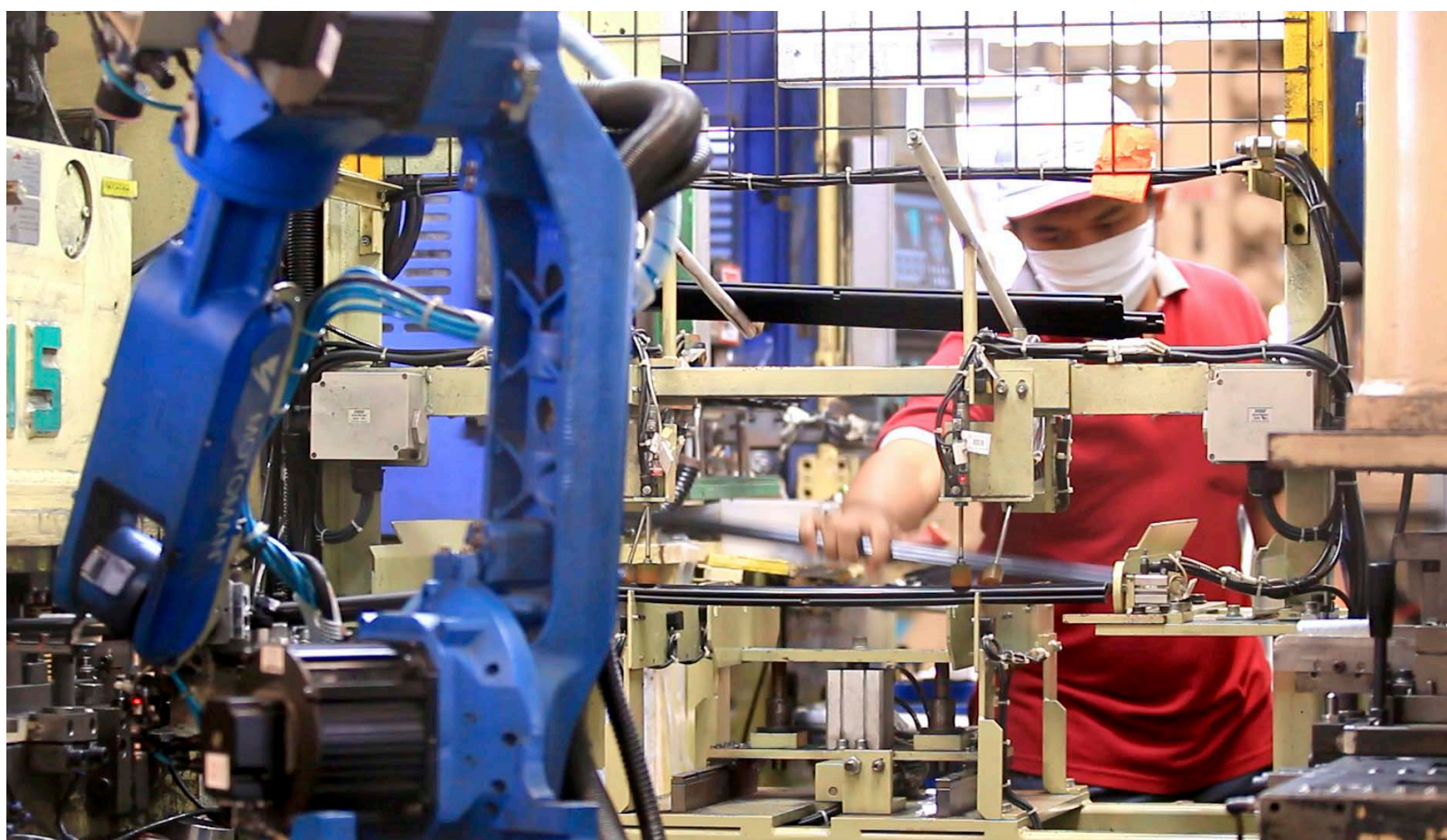
10.1 TSSB Business Strategy

TSSB has started its business in automation since 1995. The business encompasses automated cell type lines, specialized machineries, testing equipment, jigs and fixtures and engineering services. On 22 January 2019, TSSB has signed an agreement with Neuromeka (a renowned Cobot manufacturer) to become their distributor for South East Asia, India and Gulf countries. Cobot is an intelligent collaborative robot which can work side by side with an operator and it has started slowly replacing the conventional robot in the industry. The potential industry for this Cobot are automotive, furniture, food and beverages and pharmaceutical. It is very suitable at manually operated process which requires human and robot cooperation.

As all industries have moved into an industry 4.0, TSSB will be the forefront in championing the future roadmap for I-4.0 implementation at Ingress Group of Companies. Using its in-house capability in latest 3D-sofwares, TSSB will design the concept, simulate, firm the design and finally will do the testing at workshop before shipping to the clients.

With the new vision, TSSB will add more products into its current products which among others are:

1. Automated Guided Vehicle (AGV)
2. Production Monitoring System (PMS)
3. Autonomous Robotic
4. Cobot
5. Manufacturing Execution System (MES)

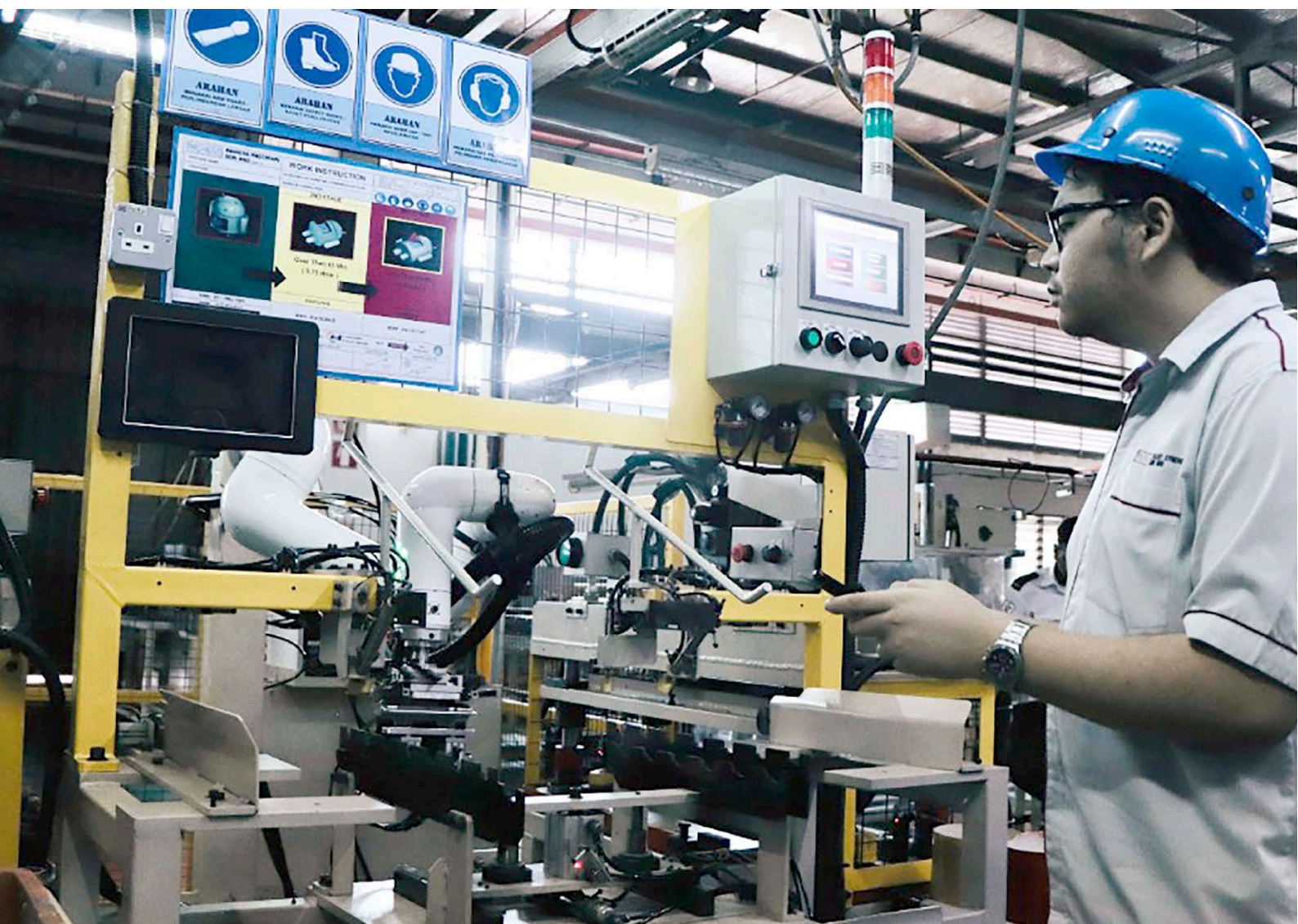


10.2 Future Projects

TSSB will still be the supporting company to gradually transform the current manual operation into a more fully connected, integrated and automated system at INGRESS ACM.

Using the COBOT Technology, TSSB would market these products into the industry especially in furniture and food industries which requires high intensive labour.

TSSB would market its latest products such as Automated Guided Vehicle (AGV), Production Monitoring System (PMS) and COBOT (Collaborative Robot) into the private as well as Governments sectors such as hospital, R&D and education institutions to enhance its competitiveness to face the future challenges.

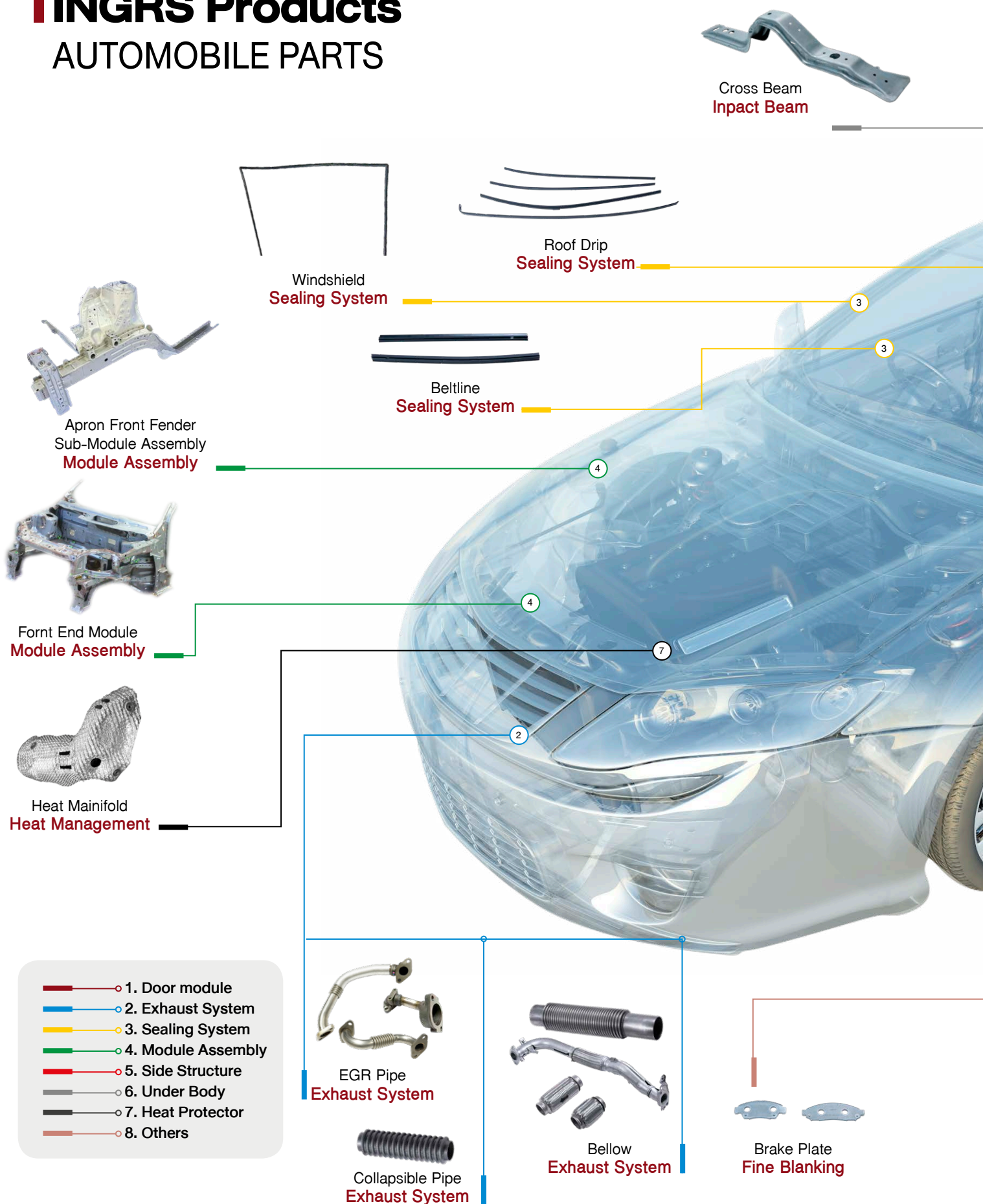


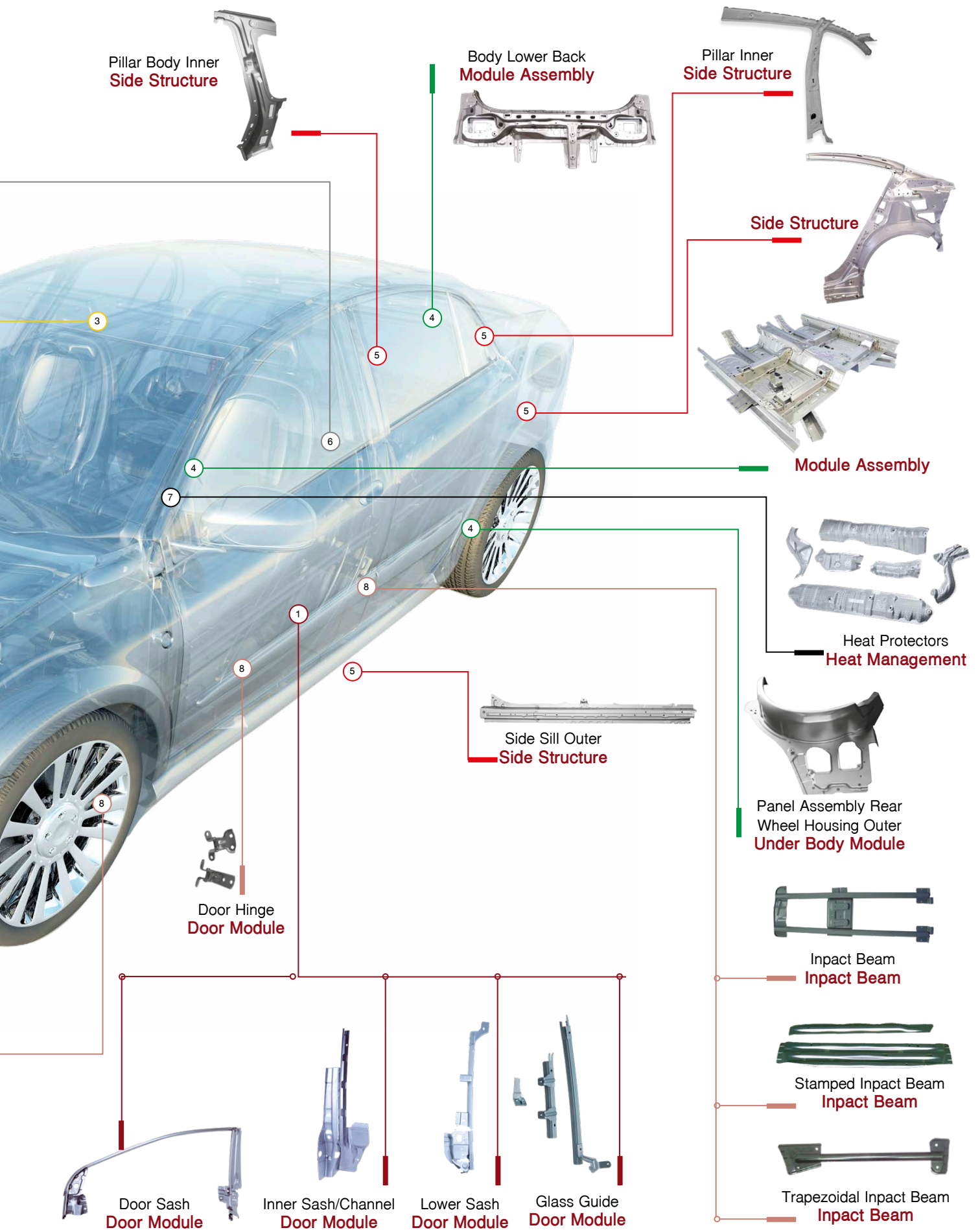
INGRS Products & Services



INGRS Products

AUTOMOBILE PARTS





DIE MAKING PRODUCTS



Die Making	Type	Die Size (max)	Material
1. Fine Blanking Die	Progressive	0.6 M x 1.0 M	Steel and Casting
2. Normal Stamping Die	Tandem	4.0 M x 2.0 M	Steel and Casting
	Progressive	4.0 M x 2.0 M	Steel and Casting

AUTOMATION SOLUTION PROVIDER

1. Automated Guided Vehicle (AGV)
2. Production Monitoring System (PMS)
3. Autonomous Robotic
4. Cobot
5. Manufacturing Execution System (MES)
6. Smart Factory
7. Specialized machineries
8. Testing equipment
9. Jigs and fixtures and
10. Engineering services



AWARDS AND ACHIEVEMENTS

NEW AWARD 2019/20



Thailand

- 2019 Smart Resident Award from Auto Alliance Thailand to IAV.
- 2019 Quality Achievement Award from Mitsubishi Thailand to IAV.



