



# INGRESS TOGETHER

**ANNUAL REPORT 2020/2021**

INGRESS INDUSTRIAL (THAILAND)  
PUBLIC COMPANY LIMITED





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# 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.

# 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.







# 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.

**01** EFFECTIVE TEAMWORK,  
DISCIPLINE AND  
COMMUNICATION

**02** EXCELLENT  
WORK  
CULTURE

EXCEED  
CUSTOMER  
EXPECTATION  
**03**

**04**  
GREETING,  
PATIENCE,  
GRATEFUL,  
LOYAL &  
COURTEOUS

EMPHASIZE ON  
TECHNOLOGY  
**05**

**06**  
TRUTHFUL,  
SINCERE AND  
TRUSTWORTHY

**07**  
LEARNING  
ORGANIZATION

**08**  
LEADERSHIP  
BY EXAMPLE





# 1 INTRODUCTION

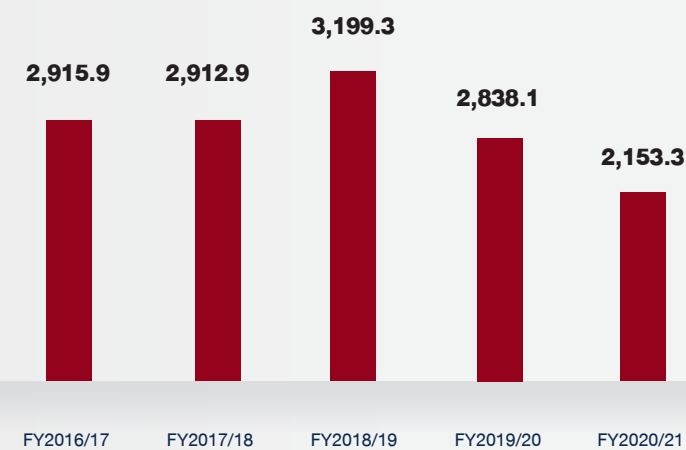
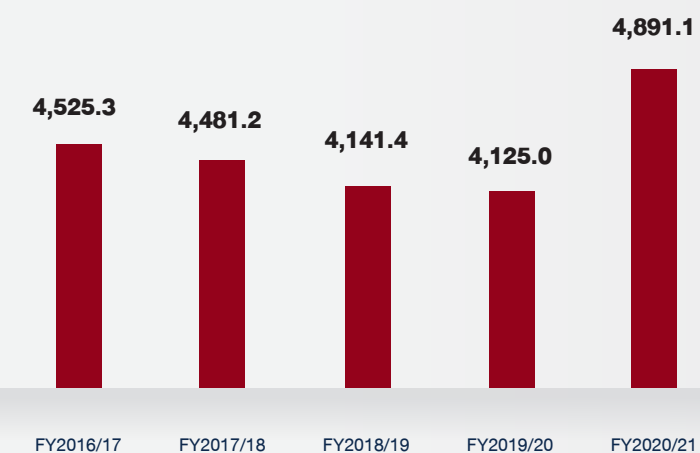
INGRESS INDUSTRIAL (THAILAND)  
PUBLIC COMPANY LIMITED



## FINANCIAL HIGHLIGHTS



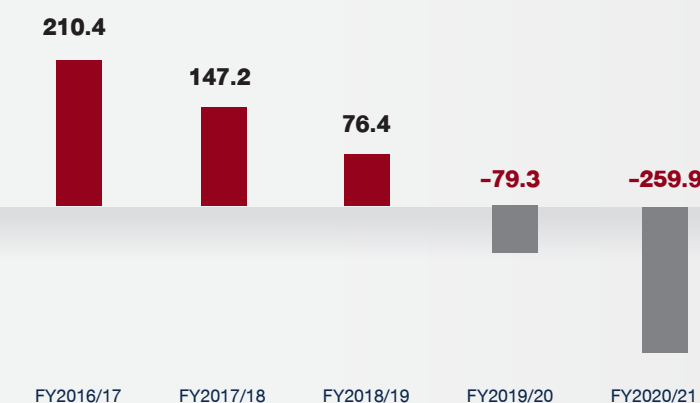
### TOTAL ASSETS



### REVENUE FROM SALES



### NET PROFIT / (LOSS) AFTER TAX







## REVENUE STRUCTURE

EXTERNAL SALES REVENUE (Million Baht)	CONSOLIDATED FINANCIAL STATEMENTS				
	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21
<b>Sales Revenue by Company</b>					
Ingress Autoventures Co. Ltd.	984.7	972.6	1021.5	876.3	564.3
Fine Components (Thailand) Co. Ltd.	178.6	165.0	182.2	151.2	140.1
Ingress Precision Sdn. Bhd.	370.8	319.0	311.7	316.2	300.4
Ingress Technologies Sdn. Bhd.	1,132.2	1,217.7	1,214.3	1,046.5	878.8
Ingress AOI Technologies Sdn. Bhd.*	-	-	-	-	1.6
Talent Synergy Sdn. Bhd.	9.4	12.6	17.0	26.7	6.6
PT Ingress Malido Ventures	239.7	188.8	228.8	226.8	100.8
PT Ingress Technologies Indonesia	0.5	0.3	0	0	0
Ingress Autoventures (India) Pvt. Ltd.*	-	36.9	223.8	194.4	160.7
	<b>2,915.9</b>	<b>2,912.9</b>	<b>3,199.3</b>	<b>2,838.1</b>	<b>2,153.3</b>
<b>Sales Revenue by Country</b>					
Thailand	1,163.3	1,137.6	1,194.8	1,027.5	704.4
Malaysia	1,512.4	1,549.3	1,542.5	1,389.4	1,187.4
Indonesia	240.2	189.1	228.8	226.8	100.8
India	-	36.9	223.8	194.4	160.7
	<b>2,915.9</b>	<b>2,912.9</b>	<b>3,199.3</b>	<b>2,838.1</b>	<b>2,153.3</b>
<b>Sales Revenue by Product</b>					
Rollforming products	1,595.2	1,517.3	1,785.8	1,613.7	1,126.2
Stamping products	1,311.3	1,383.0	1,396.5	1,197.7	1,020.5
Automation solution	9.4	12.6	17.0	26.7	6.6
	<b>2,915.9</b>	<b>2,912.9</b>	<b>3,199.3</b>	<b>2,838.1</b>	<b>2,153.3</b>

\* Ingress Autoventures (India) Pvt Ltd become a subsidiary of INGRS effective from 13 November 2017.



## FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS (Million Baht)	CONSOLIDATED FINANCIAL STATEMENTS				
	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21
<b>Financial Position</b>					
Current Assets	1,362.3	1,259.4	1,179.4	1,270.4	1,480.2
Non-Current Assets	3,163.0	3,221.8	2,962.0	2,854.6	3,410.9
Current Liabilities	1,302.5	1,155.5	1,020.5	1,200.7	1,775.5
Non-Current Liabilities	957.7	780.7	552.9	462.0	943.4
Paid up Capital	1,185.4	1,446.9	1,446.9	1,446.9	1,446.9
Shareholders' Equity	1,444.3	1,739.5	1,758.4	1,594.6	1,329.6
Total Equity	2,265.1	2,544.9	2,568.1	2,462.3	2,172.2
<b>Financial Performance</b>					
Sales Revenue	2,915.9	2,912.9	3,199.3	2,838.1	2,153.3
Gross Profit	636.4	644.3	633.0	546.4	243.4
Other Revenue	137.7	65.6	92.1	87.8	71.7
EBITDA	586.3	516.1	464.8	388.7	117.3
Net (Loss)/Profit Before Tax	193.4	142.8	99.5	48.2	(249.8)
Net (Loss)/Profit After Tax	210.4	147.2	76.4	(79.3)	(259.9)
Net (Loss)/Profit After Tax Attributable to Equity Holders	169.6	97.1	54.1	(76.1)	(221.9)
(Loss)/Earnings per share	0.14	0.07	0.04	(0.05)	(0.15)
Dividend paid - interim	37.9	94.4	37.6	37.6	-
Dividend Paid - final	37.9	37.6	37.6	-	-
<b>Financial Ratios</b>					
Current Ratios (times)	1.05	1.09	1.16	1.07	0.83
Gross Profit Margin	21.8%	22.1%	19.8%	19.3%	11.3%
Net (Loss)/Profit Margin Before Tax	6.6%	4.9%	3.1%	1.7%	(11.6)%
Net (Loss)/Profit Margin After Tax	7.2%	5.1%	2.4%	(2.8)%	(12.1)%
Return on Total Assets	3.7%	2.2%	1.3%	(1.8)%	(4.5)%
Return on Equity	7.5%	3.8%	2.1%	(3.1)%	(10.2)%
Debt to Equity Ratios (times)	1.00	0.76	0.61	0.68	1.25
Dividend Payout (% of Net (Loss)/Profit After Tax Attributable to Equity Holders)	44.7%	135.9%	139.0%	(98.8)%	-