Malaysia

2018 National Regional Champion
(OEM Manufacturer)
by Malaysian Government to ITS.



Indonesia

- 2018 Zero Defect Quality Achievement from Toyota Indonesia to PTIMV.
- 2018 Quality Target Achievement from Toyota Indonesia to PTIMV

COMPANY CONTACT INFORMATION

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Investor Relation : ir@ingress.co.th

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Fax : (+663) 8029 237
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3. INGRESS AUTOVENTURES CO., LTD.

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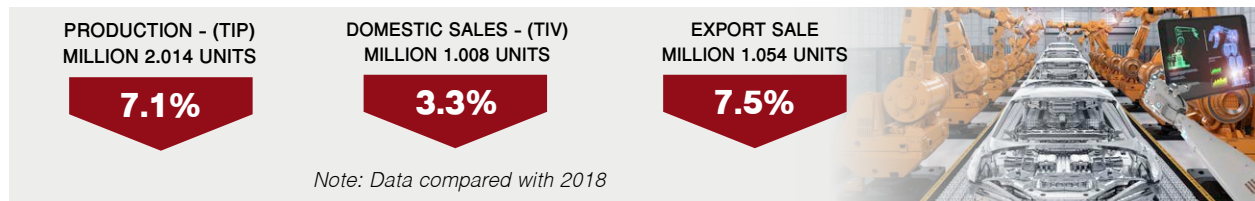
ANNUAL BUSINESS REVIEW

**INGRESS INDUSTRIAL (THAILAND)
PUBLIC COMPANY LIMITED**

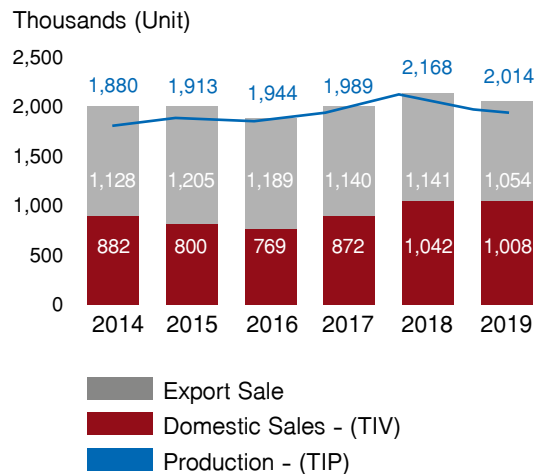
INDUSTRIAL TREND

1 THAILAND

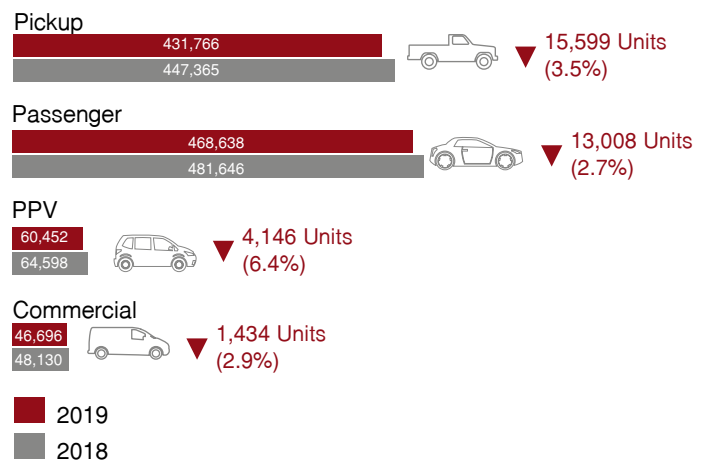
1.1 Overview of Thailand Market in 2019



Thailand Automotive Industry Outlook 2019



Source: Federation of Thai Industries - (FTI)

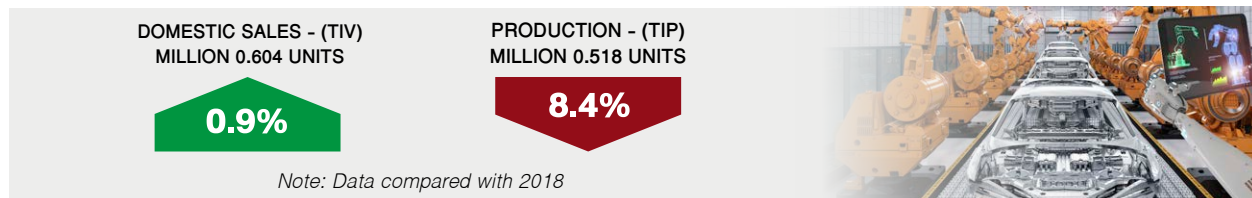


Total Industry Production (TIP) volume in Thailand in year 2019 recorded 2.014 million vehicle which was a 7.1% decrease from 2018. While Total Industry Volume, (TIV) Domestic market sales in year 2019 recorded 1.007 million vehicles, a 3.3% decrease from year 2018 and Export market sales recorded 1.054 million vehicle, decreased 7.5% from

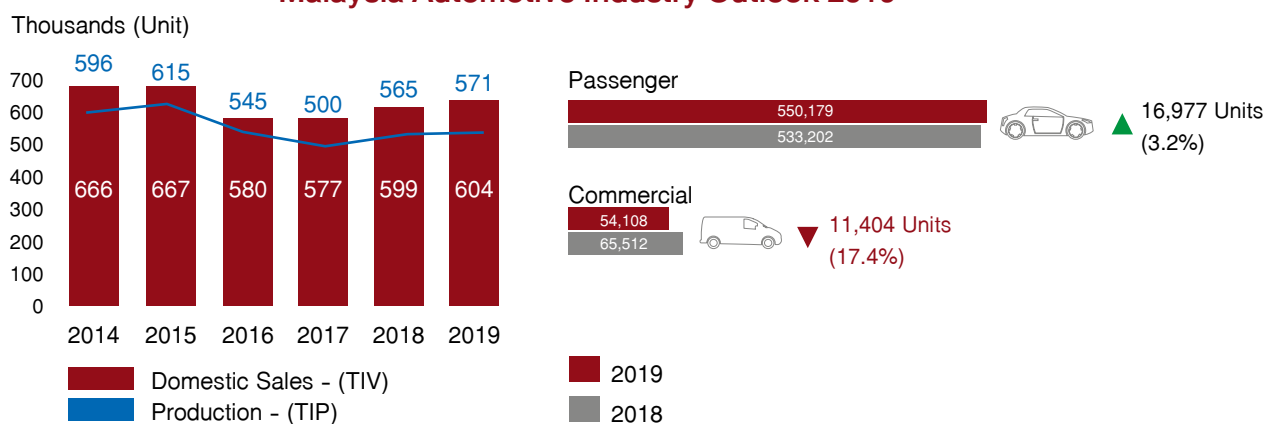
year 2018. Impact on the export market were mainly due to US-China trade war, Foreign Exchange and global market demand decrease while domestic market demand decreases due to country economic contraction and decrease of market sentiment.

2 MALAYSIA

2.1 Overview of Malaysia Market in 2019



Malaysia Automotive Industry Outlook 2019



Source; Malaysian Automotive Association

In 2019, Total Industry Production (TIP) recorded 0.571 million units decreasing by 8.4% from 2018, the Total Industry volume (TIV) recorded 0.604 million units which slightly increased 0.9% from 2018. Protons performance slightly improved in-term of production and sales as compared to 2018 with the launching of new models, the Proton X70.

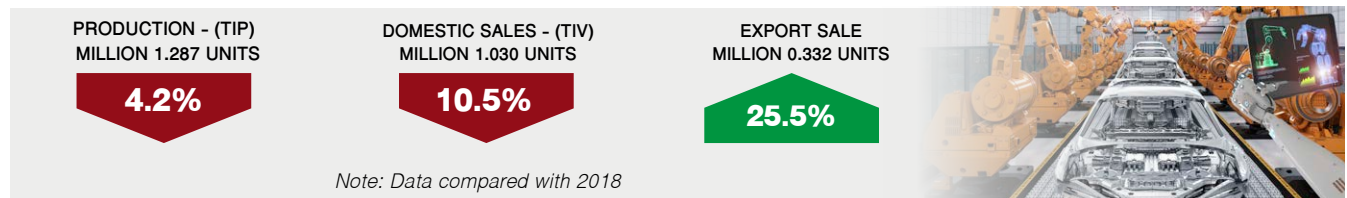
The positive variance in TIV was contributed by the Passenger Vehicles segment (increase of 3.2% or 16,977

units. While Commercial Vehicles segment registered a decline of 17.4% or 11,404 units.

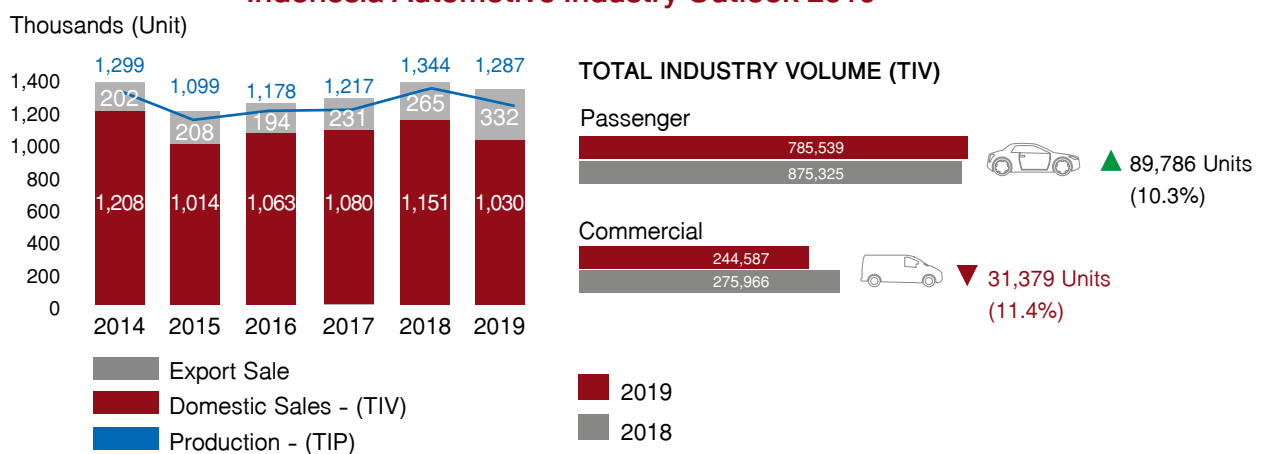
The Malaysian Automotive Association (MAA) reported that the relatively good performance in 2019 could be attributed the country economy, aggressive sales campaigns by car companies especially towards the last few months of the year, introduction of new models and attractive offers and schemes for car buyers.

3. INDONESIA

3.1 Overview of Indonesia Market in 2019



Indonesia Automotive Industry Outlook 2019



Source; Gaikindo

Total Industry Production (TIP) recorded 1.287 million units which decreased 4.2% as compared to 2018, while Total Industry Volume (TIV) recorded 1.03 million units which decreased 10.5% from 2018. The negative variance is mainly impact from country economic contraction and negative market sentiment. Export market recorded 0.33 million units which increased 25.5% from 2018, mainly contributed by Mitsubishi Xpander MPV, Suzuki, Toyota and Honda started to export Brio (CBU) to Philippine and Vietnam.

The total industry volume (TIV) for 2019 was 1.03 million units, which decreased 10.5% from 2018, mainly down contributed from both passenger and commercial 10.3% and 11.4%, respectively. This was caused by election effect, people adopting the 'wait and see' for the new policy related to Economic and Development growth for 5 years ahead and quality issues (Recall for MMKI - Fuel Pump Leaking, Recall for Toyota - Airbag).

EXPORT MARKET

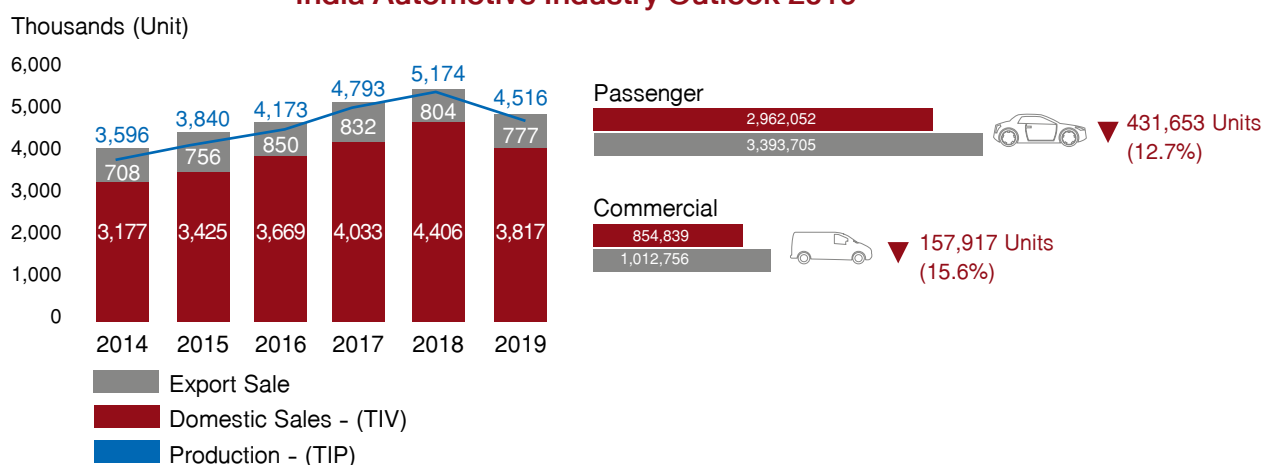
The CBU Export recorded 0.33 million units increased by 25.5% from 2018. Indonesia had grown to become a production base for multi-purpose vehicles (MPVs), trucks and pick-up trucks for global markets and was aiming to be the supplier for sedans and sport utility vehicles (SUVs). Most Indonesian car exports were to the Philippines, Vietnam and Thailand. The Indonesian government is hoping that Australia would also become another potential market for Indonesian automobiles, particularly after the recent signing of the Indonesia- Australia Comprehensive Economic Partnership Agreement (IA-CAPA).

4. INDIA

4.1 Overview of India Market in 2019



India Automotive Industry Outlook 2019



In 2019 Total Industry Production volume (TIP) in India recorded 4.5 million vehicles which decreased 12.7% from year 2018 while Total Industry Volume (TIV) domestic sales volume recorded 3.8 million vehicles a 13.4% reduction from year 2018. For export market sales recorded 0.7 million vehicles which slightly decrease 3.4% from year 2018.

Total passenger vehicle new Passenger registered at 2.9 million units was down 12.7% from year 2018 while new commercial vehicle registered contraction of 15.6% to 0.8 million vehicles from year 2018.

Demand for new cars declined sharply in 2019, forcing automakers to cut production across the year. Sales were

expected to revive during the annual festive season from October 2019 but failed to do so. In fact, there was an encouraging spike in sales in Q3 - stimulated by promotional offers, aggressive discounts, new model launches, and the increasing availability of models offering moving from Bharat Stage- IV (BS-IV) to VI (BS-VI) emission standard. However, volumes dipped soon after the season was over. Counterpoint Research expects the negative month-on-month sales trend will continue in Q1 2020. Despite continued difficulties, it is expected that the overall YoY decline to moderate over the rest of the year, with anticipation of economic interventions and industry stability.

RISK FACTORS

The Enterprise Risk Management (“ERM”) framework, enforced throughout Ingress Industrial (Thailand) Public Company Limited and its subsidiaries (“the Group”), was established to ensure that key risks affecting the Group are well identified, evaluated and managed at an optimal level, in line with the Group’s commitment in meeting its visions and strategic objectives.

With ERM in place, together with the facilitation and coordination by the Group Risk Management unit, the Board of Directors and Management levels all carry the stewardship responsibility to understand these risks, provide guidance on dealing with these risks, and to ensure risks are managed pro actively, in a structured and consistent manner.

The ongoing effectiveness of ERM implementation is guided by the following ERM policies that have been developed by the Group:

- To integrate risk management into the culture, business activities and decision-making processes;
- To anticipate and respond to the changing operational, social, environmental and regulatory requirements pro actively;
- To manage risks pragmatically, to an acceptable level given the particular circumstances of each situation;
- To require that all papers that are submitted to the Board by Management relating to strategy, key project approval; significant action or investment must include a detailed risk assessment report; and
- To implement a robust and sustainable ERM framework that is aligned with Ingress Group’s vision and objectives, and in accordance with best practices.

For the financial year ended 31 January 2020, all risks identified for the Group were individually assessed and ranked according to the appropriate rating by evaluating the likelihood or frequency of risk occurrence, impact of the risk to the organization, as well as effectiveness of existing controls. The respective implementation status of the risk action plans, which were developed to mitigate the identified risks, are then independently and periodically reviewed, and reported to the Board accordingly.