## AWARD AND RECOGNITION NEW AWARDS 2020/21



**MALAYSIA**

2019 QUALITY AWARD FROM  
**HONDA TO ITSB.**



**INDONESIA**



2019  
QUALITY TARGET  
ACHIEVEMENT FROM  
**TOYOTA  
INDONESIA  
TO PTIMV**

2019 DELIVERY  
ACHIEVEMENT FROM  
**HINO INDONESIA  
TO PTIMV.**



2019  
DELIVERY TARGET  
ACHIEVEMENT FROM  
**TOYOTA  
INDONESIA  
TO PTIMV**



## BOARD OF DIRECTORS' MESSAGE





“ Amid the evolving market dynamics and uncertainties, INGRS quickly implemented accelerated staff and supplier chain protection, cash preservation and cost containment actions to address the new demanding environment. In appreciation of INGRS’s disciplined management process, INGRS continue to serve our customers in recovery even in the most challenging of conditions. ”

## DEAR ALL SHAREHOLDER

Since early 2020, the world has been confronted with a major health crisis profoundly impacting the global economy and all of its citizens. INGRS’ prayers and thoughts remain with all the communities and individuals, including healthcare workers and front liners, most deeply affected by this COVID-19 crisis. This prolonged crisis has led to the last year being a year of unusual uncertainties not only to the health of the populace, but also to the economic vitality and social stability.

Despite all the efforts being done by the respective Governments to contain the further spread of the virus, such as movements restriction orders as well as various economic stimuli put in place to revive the economy, the economic recoveries are expected to be gradual and it will take time for the economies to fully recover to their pre-pandemic levels.. It is also very unfortunate that the crisis has affected most, the people from the lower income groups as well as companies which are not as strong financially. Nevertheless, we are really hopeful the on-going vaccination roll-out currently being conducted worldwide, will offer the chance to bring the coronavirus pandemic under control as well as kickstart and boost the economic recovery.

As part of our overall efforts to reduce the risk of workplace infections, INGRS has implemented the Work-from-home (WFH) working procedures for non-essential personnel. However for those personnel required to be present on-site, we have reinforced the workplace standard working procedures as recommended by the local health authorities to ensure the safety of our workers, customers and suppliers. We have implemented physical distancing in business operations, staggered shifts, changed seating arrangements, barred non-essential visitors from entering the company’s premises as well as provided additional essential equipment where possible. We have also undertaken nightly and daily sanitization of all the offices and manufacturing plants within the Group to ensure they are safe to remain open.

The global economy is estimated to have contracted by 4.3% in 2020, with the emerging and developing economies projected to have contracted by 2.6%. The International Monetary Fund (IMF) has reported the real GDP for ASEAN-5 countries are expected to see a combined Gross Development Product (GDP) contraction by 3.7%. Furthermore, the 2020 GDPs for all the countries INGRS have operations all-ended with contractions - Thailand (6.1%), Malaysia (5.6%), Indonesia (2.1%) and India (4.2%).