The following risks factors are among the key/critical risks affecting the Group:

STRATEGIC RISK

Risks arising from changes in government’s policies, rules and regulations

As a result of political instabilities in any part of the world, particularly Malaysia, Thailand, Indonesia and India, there would usually be a direct impact on government policies, rules and regulations, which would in turn affect the growth of domestic economic trends. Therefore, this risk is identified as one of the key risk factors for the Group, mainly due to its potential impact on the automotive industry. The Group responds to this risk by continually keeping abreast with the changes of all relevant laws that may affect the business operations of the Group across all four countries. It is the policy of the Group to follow strictly the relevant laws and regulations.

Risks in investment due to commercial failures

Under certain circumstances, the total costs for major investment components such as tooling and equipment, are not aided or fully compensated in the event of any delay or failure of a car model. As a result, there could be a significant financial impact from the investment amount spent as well as finance costs incurred from bank borrowings, hence affecting the Group’s long term sustainability.

“The board of directors and management level all carry the stewardship responsibility to understand, deal and ensure risks are managed proactively”

To mitigate this risk, on top of enhancing its evaluation processes by conducting a thorough feasibility study before any project is taken up, the Group also continues to pursue with negotiation efforts to obtain upfront payments from customers, particularly for tooling items. Continuous investment monitoring is further emphasized through improved procedures in order to ensure that actual project performance is always able to generate the expected returns.

Risks of technological obsolescence

Adopting new technology is important in a manufacturing business as it helps to speed up processes, increase productivity and reduce production wastages. Technological obsolescence may affect the competitiveness of the company, reduce its opportunity to secure new business and possibly increase operating costs due to frequent breakdown of ageing machineries.

Among the management's action plans to manage this risk include:

- Establishing a structured process to identify and analyse the latest technology changes in the market;
- Developing a long-term technology improvement strategy for the division;
- Continue to pursue learning of new technology from other countries such as Korea and expand operations coverage to other territory for not straining current relationship with existing partner and customer;

FINANCIAL RISK

Risks of forex exposures

Exposure to forex risks is apparent for a company who has overseas business dealings and transacting in foreign currencies. Furthermore, the Group will again be exposed to this risk upon consolidating its financial results from its foreign subsidiaries. Unfavorable changes in the exchange rate between Thai Baht and the relevant foreign currencies i.e. Malaysian Ringgit, Indonesian Rupiah and Indian Rupee, could result in adverse financial impact to the holding company, the Group.

To mitigate this risk, the Management has a system in place to closely monitor exchange rate movements between its base currencies, Thai baht against all other currencies transacted. The Group also protects itself from the risk

by closely keeping up with the movement of raw material prices and by using Central Purchasing Systems to source for primary production materials, of which OEMs would determine the type and trading price of material to be used, as well as the primary supplier to be sourced from.

Risks of interest rate fluctuations

Considering that a significant portion of the Group's overall outstanding borrowings are subjected to floating interest rate terms with the corresponding banks, the Group is largely exposed to increase in financing costs upon any upward fluctuations in the loans' reference rates.

To address this risk, the management closely observes and tracks any interest rate movement throughout the Group. Nevertheless, the Group 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 whilst considering other alternatives that can offer more acceptable financing costs apart from commercial banks.

OPERATIONAL RISK

Risks relating to customer concentration

Over dependence on a handful of customers may impair the Group's business profitability. This inevitable exposure to risks of customer concentration could cause the Group to be vulnerable especially when losing any customers who generate significant portion of revenue, thus posing a negative impact towards its growth strategies. Likewise, a reduction in production demand could predominately affect the operating results and financial conditions of the Group.

Although the major customer segment of the Group comes from leading OEMs across four major markets in ASIA region, namely Thailand, Malaysia, Indonesia and India, to continuously secure new business or customer becomes crucial for the long term sustainability for the Group. Inability to secure new business would disrupt the company to achieve its targeted revenue and possibly loss of market share and its brand recognition. Therefore, any form of poor customer relationship management or unmet customer's expectations may instantly compromise the revenue-base of the Group.

Marketing drives to increase customer base from other various segments for diversification purposes has been put in by the Management while maintaining good relationships with existing customers and business partners. Other efforts include conducting situational analysis and response planning by performing a detailed benchmarking against customers' requirements and technological gap analysis between existing capabilities and future demands.

Risks of product quality issues

The Group strongly emphasises high standards in its production processes, as in accordance with its certification in quality management system standards IATF 16949. Product quality is the key success factor for automotive industry because any defects or low-quality products are unacceptable as they may ultimately cause safety consequences. There is a reputational risk involved as a result of any litigation suit by the end consumers who suffered any damages caused by the below-standard product.

Finished products that do not meet customer's requirements would not only cause the customers to complain, but may potentially expose the Group to warranty claims by the customers. These claims would pose adverse financial and reputation impact towards the Group and possible loss of existing or potential business.

The Group aims at controlling product quality through continuous improvement on production processes and procedures, product's quality control and assurance processes review. Such measures give an assurance to a certain level that there is low risk for product quality. The Group, together with its partners from Japan have taken necessary actions to control and improve the product quality continuously in order to earn acceptance from various OEMs (Original Equipment Manufacturers).

Risks relating to safety, health and environment

Personal injuries due to non-conductive and hazardous working environment i.e. operating of machiney in the plant, long working hours / working overtime, etc. not only will result in serious accidents, loss of time and high medical costs, but also the Group is possibly perceived as non-compliance with the safety and health requirements. Not only that, any waste materials or substances produced by manufacturing processes may be harmful to the environment if fallaciously managed. Should there be a lack of handling of safety procedures and poor production waste management, subsidiaries of the Group may be subject to reprimand and penalty by relevant authorities and thus affect its image and reputations.

Besides promoting safety awareness through numerous activities and campaigns related to health and safety across the organisation, the Group also conducts trainings to employees for better understanding while providing guidelines on operating and production processes to reduce the risk of possible losses or and prevent danger. The Group gives high priority to strictly follow the relevant provisions and laws about quality and environment standards required by Thailand, Malaysia, Indonesia and India where the Group is operating its business in.

Risks from force majeure consequences

Unforeseen crisis or disasters could materially cause a negative impact towards the operations of the Group both directly and indirectly which translates into a decrease in revenue and profit for the company. These unpredictable turn of events would not just seriously disrupt business operations but also affect the whole supply chain of the automotive industry.

The Group has taken preventive and protective measures to minimize these exposures both operationally and financially, which include establishing proper recovery or continuity plans so that productions can be recovered as early as possible and also optimizing insurance coverages for all industrial risks without excluding consequential losses.

2019 CORPORATE SOCIAL RESPONSIBILITY HIGHLIGHTS

Incorporating CSR into our annual programs has always been an on-going practice within the INGRS 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 INGRS Group.



CONTRIBUTION TO THE SOCIETY

INGRS integrates social and environmental concerns in its business operations and interactions with the stakeholders. Through CSR activities, it help in strengthening the corporate citizenship while feel more connected to the community.



Our corporate social responsibility covers the following key areas: -

ENVIRONMENT PRESERVATION

INGRS 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

Contribution to society amongst others: -

- a) **Fundraising campaign in support to hospital equipments and support for the underprivileged i.e Mitsubishi Charity Run 2019 to support Somdej Sriracha Hospital building.**



EMPLOYEE WELFARE AND DEVELOPMENT

INGRS Group has 1,766 employees spread throughout ASEAN in 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 adequate leave and compensation program which commensurate with their rank and level of employments.

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

COMMUNITY WELFARE

INGRS Group is also active and concerned for the welfare of the community by supporting social objectives 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.

b) Learning through visual art / floor painting activities.



c) Donation to school and needy.



d) Annual Health check-up.



e) Distribution of Diwali gift packs to staff.





CORPORATE GOVERNANCE

**INGRESS INDUSTRIAL (THAILAND)
PUBLIC COMPANY LIMITED**

STATEMENT OF 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 is 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 has given importance to convening of shareholders' meetings and encouraged all shareholders to attend them. Shareholders could not 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 they have operated 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 in the board of Directors of Meeting 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.

“Good corporate governance which bring a transparent manner for the best interests of all interested parties”

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 in Board of Directors of Meeting 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 the Company and its subsidiaries or Joint Venture Agreements the Group entered into with its 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 could not 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 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 behaving and conducting 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 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		
			At book closing on 18 April 2019	Increase/ (decrease)	At book closing on 30 April 2020
1.	Mr. Nuthavuth Chatlertpipat	Chairman [^]	800,000	1,700,000	2,500,000
2.	Datuk Rameli Bin Musa	Deputy Chairman ^{^^}	1,447,010	-	1,447,010
3.	Dato' Dr. Ab Wahab Bin Ismail	Director ^{^^}	1,447,010	-	1,447,010
4.	Mr. Apichat Suttisiltum	Director [^]	-	-	-
5.	Datin Seri Farah Binti Datuk Rameli	Director ^{^^}	914,000	-	914,000
6.	Mr. Sarawoot Sriwannayos	Corporate Secretary	750,000	-	750,000

Note: [^] Independent & Non-Executive Directors

^{^^} Non-Independent & Executive Directors

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 financial 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. The Company has three (3) Independent & Non-Executive 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 & Non-Executive Directors have possessed qualifications in line with requirements as prescribed by relevant regulatory agencies.

The Company has a policy to appoint at least three (3) persons with Thai nationalities who are Thai residents which 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, three (3) of the Company's directors are those with Thai nationalities and Thai residents and two (2) 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 sent a director who is a Thai resident to hold directorship 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 ITI.

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 & 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 Corporate 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 Corporate 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 the Group are managed by the 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 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 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 Chatlertpipat	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 of Directors of the Company (“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”) comprising four (4) Non-Independent & Executive Directors and three (3) Management Representatives. 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. Hamidi Bin Maulod	Member
4.^	Datin Seri Farah Binti Datuk Rameli	Member
5.	Mr. Affandi Bin Mokhtar	Member
6.	Mohd Safri Bin Sabtu	Member
7.	Mr. Nosri Bin Hamzah	Member

Notes:

^ Non-Independent & Executive Directors.

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.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors emphasizes on the effective and adequate internal controls 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 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 offence or violation of any regulations will be penalized according to the severity of such actions.

The Company sets up its organizational 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 also 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 the Quality Management System Standard (IATF 16949) 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 ability to achieve its objectives. The risk officer will evaluate opportunities and impact of the risk both in terms of operational and financial perspectives. The risk assessment is based on past events and their impacts in order to put in place appropriate 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 countermeasure to ensure the risks are satisfactorily mitigated.

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

“Maintaining good governance, would aid success in operations, improve efficiencies and even help an organization stay in compliance with regulations and law”.

3. CONTROL ACTIVITIES

The Company has set clear Group Policies and Procedures, Limit of Authority, Quality Work Procedures, Work Instructions for every key functional area. The widely established standard such as ISO14000 and IATF 16949 Quality Management Standard also embedded in current operational procedures and work instruction and used by all employees as a guideline to perform their work correctly and effectively. Proper controls that established in each process are capable of deterring errors and any possible unintentional wrongdoings.

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 design to prevent any possible assets misappropriation, misconduct or corruption issues.

The Company assigns the Group Internal Audit to monitors its operations to ensure that employees operate according to Group Policies and Procedures, 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 the 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 a 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 reviewed during the Audit Committee Meeting in details 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 the 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 a regular basis, particularly those responsible for authorization, record transaction, and custody of assets.

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 Corporate Secretary prepares a minute of meeting and discloses relevant 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 the primary contact for inquiries and information distribution and welcomes company visit and meeting request from shareholders, investors, and analysts.

The Company has established Whistle Blower Policy, which provides a clear communication channel for complaints or reports of suspicion of wrongdoings which may lead to corruptions, assets misappropriation, 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 khudus@ingress.co.th. The Company is fully

committed to fighting corruption and determines 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 an annual audit plan covering each of key functional areas across Group-wide which are 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 the Audit Committee during quarterly 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 the Audit Committee will be informed.

Internally, each of the subsidiaries has set up its compliance unit which objectives to evaluate and audit the compliance with policies, regulations and work instructions. The unit is headed by the Head of Finance and will be reporting the outcome to the Head of Business Unit. The same report will be shared with the Group Internal Audit and will be updated monthly to Management Council during the monthly meeting.

In ensuring all subsidiaries is audit-ready for all applicable certification and regulations, the Company has engaged with certified external agents to perform an audit and certifies current practices has been following the best standards.

In additions, each of the Subsidiaries also passes the multiple

customers' audit that its 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.

In ensuring the uniformity with group practices, all subsidiaries have to observe the Group Policies and Procedures and Authority Limit.

INTERNAL AUDIT FUNCTION

The internal audit staff independently assesses compliance with policies and procedures and evaluates the effectiveness of all control systems Group-wide. 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 no recurrence of a similar issue.

In current financial year, the audit demographic has been expended due to the new addition of Ingress Autoventures India Private Limited in Manesar India.

All business units under the Group has been audited at least once in each of the Financial Year to ensure the highest level of transparency and sound Internal Control practises among the employees. The plan and results of internal audits are reviewed by the Audit Committee.

6. BUSINESS CONTINUITY MANAGEMENT

As part of the operational risk management mitigation plans, Business Continuity Management (“BCM”) was introduced within Ingress Group through awareness sessions conducted in Ingress Technologies Sdn Bhd (“ITSB”) and Ingress Precision Sdn Bhd beginning April 2018. BCM is a framework for identifying an organisation's risk of exposure to internal and external threats. As a pilot project, it has been implemented in ITSB, which was recently concluded in January 2020.

Under the BCM Policy Statement of ITSB, the objective of BCM is to promote organisational survival by ensuring that critical business process can continue or be recovered in a timely manner, following a disruption, thus ensuring:

- Lives are saved and damages to assets are minimised during a major disruption or disaster;
- Customer expectations and quality of service continue to be met, or managed;
- Operations are not adversely affected, thus maintaining the quality of management and meeting statutory and regulatory requirements of the business; and

- Reputation and image to stakeholders and the public are not negatively affected following business disruptions.

The BCM program in ITSB is aligned to the international standard ISO22301:2012, an international standard for “Societal Security - Business Continuity Management Systems (BCMS) - Requirements” that was published by ISO in 2012. Together with the facilitation from an external consultant, the company managed to complete the following five phases of the project:

- Phase 1 - Program Initiation, Management & Risk Assessment
- Phase 2 - Business Impact Analysis
- Phase 3 - Strategy Development & Selection
- Phase 4 - Plan Development
- Phase 5 - Plan Testing & Maintenance

Moving forward, the next positive step for the Group is to embark on the same approach and implement BCM project across other companies.

RELATED TRANSACTIONS

During the financial year ended 31 January 2020 (“FY2019/20”) and 31 January 2019 (“FY2018/19”), 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 bases 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
<p>1. Katayama Kogyo Co., Ltd (“KK”)</p> <p>Established in Japan and engaging in the business of manufacturing and sales of various automotive parts, agricultural machinery and construction related parts.</p>	<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 directors in IPSB, consisting of (1) Ms. Michiko Akamatsu (Board of Commissioners) and (2) Mr. Tetsuji Tamura (Board of Directors).
<p>2. Yonei Co., Ltd (“Yonei”)</p> <p>Established in Japan and engaging in general trading business with over 200 bases of operations in approximately 80 countries worldwide.</p>	<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).
<p>3. Iwamoto Co., Ltd (“Iwamoto”)</p> <p>Established in Japan and engaging in design, development, fabrication and sales of tooling for stamping.</p>	<p>Iwamoto is holding 15 percent of all voting shares of FCT and has designated one delegate to act as a director in FCT, who is Mr. Noboru Iwasaki.</p>

Subsidiaries of a corporate shareholder of a subsidiary

Related party and nature of business	Relationship with the Group
<p>1. Perodua Manufacturing Sdn Bhd ("PMSB")</p> <p>Established in Malaysia and engaging in the business of manufacturing and assembly of Perodua vehicles.</p>	<p>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) Mr. Zainal Abidin Bin Ahmad and (2) Ms. Noor Zakiah Binti Hasan.</p>
<p>2. Perodua Sales Sdn Bhd ("PSSB")</p> <p>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.</p>	<p>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) Mr. Zainal Abidin Bin Ahmad and (2) Ms. Noor Zakiah Binti Hasan.</p>
<p>3. Perodua Global Manufacturing Sdn Bhd ("PGSB")</p> <p>Established in Malaysia and engaging in the business of manufacturing and assembly of Perodua vehicles.</p>	<p>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) Mr. Zainal Abidin Bin Ahmad and (2) Ms. Noor Zakiah Binti Hasan.</p>
<p>4 Perodua Auto Corporation Sdn Bhd ("PCSB")</p>	<p>PCSB is an associate company of Perodua, who holds 30% shareholdings in ITSB, which in turn holds 34% shareholdings in Ingress AOI Technologies Sdn Bhd ("IATSB"). PCSB delegates one (1) director in IATSB, who is Ms Noor Zakiah Binti Hasan</p>
<p>5 AOI Machine Company Ltd ("AOI")</p>	<p>AOI owns 15% shareholding interest in IATSB. AOI delegates two (2) directors in IATSB, namely (1) Mr. Noboru Doi and (2) Mr. Katsumi Nishida</p>

Parent company

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

Related companies

Related party and nature of business		Relationship with the Group
1.	Ingress Katayama Technical Centre Sdn Bhd ("IKT") Established in Malaysia and engaging in design and manufacture of roll-forming and extrusion tools, jigs and dies for the automotive components manufacturing.	IKT 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.
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 FY2019/20 and FY2018/19 are as follows:

	Transaction Value (Million Baht)		Transfer pricing policy
	FY2019/20	FY2018/19	
Transactions with parent company			
Dividend paid	45.16	45.16	As announcement
Transactions with corporate shareholders of subsidiaries			
Sale of goods	16.60	0.50	As agreed
Purchase of raw materials and supplies	10.92	11.83	As agreed
Purchase of machinery and equipment	6.82	8.11	As agreed
Advance payment for mold	10.30	4.83	As agreed
Royalty fee	15.44	18.02	Contract price
Technical assistance fee	3.64	5.95	Contract price
Dividend paid	45.10	45.86	As announcement
Transactions with subsidiaries of a corporate shareholder of a subsidiary			
Sale of goods	821.81	1,015.05	As agreed
Transactions with related companies			
Sale of goods	-	1.56	As agreed
Rental income	1.93	2.06	Contract price
Purchase of machinery and equipment	25.81	21.65	As agreed
Purchase of supplies	-	0.47	As agreed

For FY2019/20 and FY2018/19, the balance of accounts between the Group and those related parties are as follows:

	Transaction Value (Million Baht)	
	FY2019/20	FY2018/19
<u>Trade and other receivables - related parties</u>		
Trade receivables - related parties		
Subsidiaries of a corporate shareholder of a subsidiary	84.25	104.59
Corporate shareholders of subsidiaries	-	0.03
Related companies	0.03	0.19
Total trade receivables - related parties	84.28	104.81
Other receivables - related parties		
Parent company	41.25	3.94
Subsidiaries of a corporate shareholder of a subsidiary	-	4.65
Related companies	5.56	13.27
Total other receivables - related parties	46.81	21.86
Total trade and other receivables - related parties	131.09	126.67
<u>Trade and other payables - related parties</u>		
Trade payables - related parties		
Corporate shareholders of subsidiaries	4.82	1.73
Total trade payables - related parties	4.82	1.73
Other payables - related parties		
Parent company	5.41	16.30
Corporate shareholders of subsidiaries	9.05	25.55
A subsidiary of a corporate shareholder of a subsidiary	79.87	-
Related companies	9.14	4.38
Total other payables - related parties	103.47	46.23
<u>Accrued expenses - related parties</u>		
Related companies	4.71	-
Total accrued expenses - related party	4.71	-
Total trade and other payables - related parties	113.00	47.96
<u>Dividend payables to related party</u>		
Corporate shareholders of subsidiary	17.23	17.19
Total dividend payables to related party	17.23	17.19

The Group's borrowing guarantee by ICB

The Group's borrowing with financial institution which ICB as corporate guarantees as at 31 January 2020 and 31 January 2019 are as follows:

Consolidated Financial Statements						
No.	Borrower	31 January 2020		31 January 2019		Description of asset for security/mortgage
		Type	Amount (Million Baht)	Type	Amount (Million Baht)	
1.	Ingress Industrial (Malaysia) Sdn Bhd	TL	149.92	TL	181.63	Corporate guarantee by ICB
2.	Ingress Precision Sdn Bhd	TL	121.22	TL	148.24	Corporate guarantee by ICB
		BA	13.68	BA	10.57	
		RC	76.19	RC	76.40	
3.	Ingress Technologies Sdn Bhd	TL	201.45	TL	234.78	Corporate guarantee by ICB
		BA	70.24	BA	78.96	
		RC	106.48	RC	105.26	
4.	PT Ingress Malindo Ventures	RC	45.56	RC	44.5	Corporate guarantee by ICB

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 2020 and 31 January 2019 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 opinions 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 opinions 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 aims is to ensure that such transactions takes into account the utmost benefits of all shareholders.



FINANCIAL REPORT

INGRESS INDUSTRIAL (THAILAND)
PUBLIC COMPANY LIMITED

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 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 10250, 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 2020.

2 Overall operating results

For both financial years ended 31 January 2020 ("FY2019/20") and 31 January 2019 (FY2018/19"), the Group's registered sales revenue of Baht 2,838.1 million and Baht 3,199.3 million respectively, a reduction of Baht 361.2 million or 11.29% from FY2018/19. The drop in sales revenue was mainly as a result of significant drop in Total Industry Volume ("TIV") and Total Industry Production ("TIP") for Thailand by, Indonesia and India markets experienced in 2019. For Malaysia market, although the TIV shown slightly improved from 2018, but it does not translate into a higher sales revenue mainly the increase was supported by higher CBU models direct from China.

As a result of the reduction of revenue in FY2019/20, the Group recorded lower gross profit margin of Baht 546.4 million or 19.25% as compared to Baht 633.0 million or 19.79% recorded in FY2018/19. In FY2019/20, the Group contracted the profit before taxation with approximately 51.6% from FY2018/19, closing at Baht 48.17 million (Baht 99.54 million in FY18/19).

The Group registered loss after taxation and minority interest ("LATMI") of Baht 76.1 million in FY2019/20 as compared to a profit of Baht 54.1 million in FY2018/19 which represents an unfavorable variance of Baht 130.2 million. The decrease was mainly due to the following:

- (a) Lower profits recorded by Thailand operation largely due to drop in sales revenue from IAV and lower contribution from the die making segment of FCT;
- (b) Significant reversal of deferred tax assets of IPSB in consideration of high capital and reinvestment tax allowances are estimated not being able to realize in the near future.

For FY2019/20, the Group LATMI margin was (2.68%) as compared to a PATMI of 1.68% in FY2018/19.

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 manufacturing of 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:

Unit: Million Baht	Financial Year Ended			
	31 January 2020		31 January 2019	
	Million Baht	Percent	Million Baht	Percent
Sales Revenue by Country				
Thailand	1,027.5	36.2	1,194.7	37.3
Malaysia	1,389.4	49.0	1,542.5	48.2
Indonesia	226.8	8.0	238.3	7.5
India	194.4	6.8	223.8	7.0
Total Sales Revenue	2,838.1	100.0	3,199.3	100.0
Sales Revenue by Products				
Roll Forming Products	1,613.7	56.9	1,785.8	55.8
Stamping Products	1,197.7	42.2	1,396.5	43.7
Automation Solution Provider	26.7	0.9	17.0	0.5
Total Sales Revenue	2,838.1	100.0	3,199.3	100.0

Based on the above table, Malaysia was still the main contributor for the sales revenue for FY2019/20, accounted for 49.0% (FY2018/19 was 48.2%) from the total Group's sales revenue followed by Thailand, Indonesia and India operations with the contribution of 36.2%, 8.0% and 6.8% respectively.

The roll forming products was the main contributor of the sales revenue for FY2019/20 to the Group, accounted for 56.9% from the total Group's sales revenue while stamping products and automation solution provider contributes sales revenue of 42.2% and 0.9% respectively. The Group's strategy in expanding the automation solution provider segment shown a Baht 9.7 million jump from FY18/19, signifying a promising growth potential in the future.

3.2 Other income

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

Unit: Million Baht	Financial Year Ended			
	31 January 2020		31 January 2019	
	Million Baht	Percent	Million Baht	Percent
Exchange gain	7.8	8.9	11.2	12.2
Scrap sales	70.1	79.9	68.4	74.3
Gain on change in fair value of investment property	-	-	5.6	6.1
Miscellaneous income	9.8	11.2	6.9	7.4
Total other income	87.7	100.00	92.1	100.00

For FY2019/20 and FY2018/19, the total other income of the Group were Baht 87.7 million and Baht 92.1 million respectively accounted for 3.0% and 2.8% respectively of the Group's total revenues. Large portion of the other income consist of the revenues from scrap from the production of automotive parts, accounts for 79.9% and 74.3% of the total other income for FY2019/20 and FY2018/19 respectively.

The Group recognized the foreign exchange gain of Baht 7.8 million in FY2019/20 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 interest income that the Group

obtained from short-term investment, gain on disposal of plant, machinery and equipment, etc.

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:

Unit: Million Baht	Financial Year Ended			
	31 January 2020		31 January 2019	
	Million Baht	Percent	Million Baht	Percent
Direct variable costs	1,776.2	77.5	2,021.0	78.7
Fixed overhead costs	274.3	12.0	273.6	10.7
Depreciation and amortisation	241.2	10.5	271.7	10.6
Total Cost of Sales	2,291.7	100.0	2,566.3	100.0

The cost of sales of the Group classified by countries and products are as follows:

Unit: Million Baht	Financial Year Ended			
	31 January 2020		31 January 2019	
	Million Baht	Percent	Million Baht	Percent
Cost of Sales by Country				
Thailand	799.9	34.9	893.4	34.8
Malaysia	1,161.3	50.7	1,329.0	51.8
Indonesia	193.8	8.5	187.9	7.3
India	136.7	5.9	156.0	6.1
Total Cost of Sales	2,291.7	100.0	2,566.3	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 manufacturers and distributors of raw materials including some OEMs to change the type of raw materials but maintained same product qualities in

accordance with Value Added Value Engineering ("VAVE") which resulted in the reduction on the production costs benefiting the Group apart from the customers obtained automotive components in more reasonable price. The Group also managed to increase the efficient production processes and reduce overall production costs through lower rejection, wastages and overtime costs.

3.4 Gross profit and gross profit margin

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

Unit: Million Baht	Financial Year Ended			
	31 January 2020		31 January 2019	
	Gross Profit Million Baht	Profit Margin Percent	Gross Profit Million Baht	Profit Margin Percent
Gross Profit/Margin by Country				
Thailand	227.5	19.9	301.4	25.2
Malaysia	228.1	20.0	213.5	13.8
Indonesia	33.0	14.6	50.4	21.1
India	57.8	15.7	67.7	30.3
Group Gross Profit/Margin	546.4	19.3	633.0	19.8

For FY2019/20 and FY2018/19, the Group's gross profits were Baht 546.4 million and Baht 633.0 million respectively, which represented a margin of 19.3% and 19.8% respectively.

3.5 Selling expenses

Selling expenses of the Group consisted of distribution, staff and other expenses which classified as following:

Unit: Million Baht	Financial Year Ended			
	31 January 2020		31 January 2019	
	Million Baht	Percent	Million Baht	Percent
Distribution costs	39.7	74.6	37.5	71.9
Staff costs	12.9	24.3	11.3	21.6
Other expenses	0.6	1.1	3.4	6.5
Total Selling Expenses	53.2	100.0	52.2	100.0

3.6 Administrative Expenses

The Group's administrative expenses consist of staff costs, depreciation & 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.

Unit: Million Baht	Financial Year Ended			
	31 January 2020		31 January 2019	
	Million Baht	Percent	Million Baht	Percent
Staff costs	277.2	57.4	321.6	62.7
General administrative expenses	169.4	35.1	158.2	30.9
Depreciation and amortization of office assets	36.3	7.5	32.8	6.4
Total Administrative Expenses	482.9	100.0	512.6	100.0

For FY2019/20, the Group registered a lower administrative expense by Baht 29.7 million as compared to Baht 512.6 million in FY2018/19. The savings mostly derived from the Group's effort in manpower rightsizing reducing the overall administrative staff costs by Baht 44.4 million. However, the general administrative expenses and depreciation of office assets shown an increasing trend of Baht 11.2 million and Baht 3.5 million respectively. These are mainly from the additional costs on relocation of plant of IAIP to Manesar, Gurugram as well as additional capex for the new Joint Venture company, IATSB.

3.7 Finance cost

The Group's financial expenses consist of interests from overdrafts and short-term borrowings from financial institutions, interest from hire purchase, financial lease and long-term loans from financial institutions. For FY2019/20 and FY2018/19, the Group's financial expenses were Baht 49.9 million and Baht 60.7 million respectively. The lower finance costs mainly due to lower long-term loan outstanding, that Baht 104.1 million repayment recorded in FY2019/20.

3.8 Income Tax Expenses

The income tax expense of the Group in FY2019/20 were Baht 127.5 million, increased by Baht 104.3 million as compared to Baht 23.2 million recorded in FY2018/19. 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;
- Difference in income tax rate which was not equal in the Group;
- Promotional privileges enjoyed by IAV granted 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;
- Reversal of deferred tax assets arising from tax losses and unused tax benefits of IPSB from previous years which were expected not to be utilised in the future;
- Unused tax losses from current year which were not recognised as deferred tax assets;
- Adjustment on the non-allowable expenses and tax exempt income;
- Deferred tax adjustment item of the previous year; and
- Other items.

The income tax expenses/(income) of the Group for FY2018/19 and FY2017/18 are as follows:

Unit: Million Baht	Financial Year Ended			
	31 January 2020		31 January 2019	
	Million Baht	Percent	Million Baht	Percent
Current income tax				
Current income tax charge	20.7	104.5	33.5	99.4
Adjustment in respect of tax/(income) expenses of previous year	(0.9)	(4.5)	0.2	0.6
Total current income tax	19.8	100.0	33.7	100.0
Deferred tax				
Relating to origination and reversal of temporary differences	106.2	98.6	3.2	(30.5)
Adjustment in respect of deferred tax of previous year	1.5	1.4	(13.7)	130.5
Total deferred tax	107.7	100.0	(10.5)	100.0
Tax expense reported in the statement of comprehensive income	127.5	100.0	23.2	100.0

Notes:

- 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 and would receive a CA tax benefit must be the assets 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 and CA that had not been used for unutilized CA purposes would be recognized as deferred tax assets on the statement of financial position since the unutilized CA could reduce the tax liabilities of its subsidiary in Malaysia in the future. This was in accordance with the terms and conditions of using the CA of Malaysian Tax Law.
- RA was an additional tax relief in addition to the Malaysian CA for a Malaysian company investing in a qualifying capital expenditure with the purpose to expand 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. However, the Malaysian authorities also considered RA for agricultural business operators in said countries. 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 for unutilized RA purposes, were recognized as deferred tax assets on statement of financial position as well as unutilized CA.
- For accounting purposes, the unutilised CA and RA is recognised to the extent that there will be taxable profit in the future for the tax benefits can be utilised.

3.9 Net (Loss)/Profit and Net (Loss)/Profit Margin

Unit: Million Baht	Financial Year Ended		Increase/(decrease)	
	31 January 2020	31 January 2019	Million Baht	Percent
Net (loss)/profit for the financial year	(79.3)	76.4	(155.7)	(203.8)
Non-controlling interests	(3.2)	22.3	(25.5)	(114.4)
Net (loss)/profit attributable to equity holders of the Company	(76.1)	54.1	(130.2)	(240.7)
(Loss)/Earning per share (Baht)	(0.05)	0.04	(0.09)	(225.0)

For FY2019/20, the Group registered net loss for the financial year of Baht 79.3 million as compared to net profit in FY2018/19 of Baht 76.4 million. The decrease in net profit were mainly due to the following:

- (a) Lower sales revenue from Thailand, Indonesia and India markets as a result of lower Total Industry Volume ("TIV") and Total Industry Production ("TIP"), impacting a lower contribution margin; and
- (b) Significant impact on reversal of deferred tax assets arising from tax losses and unused tax benefits of IPSB from previous years which were expected not to be utilised in the future of Baht 99.9 million.

4 Financial position analysis

As at 31 January 2020, the Group has total assets of Baht 4,125 million, total liabilities of Baht 1,662.7 and total shareholders' equity of Baht 2,462.3 million.

4.1 Assets

Unit: Million Baht	Financial Year Ended		Increase/(decrease)	
	31 January 2020	31 January 2019	Million Baht	Percent
Trade and other receivables	522.2	599.0	(76.8)	(12.8)
Inventories	272.4	274.6	(2.2)	(0.8)
Cash and cash equivalents	403.4	229.3	174.1	75.9
Property, plant and equipment	2,623.7	2,648.2	(24.5)	(0.9)
Deferred tax assets	92.5	179.3	(86.8)	(48.4)
Other assets	210.8	211.0	(0.2)	(0.1)
Total assets	4,125.0	4,141.4	(16.4)	(0.4)

As at 31 January 2020, the total assets slightly decreased by Baht 16.4 million or 0.4% in comparison to total assets as at 31 January 2019.

4.2 Liabilities

Unit: Million Baht	Financial Year Ended		Increase/(decrease)	
	31 January 2020	31 January 2019	Million Baht	Percent
Trade and other payables	444.3	450.9	(6.6)	(1.5)
Bank overdrafts and short-term loans from financial institution	523.7	366.9	156.8	42.7
Long-term loans	474.1	568.9	(94.8)	(16.7)
Deferred tax liabilities	75.3	51.6	23.7	45.9
Other liabilities	145.3	135.0	10.3	7.6
Total liabilities	1,662.7	1,573.3	89.4	5.7

As at 31 January 2020, the total liabilities increased by Baht 89.4 million or 5.7% in comparison to total liabilities as at 31 January 2019 largely due to the higher new short-term loans and overdraft utilization by Baht 156.8 million. This impact, however being lowered by the reduction of long-term loans by Baht 94.8 million.