The INGRS Group has not been spared, with the COVID-19 pandemic severely impacted our operations beginning from the first quarter of 2020 due to total lockdowns mandated in the countries INGRS operate in. This has led to the drop in sales revenue for FY2020/21 to Baht 2,153 million from Baht 2,838 million in FY2019/20. INGRS registered FY2020/21 Loss After Tax (LAT) of Baht 259 million in comparison to LAT registered for FY2019/20 of Baht 79 million mainly due to lower revenue recorded by all INGRS operations. .

## BUSINESS UPDATES

At the business level, the pandemic has forced accelerated developments in certain areas in the automotive industry. Most of these changes are largely positive, such as the growth of online communication and the greater willingness of OEMs and suppliers to cooperate with their respective business partners - automotive and otherwise - to address the challenges resulting from the pandemic. Others, however, although understandable but could have negative effects in the long run, such as the tendency to focus on only core activities, rather than exploring new areas of opportunities.

In terms of overall automotive performances in countries that INGRS operates, the pandemic has severely impacted INGRS’ supply to OEMs due to the lockdowns and movement control orders especially starting from the first quarter of 2020. Thailand’s Total Industry Volume (TIV) dropped by 21.4% to 0.792 million units whilst Malaysia, Indonesia and India also recorded similar drops of 12.4% (0.529 million units), 48.4% (0.532 million units) and 11.5% (3.377 million units), respectively.

Towards addressing this critical situation, INGRS’ Management has formulated a 2-year “Transformation Strategy” to ensure our survivability through the COVID-19 pandemic and beyond whilst looking into potentials of focussing and investing in good “Growth Engines” opportunities especially in Thailand and within the Region. Fortunately for INGRS, we have two exciting “Growth Engines” projects in the pipeline in Malaysia and Indonesia, scheduled to commence Mass Production at the beginning and the end 2021, respectively. In

Malaysia, the project is spearheaded by our new Joint Venture company (JV Co) - Ingress AOI Technologies Sdn. Bhd. (IATSB) whilst in Indonesia, the Hyundai Project involves all three of our Indonesian subsidiaries, namely, PT Ingress Malindo Ventures (PTIMV), PT Ingress Industrial Indonesia (PTIII) and PT Ingress Technologies Indonesia (PTIIL).

IATSB is a collaboration between our subsidiary, Ingress Technologies Sdn. Bhd. (ITSB - INGRS subsidiary for medium stamping in Malaysia) with Perodua (amajor OEM in Malaysia and one of INGRS main customers) and Aoi Kikai (a Daihatsu-owned company in Japan). The company has already commenced Mass Production supplying components for the Sports Utility Vehicle (SUV) utilizing the Daihatsu New Global Architecture (DNGA) platform on 18 January 2021. IATSB’s fully completed modern and advanced manufacturing facility, located next to Perodua’s manufacturing facility, shall be the model and at the forefront of “High Tensile” stamping and Assembly, providing strong and lightweight parts for “Energy Efficient Vehicle (EEV)” in Malaysia and the region.

In regards to our major expansion project in Indonesia, INGRS has secured the contracts to supply door sash and stamping related parts for a few new Hyundai models to Hyundai Motors Manufacturing Indonesia (HMMI). This new business in Indonesia will significantly benefit the INGRS Group, with PTIMV supplying roll forming related products, PT ITI supplying small stamping parts and the newly established PTIIL supplying medium stamping and module assemblies. INGRS is currently overseeing the renovation and improvements of our new 23,000 square meters facility in preparation for the mass production scheduled in late 2021.

Our INGRS Indian operation, Ingress Autoventures (India) Private Limited (IAIPL), beginning in August 2020 has moved its manufacturing facility from Gurgaon to Manessar. Furthermore, we are happy to report that our Indian subsidiary has secured new Letter of Intent (LOI) to supply mouldings part to Suzuki Motors Gujerat (SMG) and Ford India Private Limited (FIPL), both of which are scheduled to start mass production in late 2021.