4.3 Shareholders' equity

Total shareholders' equity reduced by Baht 105.8 million, from Baht 2,568.1 million as at 31 January 2019 to Baht 2,462.3 million as at 31 January 2020. The decrease was mainly due to the impact of the net loss incurred in FY2019/20. In FY2018/19, there was a surplus on revaluation of land and buildings amounting to Baht 94.1 million as a result of a revaluation carried out on the land and building of the Group by the Independent Property Valuer.

5 Key financial performance

5.1 Profitability ratio

	FY2019/20	FY2018/19	Increase/(decrease)
Return on assets ("ROA") (%)	(1.9%)	1.8%	(3.7%)
Return on equity ("ROE") (%)	(3.2%)	3.0%	(6.2%)

Due to lower net losses recorded in FY2019/20, the ROA and ROE were at negative 1.9% and 3.2% respectively, decreased by 3.7% and 6.2% respectively in comparison to FY2018/19.

5.2 Liquidity ratio

	FY2019/20	FY2018/19	Increase/(decrease)
Accounts receivable days	55.5	60.2	(4.7)
Inventory days	43.4	39.1	4.3
Accounts payable days	37.1	41.2	(4.1)
Cash conversion cycle (days)	61.8	58.1	3.7

The average collection period is further improved in FY2019/20 by 4.7 days as a results of continuous collection drive to support operating cash flows. However, inventory days and accounts payable days recorded an increasing

trend from 39.1 days and 41.2 days in FY2018/19 to 43.4 days and 37.1 days in FY2019/20 respectively. Overall, the cash conversion cycle increase by 3.7 days from 58.1 days in FY2018/19 to 61.8 days in FY2019/20.

5.3 Leverage ratio

	FY2019/20	FY2018/19	Increase/ (decrease)
Debt to Equity ratio (times)	0.68	0.61	0.06
Current ratio (times)	1.08	1.17	(0.09)

The interest-bearing debt to equity ratio has shown an increasing trend to 0.68 times from 0.61 times in FY2018/19. The slight increase of 0.06 times is still maintaining the Group's target of long-term funding structure below 1.0

times. The current ratio has also shown an unfavorable variance of 0.09 times, closing at 1.08 times as at 31st January 2020.

6 Cash flow analysis

Unit: Million Baht	Financial Year Ended		Increase/(decrease)	
	31 January 2020	31 January 2019	Million Baht	Percent
Net cash flows from operating activities	350.6	362.0	(11.4)	(3.1)
Net cash flows used in investing activities	(219.4)	(51.9)	167.5	322.7
Net cash flows from financing activities	41.9	(353.0)	394.9	111.9
Translation adjustments	(0.6)	(13.1)	12.5	95.4
Net increase/(decrease) in cash and cash equivalents	172.5	(56.0)	228.5	408.0
Cash and cash equivalents at beginning of the financial year	214.5	270.6	(56.1)	(20.7)
Cash and cash equivalents at end of the financial year	387.0	214.6	172.4	80.3

The balance of cash and cash equivalents as at 31 January 2020 increased by Baht 172.4 million as compared to FY2018/19 to Baht 387.0 million.

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

The Group's performance is greatly dependent to the development of the automotive industry and economy in the country that 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, where 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 might have 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 might be affected by the recognition of foreign exchange gains or losses arising from the exchange rate when eliminating of intercompany transactions. In some cases, the Group might need to buy raw materials and equipment for manufacturing from other country which would have affected the Group by exchange rate changes as well.

7.2 Interest rate

The Group's exposures to interest rate risk relates primarily to cash at banks, current investment, short-term loans to related party, long-term loans to related parties, bank overdrafts and short-term loans from financial institutions, short-term loans from related party, long-term loans from related party, liabilities under hire-purchase and finance lease agreements and long-term loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 January 2020, the Group had long-term loans from financial institutions amounting to Baht 474.1 million. These loan agreements included floating interest rates of MLR - 1.50, COF + 1.25% and COF + 1.75%.

7.3 Coronavirus (Covid-19) Pandemic

The Coronavirus (Covid-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more. This situation significantly affects the Group's business activities in terms of sales and services income, and this is significantly impacting the Group's financial position, operating results, and cash flows a present, and is expected to do so in the future.

The Group is continuously monitored ongoing developments and assessed the financial impact in view of the global economic slowdown. We regard our top responsibility is to ensure the safety of the team including all the stakeholders. The Group also have taken extensive preventive measures as per the guidelines by the authorities to break the chain of the virus to protect the team and assets, thus, allowing the Group to be able to immediately continue to serve our customers as and when it is required.

The Group has outlined various strategies, mainly Cash flow preservations as an integral element of a company's overall COVID-19 risk assessment as well as managing the supply chain disruptions caused by the slowdown of economic activities starting from February 2020. The developments of future projects are also the Group's focus in line with the strategies imposed by most of the customers.

In view of the volatility and increased uncertainties in the economy globally, the Group will continue its close monitoring of the development of the automotive industry in key major markets. In preparation of the challenges ahead, the Group continued 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 is exploring new opportunities and new markets to grow. The Group will also continue to emphasis on quality, cost, delivery, morale and safety to meet customers' high standard requirements and continuous improvement across the organization.

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 2020, 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 2020, 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 1.2 to the consolidated financial statements. The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Group's business activities in terms of sales and services income, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage.

The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to reasonably estimate the impact. My conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements 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 97 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.

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 judgment 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: 30 April 2020

STATEMENTS OF FINANCIAL POSITION

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

As at 31 January 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	7	403,350,696	229,265,797	6,856,787	13,672,778
Current investment		-	789,379	-	-
Trade and other receivables	8	522,177,322	599,030,127	107,447,932	181,485,219
Contract assets		17,281,231	6,163,039	-	-
Short-term loans to related party	6	-	-	36,243,000	-
Current portion of long-term loans to related parties	6	-	-	7,512,600	-
Inventories	9	272,376,897	274,601,415	-	-
Other current assets	10	64,839,518	69,535,322	2,938,783	2,111,307
Total current assets		1,280,025,664	1,179,385,079	160,999,102	197,269,304
Non-current assets					
Restricted bank deposits		12,179,323	17,323,957	-	-
Long-term loans to related parties, net of current portion	6	-	-	90,322,925	-
Investments in subsidiaries	11	-	-	1,881,160,230	1,881,160,230
Investment properties	12	45,715,200	45,838,200	-	-
Property, plant and equipment	13	2,623,696,083	2,648,229,350	245,593	734,816
Intangible assets	14	19,147,070	22,132,353	1,731	17,531
Goodwill		30,255,315	34,267,222	-	-
Deferred tax assets	23	92,490,974	179,315,545	2,825,384	1,788,943
Other non-current assets		21,534,856	14,936,779	693,799	758,797
Total non-current assets		2,845,018,821	2,962,043,406	1,975,249,662	1,884,460,317
Total assets		4,125,044,485	4,141,428,485	2,136,248,764	2,081,729,621

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

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

As at 31 January 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	15	523,735,001	366,919,464	-	-
Trade and other payables	16	444,253,852	450,861,846	199,452,667	317,304,987
Contract liabilities		4,451,398	5,547,973	-	-
Short-term loans from related party	6	-	-	-	149,000,000
Current portion of liabilities under hire-purchase and finance lease agreements	17	11,344,838	8,500,539	-	-
Current portion of long-term loans	18	174,088,814	129,187,992	-	-
Income tax payable		11,792,445	19,846,340	-	-
Dividend payables		17,230,401	17,250,033	-	60,708
Other current liabilities		13,795,212	22,360,799	3,965,198	4,134,067
Total current liabilities		1,200,691,961	1,020,474,986	203,417,865	470,499,762
Non-current liabilities					
Long-term loans from related party	6	-	-	326,000,000	-
Liabilities under hire-purchase and finance lease agreements, net of current portion	17	19,907,428	18,812,534	-	-
Long-term loans, net of current portion	18	300,037,460	439,722,094	-	-
Provision for long-term employee benefits	19	66,830,026	42,767,175	57,261	38,774
Deferred tax liabilities	23	75,267,084	51,558,081	-	-
Total non-current liabilities		462,041,998	552,859,884	326,057,261	38,774
Total liabilities		1,662,733,959	1,573,334,870	529,475,126	470,538,536

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

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

As at 31 January 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
1,446,942,690 ordinary shares of Baht 1 each		<u>1,446,942,690</u>	<u>1,446,942,690</u>	<u>1,446,942,690</u>	<u>1,446,942,690</u>
Issued and fully paid					
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
Share premium		80,749,575	80,749,575	80,749,575	80,749,575
Deficit from the change in the ownership interests in subsidiaries		(8,748,287)	(8,748,287)	-	-
Deficit from business combination under common control		(114,092,533)	(114,092,533)	-	-
Retained earnings					
Appropriated - statutory reserve	21	25,000,000	21,000,000	25,000,000	21,000,000
Unappropriated		39,230,120	172,165,783	54,081,373	62,498,820
Other components of shareholders' equity		<u>125,565,015</u>	<u>160,373,128</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company		1,594,646,580	1,758,390,356	1,606,773,638	1,611,191,085
Non-controlling interests of the subsidiaries		<u>867,663,946</u>	<u>809,703,259</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>2,462,310,526</u>	<u>2,568,093,615</u>	<u>1,606,773,638</u>	<u>1,611,191,085</u>
Total liabilities and shareholders' equity		<u>4,125,044,485</u>	<u>4,141,428,485</u>	<u>2,136,248,764</u>	<u>2,081,729,621</u>

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

STATEMENT OF COMPREHENSIVE INCOME

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 January 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales and services income		2,838,115,100	3,199,321,507	-	-
Other income					
Dividend income	11	-	-	75,000,340	67,078,488
Scrap sales		70,137,224	68,355,116	-	-
Management fee income		-	-	32,745,637	38,591,793
Gain on exchange rate		7,817,696	11,225,951	4,174,201	18,613,775
Gain on fair value adjustment of investment property	12	-	5,563,670	-	-
Others		9,808,890	6,941,537	988,883	64,109
Total revenues		2,925,878,910	3,291,407,781	112,909,061	124,348,165
Expenses					
Cost of sales and services		2,291,720,062	2,566,281,091	-	-
Selling and distribution expenses		53,207,633	52,207,391	-	-
Administrative expenses		482,912,640	512,628,143	39,521,488	42,754,804
Total expenses		2,827,840,335	3,131,116,625	39,521,488	42,754,804
Profit before finance cost and tax income (expenses)		98,038,575	160,291,156	73,387,573	81,593,361
Finance cost		(49,871,142)	(60,747,616)	(3,620,575)	(1,158,654)
Profit before tax income (expenses)		48,167,433	99,543,540	69,766,998	80,434,707
Tax income (expenses)	23	(127,513,686)	(23,180,531)	1,040,468	(2,930,762)
Profit (loss) for the year		(79,346,253)	76,363,009	70,807,466	77,503,945

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

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 January 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currencies		(6,415,781)	(91,329,206)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(6,415,781)	(91,329,206)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Changes in revaluation of assets - net of income tax	23	-	162,124,464	-	-
Actuarial gain (loss) - net of income tax	23	(7,645,425)	(4,173,061)	16,107	403,138
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(7,645,425)	157,951,403	16,107	403,138
Other comprehensive income for the year		<u>(14,061,206)</u>	<u>66,622,197</u>	<u>16,107</u>	<u>403,138</u>
Total comprehensive income for the year		<u>(93,407,459)</u>	<u>142,985,206</u>	<u>70,823,573</u>	<u>77,907,083</u>
Profit (loss) attributable to:					
Equity holders of the Company		(76,090,158)	54,050,792	<u>70,807,466</u>	<u>77,503,945</u>
Non-controlling interests of the subsidiaries		<u>(3,256,095)</u>	<u>22,312,217</u>		
		<u>(79,346,253)</u>	<u>76,363,009</u>		
Comprehensive income attributable to:					
Equity holders of the Company		(88,502,756)	96,445,864	<u>70,823,573</u>	<u>77,907,083</u>
Non-controlling interests of the subsidiaries		<u>(4,904,703)</u>	<u>46,539,342</u>		
		<u>(93,407,459)</u>	<u>142,985,206</u>		
Earnings per share					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company	25	<u>(0.05)</u>	<u>0.04</u>	<u>0.05</u>	<u>0.05</u>

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 January 2020

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

For the year ended 31 January 2020

(Unit: Baht)

	Note	Separate financial statements			
		Issued and fully paid share capital	Share premium	Retained earnings	
				Appropriated - statutory reserve	Unappropriated
					Total shareholder's equity
Balance as at 1 February 2018		1,446,942,690	80,749,575	17,000,000	63,832,757
Profit for the year		-	-	-	77,503,945
Other comprehensive income for the year		-	-	-	403,138
Total comprehensive income for the year		-	-	-	77,907,083
Transfer unappropriated retained earnings					
to statutory reserve	21	-	-	4,000,000	(4,000,000)
Dividend paid	26	-	-	-	(75,241,020)
Balance as at 31 January 2019		1,446,942,690	80,749,575	21,000,000	62,498,820
Balance as at 1 February 2019		1,446,942,690	80,749,575	21,000,000	62,498,820
Profit for the year		-	-	-	70,807,466
Other comprehensive income for the year		-	-	-	16,107
Total comprehensive income for the year		-	-	-	70,823,573
Transfer unappropriated retained earnings					
to statutory reserve	21	-	-	4,000,000	(4,000,000)
Dividend paid	26	-	-	-	(75,241,020)
Balance as at 31 January 2020		1,446,942,690	80,749,575	25,000,000	54,081,373

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

CASH FLOW STATEMENT

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 January 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	48,167,433	99,543,540	69,766,998	80,434,707
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	290,638,234	304,512,627	553,849	771,573
Allowance for doubtful accounts	3,230,628	7,477,144	-	-
Reduction of inventory to net realisable value	312,152	6,445,491	-	-
Dividend income from subsidiaries	-	-	(75,000,340)	(67,078,488)
Gain on fair value adjustment of investment property	-	(5,563,670)	-	-
(Gain) loss on disposals/written-off of equipment	(2,721,620)	17,252,197	-	-
Allowance for impairment loss on assets	310,103	-	-	-
Loss on written-off of intangible assets	7,357	36,571	-	-
Increase in provision for long-term employee benefits	15,672,320	5,940,807	38,621	126,308
Unrealised (gain) loss on exchanges	(497,724)	(1,511,134)	3,479,317	(11,751,857)
Interest income	(1,698,733)	(1,327,320)	(930,683)	(64,109)
Interest expenses	49,871,142	60,747,616	3,620,575	1,158,654
Profit from operating activities before changes in operating assets and liabilities	403,291,292	493,553,869	1,528,337	3,596,788
Operating assets (increase) decrease				
Trade and other receivables	60,381,453	45,358,030	(2,803,706)	189,626,494
Inventories	(30,958,286)	(52,031,554)	-	-
Other current assets	(1,955,518)	(18,289,650)	83,663	(31,954)
Other non-current assets	(3,573,895)	2,609,211	64,998	(207,000)
Operating liabilities increase (decrease)				
Trade and other payables	7,255,559	(14,638,464)	(121,373,183)	(243,721,255)
Other current liabilities	(8,565,587)	3,314,401	(168,869)	(47,005)
Provision for long-term employee benefits	(1,416,960)	(2,879,951)	-	(414,735)
Cash flows from (used in) operating activities	424,458,058	456,995,892	(122,668,760)	(51,198,667)
Cash paid for interest expenses	(49,685,281)	(60,747,616)	(1,625,367)	(1,032,105)
Cash paid for income tax	(24,209,422)	(34,292,518)	(911,139)	(968,003)
Net cash flows from (used in) operating activities	350,563,355	361,955,758	(125,205,266)	(53,198,775)

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

CASH FLOW STATEMENT (CONTINUED)

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 January 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
(Increase) decrease in restricted bank deposits	5,144,634	(3,286,111)	-	-
(Increase) decrease in current investment	789,379	(789,379)	-	-
Long-term loans to related parties	-	-	(58,371,000)	-
Acquisition of machinery and equipment	(230,265,271)	(91,391,054)	(48,826)	(91,757)
Acquisition of intangible assets	(1,703,070)	(2,350,373)	-	-
Proceeds from sales of equipment	4,786,648	44,597,972	-	-
Dividend received from subsidiaries	-	-	75,000,340	67,078,488
Cash received from interest income	1,802,878	1,301,313	110,489	64,109
Net cash flows from (used in) investing activities	(219,444,802)	(51,917,632)	16,691,003	67,050,840
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	155,162,085	(75,877,382)	-	-
Cash received from short-term loans from related party	-	-	-	60,000,000
Repayment of liabilities under hire-purchase and financial lease agreements	(9,371,789)	(10,882,489)	-	-
Cash received from long-term loans from related party	-	-	177,000,000	-
Cash received from long-term loans	12,602,644	11,924,322	-	-
Repayment of long-term loans	(104,096,299)	(166,478,135)	-	-
Proceeds from issuance of ordinary shares of a subsidiary	107,968,560	-	-	-
Proceeds from issuance of new ordinary shares of a subsidiary	-	1,308,252	-	-
Dividend paid	(75,301,728)	(75,250,426)	(75,301,728)	(75,250,426)
Dividend paid by the subsidiaries to non-controlling interests	(45,062,094)	(37,722,713)	-	-
Net cash flows from (used in) financing activities	41,901,379	(352,978,571)	101,698,272	(15,250,426)
Decrease in translation adjustment	(588,485)	(13,121,553)	-	-
Net increase (decrease) in cash and cash equivalents	172,431,447	(56,061,998)	(6,815,991)	(1,398,361)
Cash and cash equivalents at beginning of year	214,575,523	270,637,521	13,672,778	15,071,139
Cash and cash equivalents at end of year (Note 7)	387,006,970	214,575,523	6,856,787	13,672,778
	-	-	-	-
Supplemental cash flows information:				
Non-cash transactions				
Purchase of assets under hire-purchase and finance lease agreements	13,366,400	-	-	-
Purchase of machinery and equipment for which no cash has been paid	8,866,171	21,750,258	-	-
Transfer of inventory to equipment	32,867,042	43,254,597	-	-
Dividend payables	17,230,401	17,250,033	-	60,708
Transfer of other payable - related parties to short-term loans from related party	-	-	-	89,000,000
Transfer of other receivable - related parties to short-term loans to related party	-	-	36,243,000	-
Transfer of other receivable - related parties to long-term loans to related parties	-	-	41,115,395	-
Transfer of short-term loans from related party to long-term loans from related party	-	-	149,000,000	-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 January 2020

1. General information

1.1 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 holding. 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.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Group’s business activities in terms of sales and services income, and this is significantly impacting the Group’s financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage.

The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to reasonably estimate the impact.

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	
			<u>2020</u>	<u>2019</u>
			Percent	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	85.0
<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	Manufacture and distribution of automotive components	India	97.06	97.06
PT Ingress Industrial Indonesia	Manufacture and distribution of automotive components	Indonesia	99.6	-
<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>Subsidiaries held through Ingress Technologies Sdn. Bhd.</u>				
PT Ingress Technologies Indonesia	Manufacture and distribution of automotive components	Indonesia	100.0	100.0
Ingress AOI Technologies Sdn. Bhd.	Manufacture and distribution of automotive components	Malaysia	51.0	-

- 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 at 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 currencies" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Group 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 is included in the consolidated statement of changes in shareholders' equity under the 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 period, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group expects the adoption of these accounting standards to result in recognition of credit losses. The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables or contract assets that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 February 2020, and the comparative information was not restated.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognized over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

The recognised revenue which is not yet due per the contracts has been presented under the caption of “Contract assets” in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Company’s and its subsidiaries’ right to consideration is unconditional such as upon completion of services and acceptance by the customer.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

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 Trade accounts receivable

Trade 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.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

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 subsidiaries 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 Group's land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser 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 Group, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of 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 Group, 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 "Surplus on revaluation of property and plant" in respect of the same asset.

The Group plans 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 Group 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	-	3 - 15 years
Furniture, fixtures and office equipment	-	3 - 10 years
Motor vehicles	-	5 - 10 years

Depreciation is included in determining income. The surplus on revaluation of plant 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 Group's 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 acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Customer relationships	10 years
Computer software	5 and 10 years

4.10 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.11 Related party transactions

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

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

4.12 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.

4.13 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.

4.14 Impairment of assets

At the end of each reporting period, the Group performs 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. The Group also carries out annual impairment reviews in respect of goodwill. 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However in cases where property and plant 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 Group estimates 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.

4.15 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 Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats 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 defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

4.16 Provisions

Provisions are recognised when the Group has 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.

4.17 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 Group recognises 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 Group reviews and reduces 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 Group records deferred tax directly to shareholder's equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 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 Group applies 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 Group measures 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 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 Group determines 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 judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments 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 judgment 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 judgment 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 judgment, 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 Group measures land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the depreciated 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 judgments 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 judgment 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.

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is 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 Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	Transfer pricing policy
<u>Transactions with parent company</u>					
Dividend paid	45,162	45,162	45,162	45,162	As announcement
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Management fee income	-	-	32,746	38,592	Contract rate
Dividend income	-	-	75,000	67,078	As announcement
<u>Transactions with corporate shareholders of subsidiaries</u>					
Sales of goods	16,604	502	-	-	As agreed
Purchase of raw materials and supplies	10,919	11,830	-	-	As agreed
Purchase of machinery and equipment	6,817	8,106	-	-	As agreed
Advance payment for mold	10,297	4,828	-	-	As agreed
Royalty fee	15,436	18,022	-	-	Contract rate
Technical assistance fee	3,639	5,952	-	-	Contract price
Dividend paid	45,103	45,854	-	-	As announcement
<u>Transactions with subsidiaries of corporate shareholders of subsidiaries</u>					
Sales of goods	821,806	1,015,047	-	-	As agreed
<u>Transactions with related companies</u>					
Sales of goods	-	1,559	-	-	As agreed
Purchase of supplies	-	473	-	-	As agreed
Purchase of machinery and equipment	25,812	21,645	-	-	As agreed
Rental income	1,929	2,060	-	-	Contract price

As at 31 January 2020 and 2019, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade and other receivables - related parties</u>				
<u>Trade receivables - related parties (Note 8)</u>				
Subsidiaries of corporate shareholders of subsidiaries	84,246	104,586	-	-
A corporate shareholder of subsidiaries	-	27	-	-
Related companies (common shareholders and directors)	35	192	-	-
Total trade receivables - related parties	<u>84,281</u>	<u>104,805</u>	<u>-</u>	<u>-</u>
<u>Other receivables - related parties (Note 8)</u>				
Parent company	41,253	3,937	-	-
Subsidiaries	-	-	107,312	181,335
A subsidiary of a corporate shareholder of a subsidiary	-	4,656	-	-
Related companies (common shareholders and directors)	5,552	13,274	18	18
Total other receivables - related parties	<u>46,805</u>	<u>21,867</u>	<u>107,330</u>	<u>181,353</u>
Less: Allowance for doubtful debts	<u>(2,661)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other receivables - related parties, net	<u>44,144</u>	<u>21,867</u>	<u>107,330</u>	<u>181,353</u>
Total trade and other receivables - related parties, net	<u>128,425</u>	<u>126,672</u>	<u>107,330</u>	<u>181,353</u>

Short-term loans to related party

As at 31 January 2020 and 2019, the balances of short-term loans to related party between the Company and its subsidiary and the movement of those loans are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at			Balance as at
	1 February	Increase	Decrease	31 January
Short-term loans	2019	during the year	during the year	2020
Fine Components (Thailand) Company Limited	-	36,243	-	36,243
Total	<u>-</u>	<u>36,243</u>	<u>-</u>	<u>36,243</u>

These loans and interests are repayable within 31 January 2021 and unsecured, and carry interest at the rate of 6 percent per annum.

Long-term loans to related parties

As at 31 January 2020 and 2019, the balances of long-term loans to related parties between the Company and its subsidiaries are as follows:

				(Unit: Thousand Baht)		
				Separate financial statements		
Loan	Currency	Interest rate (per annum)	Repayment condition	Current portion	Long-term portion	Total
Ingress Industrial (Malaysia) Sdn. Bhd.						
(1)	MYR	5.00	Repayment to be made within 31 January 2025	-	56,720	56,720
Total				-	56,720	56,720
Ingress Precision Sdn. Bhd.						
(1)	MYR	5.00	Repayment to be made within 31 January 2022	-	26,035	26,035
Total				-	26,035	26,035
Talent Synergy Sdn. Bhd.						
(1)	MYR	5.00	Repayment to be made within 31 January 2022	751	894	1,645
Total				751	894	1,645
PT Ingress Malindo Ventures						
(1)	MYR	10.25	Repayment to be made within 31 January 2022	6,762	817	7,579
(2)	USD	10.25	Repayment to be made within 31 January 2022	-	5,857	5,857
Total				6,762	6,674	13,436
Long-term loans to related parties				7,513	90,323	97,836

The movement of those loans are as follows:

					(Unit: Thousand Baht)	
					Separate financial statements	
		Balance as at 1 February 2019	Increase during the year	Decrease during the year	Balance as at 31 January 2020	
Long-term loans						
Ingress Industrial (Malaysia) Sdn. Bhd.		-	56,720	-	56,720	
Ingress Precision Sdn. Bhd.		-	26,035	-	26,035	
Talent Synergy Sdn. Bhd.		-	1,645	-	1,645	
PT Ingress Malindo Ventures		-	13,436	-	13,436	
Total		-	97,836	-	97,836	

These loans are unsecured.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade and other payables - related parties</u>				
<u>Trade payables - related parties (Note 16)</u>				
Corporate shareholders of subsidiaries	4,819	1,731	-	-
Total trade payables - related parties	4,819	1,731	-	-
<u>Other payables - related parties (Note 16)</u>				
Parent company	5,411	16,302	57	58
Corporate shareholders of subsidiaries	9,048	25,549	-	-
Subsidiaries	-	-	195,297	311,429
A subsidiary of a corporate shareholder of a subsidiary	79,872	-	-	-
Related companies (common shareholders and directors)	9,146	4,378	-	-
Total other payables - related parties	103,477	46,229	195,354	311,487
<u>Accrued expenses - related party</u>				
Related company (common shareholders and directors)	4,707	-	-	-
Total accrued expenses - related party	4,707	-	-	-
Total trade and other payables - related parties	113,003	47,960	195,354	311,487
<u>Dividend payables to related parties</u>				
Corporate shareholders of subsidiaries	17,230	17,189	-	-
Total dividend payables to related parties	17,230	17,189	-	-

Short-term loans from related party

As at 31 January 2020 and 2019, the balances of short-term loans from related party between the Company and its subsidiary and the movement of those loans are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 1 February 2019	Increase during the year	Decrease during the year	Balance as at 31 January 2020
Short-term loans				
Ingress Autoventures Company Limited	149,000	-	(149,000)	-
Total	149,000	-	(149,000)	-

These loans are repayable on demand and unsecured, and carry interest at the rate of 1 percent per annum. During the current year, the Company and its subsidiary has changed the repayment condition from repayable on demand to repayable in monthly installments as described in “Long-term loans from related party”.

Long-term loans from related party

As at 31 January 2020 and 2019, the balances of long-term loans from related party between the Company and its subsidiary and the movement of those loans are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at			Balance as at
	1 February	Increase	Decrease	31 January
Long-term loans	2019	during the year	during the year	2020
Ingress Autoventures Company Limited	-	326,000	-	326,000
Total	-	326,000	-	326,000

These loans and interests are repayable in monthly installments starting from February 2021 until January 2028 and unsecured, and carry interest at the rate of 6 percent per annum.

Directors and management's benefits

During the year ended 31 January 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	80,234	87,695	10,405	12,312
Post-employment benefits	3,024	3,120	-	-
Total	83,258	90,815	10,405	12,312

7. Cash and cash equivalents

The balances of cash and cash equivalents as at 31 January 2020 and 2019 are as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	313	273	50	2
Bank deposits	403,038	228,993	6,807	13,671
Total	403,351	229,266	6,857	13,673

As at 31 January 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.10 to 0.85 percent per annum (2019: between 0.10 to 1.10 percent per annum) (the Company only: 0.85 percent per annum (2019: 1.10 percent per annum)).

Cash and cash equivalents as at 31 January 2020 and 2019 presented in the cash flow statements consist of:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	313	273	50	2
Bank deposits	403,038	228,993	6,807	13,671
Total cash and bank deposits	403,351	229,266	6,857	13,673
Less: Bank overdrafts (Note 15)	(16,344)	(14,690)	-	-
Total	387,007	214,576	6,857	13,673

8. Trade and other receivables

The balances of trade and other receivables as at 31 January 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	52,583	61,264	-	-
Past due				
Up to 3 months	29,151	77	-	-
3 - 6 months	2,547	43,313	-	-
Over 12 months	-	151	-	-
Total trade receivables - related parties	84,281	104,805	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	263,163	291,311	-	-
Past due				
Up to 3 months	80,725	122,902	-	-
3 - 6 months	1,206	1,253	-	-
6 - 12 months	208	4,512	-	-
Over 12 months	12,469	11,880	-	-
Total trade receivables - unrelated parties	357,771	431,858	-	-
Less: Allowance for doubtful debts	(10,413)	(9,694)	-	-
Total trade receivables - unrelated parties, net	347,358	422,164	-	-
Total trade receivables - net	431,639	526,969	-	-
<u>Other receivables</u>				
Other receivables - related parties, net	44,144	21,867	107,330	181,353
Other receivables - unrelated parties, net	46,394	50,194	118	132
Total other receivables - net	90,538	72,061	107,448	181,485
Total trade and other receivables - net	522,177	599,030	107,448	181,485

9. Inventories

The balances of inventories as at 31 January 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
			Reduce cost to net			
	Cost		realisable value		Inventories - net	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Finished goods	53,759	58,144	(4,009)	(3,618)	49,750	54,526
Work in process	45,118	45,418	(1,914)	(1,303)	43,204	44,115
Raw materials	173,736	170,884	(4,584)	(5,270)	169,152	165,614
Spare parts and factory supplies	9,695	9,687	-	-	9,695	9,687
Goods in transit	576	659	-	-	576	659
Total	282,884	284,792	(10,507)	(10,191)	272,377	274,601

During the current year, the subsidiaries reduced cost of inventories by Baht 0.3 million (2019: Baht 6.4 million), to reflect the net realisable value. This was included in cost of sales.

10. Other current assets

The balances of other current assets as at 31 January 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Advance payment for mold	26,048	20,030	-	-
Prepaid expenses	17,128	21,200	-	-
Prepaid corporate income tax	7,360	14,010	2,903	1,992
Advance payment for long-term loans	4,922	10,761	-	-
Others	9,382	3,534	36	119
Total	<u>64,840</u>	<u>69,535</u>	<u>2,939</u>	<u>2,111</u>

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 the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Unit: Thousand Baht)									
	(Percent) (Percent)									
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	-	20,203
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	46,875
Fine Components (Thailand) Company Limited	220 Million Baht	267 Million Baht	220 Million Baht	220 Million Baht	85.0	85.0	80,943	80,943	-	-
Total							1,881,160	1,881,160	75,000	67,078

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

(Unit: Million Baht)

Company's name	Proportion of equity		Accumulated balance		Profit allocated to		Other comprehensive income allocated to		Dividend paid to	
	interest held by		of non-controlling		non-controlling		non-controlling		non-controlling	
	non-controlling		interests		interests during		interests during		interests during	
	interests		interests		the year		the year		the year	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Percent)	(Percent)								
Ingress Autoventures Company Limited	37.5	37.5	383	416	14	29	(2)	9	45	28
Ingress Technologies Sdn. Bhd.	30.0	30.0	323	320	5	-	(2)	(2)	-	18

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

Summarised information about financial position

(Unit: Million Baht)

	Ingress Autoventures		Ingress Technologies	
	Company Limited		Sdn. Bhd.	
	As at 31 January		As at 31 January	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current assets	380	629	727	882
Non-current assets	909	646	1,013	993
Current liabilities	202	114	448	532
Non-current liabilities	65	52	215	276

Summarised information about comprehensive income

(Unit: Million Baht)

	Ingress Autoventures		Ingress Technologies	
	Company Limited		Sdn. Bhd.	
	For the year ended 31 January		For the year ended 31 January	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue	890	1,044	1,057	1,216
Profit	37	78	17	1
Other comprehensive income	(5)	25	(8)	(6)
Total comprehensive income	32	103	9	(5)

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	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flow from operating activities	153	157	269	156
Cash flow used in investing activities	(201)	(3)	(146)	(97)
Cash flow used in financing activities	-	(175)	(90)	(76)
Net increase (decrease) in cash and cash equivalents	(48)	(21)	33	(17)

Movements of the investments in subsidiaries during the year ended 31 January 2020 are summarised below.

Subsidiary held through the Company

Investment in Fine Components (Thailand) Company Limited

On 14 May 2019, the Annual General Meeting of the subsidiary's shareholders approved a resolution to reduce of subsidiary's registered share capital by cancelling the Baht 47 million of issued share capital held by Iwamoto Co., Ltd., consisting of 471,000 shares with a par value of Baht 100 each. The subsidiary registered the decrease in its registered share capital with the Ministry of Commerce on 5 July 2019.

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

PT Ingress Industrial Indonesia

On 13 September 2019, the Board of Directors' meeting of the Company approved a resolution requiring a wholly owned subsidiary (Ingress Industrial (Malaysia) Sdn. Bhd. ("IIM")) to establish the incorporation of PT Ingress Industrial Indonesia ("PT III"), incorporated in Indonesia with a registered share capital of IDR 14,000 million or equivalent to approximately Baht 30 million (1,000,000 ordinary shares with a par value of IDR 14,000 each), 99.6% of which are held by IIM. The establishment of PT III was approved by the Minister of Law and Human Rights, Republic of Indonesia on 11 November 2019 and PT III received the master registration number of the New Company from Indonesia Investment Coordinating Board on 15 November 2019. The initial paid-up share capital of PT III represents 25 percent of registered share capital, totaling IDR 3,500 million or equivalent to approximately Baht 7.5 million (250,000 ordinary shares with a par value of IDR 14,000 each). The subsidiary received the whole payment of this share capital.

Subsidiary held through Ingress Technologies Sdn. Bhd.

Ingress AOI Technologies Sdn. Bhd.

On 14 October 2019, Ingress Technologies Sdn. Bhd. ("ITSB"), a subsidiary entered into the Joint Venture Agreement with AOI Machine Industry Co., Ltd. ("AOI"), incorporated in Japan and Perodua Auto Corporation Sdn. Bhd. ("PCSB"), incorporated in Malaysia, to establish Ingress AOI Technologies Sdn. Bhd. ("IATSB"), incorporated in Malaysia, with an initial registered share capital of MYR 100 or equivalent to approximately Baht 750 (100 ordinary shares with a par value of MYR 1 each). The subsidiary received a payment of this share capital on 17 October 2019, thereby ITSB, AOI and PCSB having 51%, 34% and 15% of interest respectively.

The joint venture is obliged to increase its initial registered share capital from MYR 100 or equivalent to approximately Baht 750 (100 ordinary shares with a par value of MYR 1 each) to MYR 60 million (equivalent to approximately Baht 450 million) (60,000,000 ordinary shares with a par value of MYR 1 each) in accordance with the condition in this contract as follows:

- (1) 1st share capital call: Baht 224,999,250 (29,999,900 ordinary shares with a par value of MYR 1 each), by October 2019.
- (2) 2nd share capital call: Baht 225,000,000 (30,000,000 ordinary shares with a par value of MYR 1 each), by March 2020.

On 4 November 2019, the Board of Directors' meeting of IATSB passed a resolution to extend the first share capital call to November 2019. Subsequently, IATSB registered its increase of share capital and received the payment on 15 November 2019.

Subsequently on 16 March 2020, the Board of Director's meeting of IATSB passed a resolution to extend the second share capital call to be within July 2020.

Movements of the investments in subsidiaries during the year ended 31 January 2019 are summarised below.

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

Ingress Autoventures (India) Private Limited

On 2 May 2018, the Extraordinary General Meeting of the shareholders of Ingress Autoventures (India) Private Limited, a subsidiary, passed a special resolution to increase the registered share capital from INR 90 million (equivalent to approximately Baht 45 million) (8,999,875 ordinary shares of INR 10 each) to INR 93 million (equivalent to approximately Baht 46 million) (9,272,598 ordinary shares of INR 10 each) by issuing 272,723 ordinary shares of INR 10 each to be offered to the existing shareholders (Ingress Industrial (Malaysia) Sdn. Bhd. ("IIM"), the subsidiary) in proportion to their current shareholding (right offering), where the existing shareholders are allowed to purchase 0.0303 new ordinary share for one existing share held at a price of INR 10 each. Subsequently, on 7 May 2018, IIM waived its right to purchase such newly issued shares and a new shareholder agreed to subscribe the new shares and paid the subscription price in full. The subsidiary registered the capital increase with the Ministry of Commerce on 6 June 2018. As a result, IIM's shareholding in such subsidiary decreased from 100 percent to 97.06 percent. The Company recorded the difference of Baht 2 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 the ownership interests in subsidiaries". This is presented as a separate item in shareholders' equity in the consolidated statements of financial position.

12. Investment properties

Reconciliations of the net book value of investment properties for the years ended 31 January 2020 and 2019 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	45,838	42,672
Gain on fair value adjustment of investment property	-	5,564
Translation adjustment	(123)	(2,398)
Net book value at ending of year	<u>45,715</u>	<u>45,838</u>

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 (2019: 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.

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements									
	Revaluation basis					Cost basis				
	Long-term leasehold land		Buildings and buildings improvement		Long-term leasehold buildings and buildings improvement	Machinery and equipment		Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation
Land										Total
Cost/Revalued amount:										
As at 1 February 2018	323,994	260,328	859,635		219,034	6,292,095		140,419	42,474	95,986
Additions	-	-	4,033		1,483	66,473		2,644	3,409	68,095
Increase in revaluation	70,703	81,981	107,057		37,496	-		-	-	-
Disposals/written-off	-	-	-		-	(13,725)		(919)	(6,703)	(61,180)
Transfers	-	-	(271)		-	42,471		-	-	(42,200)
Translation adjustment	(6,594)	(15,551)	(16,447)		(10,830)	(178,558)		(2,919)	(1,685)	(1,812)
As at 31 January 2019	388,103	326,758	954,007		247,183	6,208,756		139,225	37,495	58,889
Additions	-	-	187		4,526	20,630		4,958	315	232,998
Disposals/written-off	-	-	-		(442)	(34,159)		(7,579)	(1,839)	-
Transfers	-	-	-		945	89,035		125	-	(90,105)
Translation adjustment	(338)	3,950	(834)		683	(2,402)		(40)	(193)	3,274
As at 31 January 2020	387,765	330,708	953,360		252,895	6,281,860		136,689	35,778	205,056
										8,584,111

Consolidated financial statements										(Unit: Thousand Baht)
Revaluation basis					Cost basis					
	Long-term									
	Long-term leasehold land	Buildings and buildings improvement	Long-term leasehold buildings and buildings improvement		Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total	
Accumulated depreciation:										
As at 1 February 2018	-	60,772	322,910	51,812	4,906,997	130,918	25,846	-	5,499,255	
Depreciation for the year	-	11,000	35,809	6,945	237,740	4,169	4,191	-	299,854	
Increase accumulated depreciation from revaluation	-	26,650	41,745	5,394	-	-	-	-	73,789	
Depreciation on disposals/written-off	-	-	(95)	-	(13,443)	(832)	(6,306)	-	(20,676)	
Translation adjustment	-	(5,016)	(2,717)	(2,028)	(127,019)	(2,593)	(662)	-	(140,035)	
As at 31 January 2019	-	93,406	397,652	62,123	5,004,275	131,662	23,069	-	5,712,187	
Depreciation for the year	-	13,092	37,717	7,795	220,546	3,341	3,619	-	286,110	
Depreciation on disposals/written-off	-	-	-	(442)	(32,189)	(7,485)	(1,838)	-	(41,954)	
Translation adjustment	-	2,476	60	667	611	1	(53)	-	3,762	
As at 31 January 2020	-	108,974	435,429	70,143	5,193,243	127,519	24,797	-	5,960,105	
Allowance for impairment loss										
As at 1 February 2018	-	-	-	-	-	-	-	-	-	
As at 31 January 2019	-	-	-	-	-	-	-	-	-	
Increase during the year	-	-	-	-	310	-	-	-	310	
As at 31 January 2020	-	-	-	-	310	-	-	-	310	

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis				Cost basis			
	Long-term leasehold		Buildings and buildings improvement		Long-term leasehold buildings and buildings improvement		Furniture, fixtures and office equipment	
	Land	Long-term leasehold land	Buildings and buildings improvement		Long-term leasehold buildings and buildings improvement		Machinery and equipment	Assets under construction and installation
							Motor vehicles	Total
Net book value:								
As at 31 January 2019	388,103	233,352	556,355	185,060	1,204,481	7,563	14,426	2,648,229
As at 31 January 2020	387,765	221,734	517,931	182,752	1,088,307	9,170	10,981	2,623,696
Depreciation for the year								
2019 (Baht 250 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)								299,854
2020 (Baht 241 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)								286,110

(Unit: Thousand Baht)

	Separate financial statements		
	Buildings improvement	Furniture, fixtures and office equipment	Total
Cost:			
As at 1 February 2018	2,335	1,392	3,727
Additions	-	92	92
As at 31 January 2019	2,335	1,484	3,819
Additions	-	49	49
As at 31 January 2020	2,335	1,533	3,868
Accumulated depreciation:			
As at 1 February 2018	1,527	801	2,328
Depreciation for the year	467	289	756
As at 31 January 2019	1,994	1,090	3,084
Depreciation for the year	279	259	538
As at 31 January 2020	2,273	1,349	3,622
Net book value:			
As at 31 January 2019	341	394	735
As at 31 January 2020	62	184	246

Depreciation for the year are recorded in administrative expenses.

During the year 2018, the subsidiaries arranged for an independent professional valuer to appraise the value of certain assets on an asset-by-asset basis, in order to revise the previously appraised valuations. 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 property and plant in the statement of comprehensive income by Baht 162.1 million.

Had the land and buildings been carried in the financial statements on a historical cost basis, their net book value as of 31 January 2020 and 2019 would have been as follows:

(Unit: Thousand Baht)		
Consolidated financial statements		
	<u>2020</u>	<u>2019</u>
Land	201,206	201,358
Long-term leasehold land	76,434	79,623
Buildings and buildings improvement	290,621	308,120
Long-term leasehold buildings and buildings improvement	106,679	111,618

As at 31 January 2020, the subsidiaries had machinery, vehicles and equipment with net book value of Baht 53 million (2019: Baht 43 million) which were acquired under hire-purchase and finance lease agreements.

As at 31 January 2020, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 4,138 million (2019: Baht 3,887 million).

The subsidiaries have pledged their property, plant and equipment amounting to approximately Baht 1,559 million (2019: Baht 1,692 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 2020, a subsidiary in Malaysia (Ingress Precision Sdn. Bhd.) had the outstanding long-term leasehold rights to land with net book values amounting to MYR 15 million or equivalent to approximately Baht 112 million (2019: MYR 15 million or equivalent to approximately Baht 114 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, buildings and structures thereon will be returned to the Government of Malaysia.

The long-term leasehold rights to the land of the subsidiary are 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 2020, a subsidiary in Indonesia (PT Ingress Malindo Ventures) had the outstanding long-term leasehold rights to land with net book values amounting to IDR 48,126 million or equivalent to approximately Baht 110 million (2019: IDR 53,709 million or equivalent to approximately Baht 119 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 is required to comply with legal requirements, including payment of fees for 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 on the use of land for 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).

14. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements
	Computer software	Customer relationships	Total	Computer software
Cost:				
As at 1 February 2018	96,700	14,764	111,464	79
Additions	2,350	-	2,350	-
Written-off	(438)	-	(438)	-
Translation adjustment	(2,041)	(1,571)	(3,612)	-
As at 31 January 2019	96,571	13,193	109,764	79
Additions	1,703	-	1,703	-
Written-off	(10)	-	(10)	-
Translation adjustment	(42)	(145)	(187)	-
As at 31 January 2020	98,222	13,048	111,270	79
Accumulated amortisation:				
As at 1 February 2018	84,874	194	85,068	46
Amortisation for the year	3,293	1,365	4,658	16
Written-off	(402)	-	(402)	-
Translation adjustment	(1,626)	(66)	(1,692)	-
As at 31 January 2019	86,139	1,493	87,632	62
Amortisation for the year	3,215	1,313	4,528	15
Written-off	(3)	-	(3)	-
Translation adjustment	(19)	(15)	(34)	-
As at 31 January 2020	89,332	2,791	92,123	77

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements
	Computer software	Customer relationships	Total	Computer software
Net book value:				
As at 31 January 2019	10,432	11,700	22,132	17
As at 31 January 2020	8,890	10,257	19,147	2
Amortisation for the year				
2019			4,658	16
2020			4,528	15

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

The balances of bank overdrafts and short-term loans from financial institutions as at 31 January 2020 and 2019 are as follows:

	Interest rate (percent per annum)	(Unit: Thousand Baht)	
		Consolidated financial statements	
		<u>2020</u>	<u>2019</u>
Bank overdrafts (Note 7)	MOR, 8.75	16,344	14,690
Promissory notes - Baht	MLR - 1.50	152,941	29,941
Revolving credits - Indonesian Rupiah	12.05	45,563	44,463
Revolving credits - Malaysian Ringgit	5.21 - 7.75	182,675	181,657
Revolving credits - Indian Rupee	9.50 - 10.70	42,291	6,640
Bills payable and trust receipts - Malaysian Ringgit	3.39 - 4.72	83,921	89,528
		<u>523,735</u>	<u>366,919</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	The mortgage of certain land with structures thereon and pledge of certain machinery
Fine Components (Thailand) Company Limited	The mortgage of certain land with structures thereon
Talent Synergy Sdn. Bhd.	Fixed deposits of subsidiary
Ingress Precision Sdn. Bhd. and Ingress Technologies Sdn. Bhd.	Guaranteed by Ingress Corporation Berhad (parent company)
PT Ingress Malindo Ventures	The mortgage of certain land with structures thereon and pledge of certain machinery and equipment and guaranteed by Ingress Corporation Berhad (parent company) and subsidiary's directors
Ingress Autoventures (India) Private Limited	Guaranteed by Ingress Industrial (Malaysia) Sdn. Bhd.

16. Trade and other payables

The balances of trade and other payables as at 31 January 2020 and 2019 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - related parties	4,819	1,731	-	-
Trade payables - unrelated parties	228,292	287,733	-	-
Other payables - related parties	103,477	46,229	195,354	311,487
Other payables - unrelated parties	80,090	93,967	1,834	2,296
Accrued expenses	27,576	21,202	2,265	3,522
Total trade and other payables	<u>444,254</u>	<u>450,862</u>	<u>199,453</u>	<u>317,305</u>

(Unit: Thousand Baht)

17. Liabilities under hire-purchase and finance lease agreements

The balances of liabilities under hire-purchase and finance lease agreements as at 31 January 2020 and 2019 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
Liabilities under hire-purchase and finance lease agreements	34,012	29,848
Less: Deferred interest expenses	(2,760)	(2,535)
Total	31,252	27,313
Less: Portion due within one year	(11,345)	(8,500)
Liabilities under hire-purchase and finance lease agreements - net of current portion	<u>19,907</u>	<u>18,813</u>

Hire-purchase payable

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 of 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 2020 and 2019 are as follows:

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Less than 1 year		1 - 5 years		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Future minimum lease payments	12,743	9,826	21,269	20,022	34,012	29,848
Deferred interest expenses	(1,398)	(1,326)	(1,362)	(1,209)	(2,760)	(2,535)
Present value of future minimum lease payments	<u>11,345</u>	<u>8,500</u>	<u>19,907</u>	<u>18,813</u>	<u>31,252</u>	<u>27,313</u>

18. Long-term loans from financial institutions

The subsidiaries have long-term loan agreements with commercial banks as follows:

(Unit: Thousand Baht)

Consolidated financial statements										
				As at 31 January 2020		As at 31 January 2019			Secured by	
				Long-term		Long-term				
Loan	Currency	Interest rate (% per annum)	Repayment condition	Current portion	Long-term portion	Total	Current portion	Long-term portion	Total	
Fine Components (Thailand) Company Limited										
(1)	Baht	MLR - 1.50	The loan repayment is in monthly installments, starting from May 2015 to February 2020.	80	-	80	1,440	80	1,520	- The mortgage of certain land.
Total				80	-	80	1,440	80	1,520	
Ingress Precision Sdn. Bhd.										
(1)	MYR	-	The loan repayment is in monthly installments, starting from July 2016 to June 2021.	10,726	4,378	15,104	11,292	15,144	26,436	- The mortgage of certain land and building.
(2)	MYR	5.00	The loan repayment is in monthly installments, starting from August 2017 to August 2021.	49,480	29,688	79,168	8,100	79,382	87,482	- The pledge of certain machinery and equipment.
(3)	MYR	COF + 1.75	The loan repayment is in monthly installments, starting from August 2017 to June 2022.	7,719	12,472	20,191	7,298	20,245	27,543	- Guaranteed by Ingress Corporation Berhad (parent company).
(4)	MYR	5.00	The loan repayment is in monthly installments, starting from April 2020 to March 2024.	1,307	5,451	6,758	-	6,776	6,776	
Total				69,232	51,989	121,221	26,690	121,547	148,237	

Consolidated financial statements

Loan	Currency	Interest rate (% per annum)	Repayment condition	As at 31 January 2020			As at 31 January 2019			
				Current portion	Long-term		Current portion	Long-term		
					portion	Total		portion	Total	
Ingress Technologies Sdn. Bhd.										
(1)	MYR	5.00	The loan repayment is in monthly installments, starting from January 2016 to December 2019.	-	-	-	651	-	651	- The mortgage of certain land and buildings
(2)	MYR	5.40	The loan repayment is in monthly installments, starting from January 2016 to November 2022.	27,718	60,618	88,336	26,208	88,527	114,735	- The pledge of certain machinery and equipment
(3)	MYR	-	The loan repayment is in monthly installments, starting from July 2016 to June 2021	3,561	1,454	5,015	3,749	5,029	8,778	- Guaranteed by Ingress Corporation Berhad (parent company).
(4)	MYR	5.00	The loan repayment is in monthly installments, starting from August 2017 to July 2021.	27,508	46,214	73,722	27,357	51,066	78,423	
(5)	MYR	5.90	The loan repayment is in monthly installments, starting from July 2018 to June 2022.	8,213	12,342	20,555	7,796	20,541	28,337	
(6)	MYR	5.90	The loan repayment is in monthly installments, starting from July 2018 to June 2020.	1,094	70	1,164	2,762	1,097	3,859	
(7)	MYR	5.00	The loan repayment is in monthly installments, starting from January 2020 to December 2024.	2,617	9,748	12,365	-	-	-	
Total				70,711	130,446	201,157	68,523	166,260	234,783	

- The mortgage of certain land and buildings
- The pledge of certain machinery and equipment.
- Guaranteed by Ingress Corporation Berhad (parent company).

(Unit: Thousand Baht)

Consolidated financial statements

			As at 31 January 2020			As at 31 January 2019				
Loan	Currency	Interest rate (% per annum)	Repayment condition	Current portion	Long-term portion	Total	Current portion	Long-term portion	Total	Secured by
Ingress Industrial (Malaysia) Sdn. Bhd.										
(1)	MYR	COF + 1.25	The loan repayment is in monthly installments, starting from July 2015 to February 2024	32,975	116,944	149,919	31,308	150,323	181,631	- The mortgage of the Ingress Precision Sdn. Bhd.'s and Ingress Technologies Sdn. Bhd.'s land and building.
Total				32,975	116,944	149,919	31,308	150,323	181,631	- Guaranteed by Ingress Corporation Berhad (parent company), Ingress Precision Sdn. Bhd. and Ingress Technologies Sdn. Bhd.
Ingress Autoventures (India) Private Limited										
(1)	INR	8.15	The loan repayment is in monthly installments, starting from March 2017 to June 2020	294	-	294	559	297	856	- The pledge of motor vehicles.
(2)	INR	8.25	The loan repayment is in monthly installments, starting from April 2018 to April 2021	360	127	487	336	493	829	
(3)	INR	8.70	The loan repayment is in monthly installments, starting from November 2018 to November 2021	358	356	714	332	722	1,054	
(4)	INR	9.78	The loan repayment is in monthly installments, starting from December 2019 to November 2022	79	175	254	-	-	-	
Total				1,091	658	1,749	1,227	1,512	2,739	
Total long-term loans				174,089	300,037	474,126	129,188	439,722	568,910	

Movement of the long-term loans account during the year ended 31 January 2020 are summarised below:

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 February 2019	568,910
Add: Additional borrowings	12,603
Less: Repayment	(104,096)
Translation adjustment	(3,291)
Balance as at 31 January 2020	474,126

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

Subsidiaries' name	Key restriction
Fine Components (Thailand) Company Limited	<ul style="list-style-type: none"> - 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.	<ul style="list-style-type: none"> - Restrictions on dividend payments, shareholding structure, and creation of obligations over property, etc.
Ingress Precision Sdn. Bhd. and Ingress Technologies Sdn. Bhd.	<ul style="list-style-type: none"> - Shareholding of Malaysian shareholders is at least 51 percent. - Restrictions on dividend payments, shareholding structure, and creation of obligations over property, etc.

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement as at 31 January 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Provision for long-term employee benefits at				
beginning of year	42,767	35,510	39	831
Included in profit or loss:				
Current service cost	4,859	4,724	22	115
Interest cost	2,218	1,563	2	11
Past service costs	8,595	(346)	14	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	581	8,285	15	(58)
Financial assumptions changes	8,051	(5,912)	-	(16)
Experience adjustments	850	2,597	(35)	(429)
Benefits paid during the year	(1,417)	(2,880)	-	(415)
Translation adjustment	326	(774)	-	-
Provision for long-term employee benefits				
at end of year	<u>66,830</u>	<u>42,767</u>	<u>57</u>	<u>39</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 9 million as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the statement of comprehensive income of the current year.

The Group expects to pay Baht 0.1 million of long-term employee benefits during the next year (The Company only: Nil) (2019: Baht 3.3 million, the Company only: Nil).

As at 31 January 2020, the weighted average duration of the liabilities for long-term employee benefit is 14 - 21 years (The Company only: estimated 21 years) (2019: estimated 14 - 22 years, the Company only: estimated 22 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Discount rate	1.54 - 8.75	2.98 - 9.00	1.96	3.46
Salary increase rate	5.00 - 9.00	5.00 - 10.00	5.00	5.00
Turnover rate	1.43 - 22.92	1.00 - 22.92	1.91 - 22.92	1.91 - 22.92

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 January 2020 and 2019 are summarised below:

(Unit: Thousand Baht)

	As at 31 January 2020			
	Consolidated financial statement		Separate financial statement	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(7,987)	9,494	(11)	13
Salary increase rate	9,166	(7,875)	13	(11)
	<u>Increase 10%</u>	<u>Decrease 10%</u>	<u>Increase 10%</u>	<u>Decrease 10%</u>
Turnover rate	(2,858)	3,040	(6)	7

(Unit: Thousand Baht)

	As at 31 January 2019			
	Consolidated financial statement		Separate financial statement	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(4,899)	5,776	(7)	9
Salary increase rate	5,641	(4,884)	9	(7)
	<u>Increase 10%</u>	<u>Decrease 10%</u>	<u>Increase 10%</u>	<u>Decrease 10%</u>
Turnover rate	(1,370)	1,579	(4)	5

20. Revaluation surplus

This represents surplus arising from revaluation of property and plant. 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 years ended 31 January 2020 and 2019 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Balance at beginning of year	395,792	301,713
Add: Revaluation of assets during the year	-	115,833
Less: Amortisation for the year	(27,564)	(21,754)
Balance at end of year	<u>368,228</u>	<u>395,792</u>

The surplus on revaluation of property and plant can neither be offset against deficit nor used for dividend payment.

21. 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.

22. Expenses by nature

Significant expenses classified by nature are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Raw materials and consumables used	1,513,451	1,567,170	-	-
Changes in inventories of finished goods and work in process	4,573	(15,580)	-	-
Salaries, wages and other employee benefits	627,826	652,026	21,794	23,151
Depreciation and amortisation	290,638	304,513	554	772
Repair and maintenance expenses	60,064	61,207	1,307	1,457
Rental expenses	46,906	45,489	1,370	894
Utility expenses	65,276	67,090	207	226
Travelling expenses	23,335	28,397	3,333	3,474
Transportation expenses	51,579	56,460	-	-
Royalty fee	12,691	20,018	-	-

23. Income tax

Tax income (expenses) for the years ended 31 January 2020 and 2019 were summarised below:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	(20,733)	(33,471)	-	-
Adjustment in respect of income tax of previous year	950	(246)	-	-
Total current income tax	(19,783)	(33,717)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(106,187)	(3,179)	1,040	(2,931)
Adjustment in respect of deferred tax of previous year	(1,544)	13,715	-	-
Total deferred tax	(107,731)	10,536	1,040	(2,931)
Tax income (expenses) reported in profit or loss	(127,514)	(23,181)	1,040	(2,931)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 January 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to				
Changes in surplus on revaluation of property and plant	-	(61,284)	-	-
Actuarial (gain) loss	1,837	797	(4)	(100)
	<u>1,837</u>	<u>(60,487)</u>	<u>(4)</u>	<u>(100)</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting profit before tax	48,167	99,544	69,767	80,435
Thai corporate income tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	(9,633)	(19,909)	(13,953)	(16,087)
Difference in tax rate in group companies	771	(1,638)	-	-
Adjustment in respect of tax income expenses of previous year	950	(246)	-	-
Reversal of tax losses and unused tax benefits related to reinvestment expenditures of previous year which were expected to not be utilised	(99,983)	-	-	-
Unused tax loss in the current year which has not recognised as deferred tax assets	(6,860)	-	-	-
Effects of:				
Promotional privileges (Note 24)	1,996	5,609	-	-
Non-deductible expenses	(22,508)	(23,415)	(21)	(14)
Tax-exempt income	2,391	-	15,000	13,416
Adjustment of deferred tax of previous year	(1,544)	13,715	-	-
Others	6,906	2,703	14	(246)
Total	<u>(12,759)</u>	<u>(1,388)</u>	<u>14,993</u>	<u>13,156</u>
Tax income (expenses) reported in profit or loss	<u>(127,514)</u>	<u>(23,181)</u>	<u>1,040</u>	<u>(2,931)</u>

The components of deferred tax assets and deferred tax liabilities as at 31 January 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax assets				
Allowance for doubtful debt	6,858	4,579	-	-
Differences of depreciation for accounting and tax purpose	-	646	-	-
Reduction of inventory to net realisable value	2,073	1,964	-	-
Provision for long-term employee benefits	12,758	6,496	11	8
Unused tax losses	4,215	3,193	2,814	1,781
Unused reinvestment expenditures and tax benefits related to capital expenditures	153,095	268,618	-	-
Others	1,256	-	-	-
Total	180,255	285,496	2,825	1,789
Deferred tax liabilities				
Differences of depreciation for accounting and tax purpose	52,949	45,195	-	-
Surplus on revaluation of property and plant	108,023	109,663	-	-
Liabilities under finance lease agreements	2,059	2,880	-	-
Total	163,031	157,738	-	-
Deferred tax assets - net	17,224	127,758	2,825	1,789
Deferred tax assets (liabilities) presented in the statements of financial position:				
Deferred tax assets	92,491	179,316	2,825	1,789
Deferred tax liabilities	(75,267)	(51,558)	-	-
	17,224	127,758	2,825	1,789

As at 31 January 2020, the Group have deductible temporary differences and unused tax losses totaling Baht 655 million (2019: Baht 18 million) (the Company only: Nil, 2019: Baht 1 million). No deferred tax assets have been recognised on these amounts as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 42 million will expire by 2027.

24. 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	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.

25. Earnings per share

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	(76,090)	54,051	70,807	77,504
The weighted average number of ordinary shares in issue during the year (Thousand shares)	1,446,943	1,446,943	1,446,943	1,446,943
Earnings (loss) per share (Baht per share)	(0.05)	0.04	0.05	0.05

26. Dividend paid

Dividend	Approved by	Dividend paid (Million baht)	Dividend per share (Baht)
Dividend for the year 2019	The Annual General Meeting of the shareholders on 16 May 2019	37.6	0.026
Interim dividend for the year 2020	The Board of the Directors Meeting on 13 December 2019	37.6	0.026
Total dividends for 2020		75.2	0.052
Dividend for the year 2018	The Annual General Meeting of the shareholders on 28 May 2018	37.6	0.026
Interim dividend for the year 2019	The Board of the Directors Meeting on 14 December 2018	37.6	0.026
Total dividends for 2019		75.2	0.052

27. 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 Group is 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.

Information about geographic

Revenue from external customers is based on locations of the customers for the year ended 31 January 2020 and 2019 as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Revenue from external customers		
Thailand	1,027,447	1,194,757
Malaysia	1,389,403	1,542,497
Indonesia	226,837	238,317
India	194,428	223,751
	<u>2,838,115</u>	<u>3,199,322</u>

Other non-current assets (other than deferred tax assets and goodwill) as at 31 January 2020 and 2019 as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Non-current assets		
Thailand	842,140	916,194
Malaysia	1,590,851	1,562,664
Indonesia	190,654	197,127
India	98,628	72,476
Total	<u>2,722,273</u>	<u>2,748,461</u>

Information about major customers

For the year ended 31 January 2020, the Group has revenue from three major customers in amount of Baht 410 million, Baht 378 million and Baht 327 million (2019: Baht 602 million, Baht 515 million and Baht 333 million derived from three major customers).

28. Provident fund

The Group 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 Kasikorn Securities Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. For the year ended 31 January 2020, the Group contributed Baht 4 million to the fund (2019: 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.

29. Commitments and contingent liabilities

29.1 Capital commitments

As at 31 January 2020 and 2019, the subsidiaries had capital commitments relate to the acquisitions of property, plant and equipment as follows:

	(Unit: Million)	
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Thai Baht	1	7
Malaysian Ringgit	86	1
Indonesian Rupiah	162,513	1,001
Japanese Yen	819	35
Indian Rupee	-	4
<i>Total (Million Baht)</i>	<i>1,271</i>	<i>47</i>

29.2 Operating lease commitments

The Group has entered into several lease agreements in respect of the lease of office building, motor vehicles, residences and equipment. The terms of the agreements are generally between 1 and 10 years.

Future minimum lease payments required under these non-cancellable operating leases contracts as at 31 January 2020 and 2019 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Payable:				
In up to 1 year	23	19	2	3
In over 1 and up to 5 years	52	54	-	1
Over 5 years	70	77	-	-

29.3 Service commitments

As at 31 January 2020 and 2019, the Company has future minimum payable under non-cancellable service agreements as follows:

	(Unit: Million Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Payable within:		
Less than 1 year	1	3
1 to 3 years	-	1

29.4 Long-term service commitments

Four subsidiaries (Ingress Autoventures Company Limited, Ingress Precision Sdn. Bhd., PT Ingress Malindo Ventures and Ingress Autoventures (India) Private Limited) have entered into royalty agreements and technical assistance agreements with Katayama Kogyo Co., Ltd., a corporate shareholder of Ingress Autoventures Company Limited, Ingress Precision Sdn. Bhd. and PT Ingress Malindo Ventures. Under the conditions of the royalty 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 royalty agreement and technical assistance agreements with Iwamoto Co., Ltd., a corporate shareholder of that subsidiary. Under the conditions of the royalty agreement, the subsidiary is to pay an annual royalty fee as stipulated in the agreement.

29.5 Guarantees

As at 31 January 2020, subsidiaries have outstanding bank guarantees of approximately Baht 7 million (2019: 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.

30. Fair value hierarchy

As at 31 January 2020 and 2019, 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	
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets measured at fair value							
Investment properties	-	-	-	46	46	46	46
Property plant and equipment	-	-	-	1,310	1,363	1,310	1,363
Liabilities for which fair value are disclosed							
Long-term loans	-	-	-	449	542	449	542
Liabilities under hire-purchase and finance lease agreements	-	-	-	31	27	31	27

31. Financial instruments

31.1 Financial risk management

The Group financial instruments, as defined under Thai Accounting Standard No.107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, current investment, trade and other receivables, short-term loans to related party, restricted bank deposits, long-term loans to related parties, bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from related party, dividend payables, long-term loans from 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 Group is exposed to credit risk primarily with respect to trade and other receivables, short-term loans to related party and long-term loans to related parties. The Group manages 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, short-term loans to related party and long-term loans to related parties as stated in the statement of financial position.

Interest rate risk

The Group's exposures to interest rate risk relates primarily to their cash at banks, current investment, short-term loans to related party, long-term loans to related parties, bank overdrafts and short-term loans from financial institutions, short-term loans from related party, long-term loans from related party, liabilities under hire-purchase and finance lease agreements and long-term loans. Most of the Group's 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)

Separate financial statements

As at 31 January

Fixed interest rates

	Within 1 year		1 - 5 years		Over 5 years		Floating interest rates		Non-interest bearing		Total		Effective interest rates	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Financial assets													(% p.a.)	(% p.a.)
Cash and cash equivalents	-	-	-	-	-	-	1	10	6	4	7	14	Note 7	Note 7
Trade and other receivables	-	-	-	-	-	-	-	-	107	181	107	181	-	-
Short-term loans to related party	36	-	-	-	-	-	-	-	-	-	36	-	6.00	-
Long-term loans to related parties	8	-	90	-	-	-	-	-	-	-	98	-	5.00 - 10.25	-
	44	-	90	-	-	-	1	10	113	185	248	195		
Financial liabilities														
Trade and other payables	-	-	-	-	-	-	-	-	199	317	199	317	-	-
Short-term loans from related party	-	149	-	-	-	-	-	-	-	-	-	149	-	1.00
Long-term loans from related party	-	-	237	-	89	-	-	-	-	-	326	-	6.00	-
	-	149	237	-	89	-	-	-	199	317	525	466		

Foreign currency risk

The Company's and subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and acquisition of machines and borrowings that are denominated in foreign currencies.

As at 31 January 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Malaysian Ringgit	-	-	-	0.1	7.6192	7.6397
US Dollar	0.2	0.3	0.1	5.9	31.1307	31.2458
Japanese Yen	-	-	98.1	81.4	0.2855	0.2869

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Malaysian Ringgit	20.6	13.0	25	40.1	7.6192	7.6397
US Dollar	0.2	0.2	-	-	31.1307	31.2458

31.2 Fair values of financial instruments

The estimated fair value of financial instruments, in comparison with the carrying amounts as at 31 January 2020 and 2019 are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Long-term loans	474	449	569	542
Liabilities under hire-purchase and finance lease agreements	31	31	27	27

The methods and assumptions used by the Group 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, short-term loans to related party, restricted bank deposits, long-term loans to related parties, bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from related party, dividend payables, liabilities under hire-purchase and finance lease agreements and long-term loans from related party, 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.

32. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 January 2020 and 2019, the Group's debt-to-equity ratios were summarised below.

	Consolidated financial statement		Separate financial statement	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Debt-to-equity ratio	0.68:1	0.61:1	0.33:1	0.29:1

33. Events after the reporting period

On 29 April 2020, the Board of Directors' meeting of Ingress Autoventures Company Limited passed a resolution to propose the payment of a final dividend for the year ended 31 January 2020 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 2020 Annual General Meeting of the subsidiary's shareholders.

34. Reclassification

Certain amounts in the statements of financial position as at 31 January 2019 have been reclassified to conform to the current year's classifications, with no effect on previously reported profit or shareholders' equity. The reclassification are as follows:

(Unit: Thousand Baht)		
As at 31 January 2019		
	As reclassified	As previously reported
Trade and other receivables	599,030	599,645
Contract assets	6,163	-
Deferred tax assets	179,316	285,496
Contract liabilities	5,548	-
Deferred tax liabilities	51,558	157,738

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 30 April 2020.



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