We are also honoured to inform the Shareholders, as the testament to our continued commitments of supplying only the highest quality products to our customers, INGRS has received three quality awards from Hino and Toyota for INGRS operations in Indonesia, PT Ingress Malindo Ventures (PTIMV) and 1 from Honda for Ingress Technologies Sdn. Bhd. (ITSB) in Malaysia.

## BEYOND COVID-19

Is it expected in 2021, taking into account the vaccination program roll-out throughout the world, the World Bank forecast that the global economy is projected to grow by 4.0%, while emerging and developing economies is expected to rebound by 5.0%. Also projected the real GDPs for Thailand, Malaysia, Indonesia and India, all of which are also expected to expand by 4.0%, 6.7%, 4.4% and 5.4%, respectively.

Amid the evolving market dynamics and uncertainties, INGRS quickly implemented accelerated staff and supplier chain protection, cash preservation and cost containment actions to address the new demanding business environments. In appreciation of INGRS' disciplined management process, INGRS continue

to serve our customers in recovery even in the most challenging of conditions.

## CONCLUSIONS

The COVID-19 pandemic has transformed the global economic landscape and brought to the foreground the importance of prioritizing the health of employees, supply chains and customers all of which are essential to the success of the business. The pandemic also highlighted our immense responsibilities and our direct actions do have far-reaching and lasting effects on the world. We at INGRS has never been prouder of our company's ability to meet and endure this toughest of challenges.

Once again, INGRS would like to express our utmost gratitude and thanks to our more than 1,588 employees and families around the Region (12 companies and 4 countries). INGRS' Management also would extend our most sincerest appreciations to our Shareholders, Board of Directors, our business partners and all our stakeholders for the co-operations and understandings shown by all parties as we work together amidst these most difficult of circumstances.

## THE BOARD OF DIRECTORS'

INGRESS INDUSTRIAL (THAILAND)  
PUBLIC COMPANY LIMITED.



# REPORT OF NOMINATION AND REMUNERATION COMMITTEE



“ 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, ”

**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	NUMBER OF MEETING FY2020/21
1.	Mr. Nuthavuth Chatlertpipat*	Chairman	2/2
2.	Datuk Rameli Bin Musa^	Deputy Chairman	2/2
3.	Dato' Dr. Ab Wahab Bin Ismail ^	Member	2/2
4.	Mr. Abdul Khudus Bin Mohd Naa'im*	Member	2/2
5.	Mr. Apichat Suttisiltum*	Member	2/2

\* Independent & Non-Executive Directors

^ Non-Independent & Executive Directors

In FY2020/21 the NRC convened two (2) meetings and reported its meetings and performances to the Board.

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.

## OVERALL DUTIES AND RESPONSIBILITIES

Generally, the NRC is tasked to:-

- 1.1 Assist the Board of Directors of the Company (“the Board”) in respect of the recruitment and selection process of the nomination of directors and senior management;
- 1.2 Recommend qualified candidates to the Board for consideration prior to nomination proposal at the Shareholders' Meeting for further approval and appointment; and



1.3 Review the compensation package of directors including the Chief Executive Officer (“the CEO”) for further recommendation to the Board.

**Specifically, the NRC is entrusted to:-**

- 1.4 Review the Company’s business organization, the required mix of skills, experience and qualifications of its directors and CEO in accordance with the Company’s business requirements as directed or necessitated by the decision of the Board;
- 1.5 Propose and recommend candidates to be member of the Board with proper qualifications for the Board to submit for appointment in the Shareholders’ meeting of the Company;
- 1.6 Make recommendations to the Board for the successor of the CEO;
- 1.7 Ensure that the Company’s remuneration packages are competitive in view of industry practices; and
- 1.8 Perform any other activities, roles and responsibilities as approved, assigned and directed by the Board.

**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 CHATLERTPIPAT**

CHAIRMAN OF THE NOMINATION  
AND REMUNERATION COMMITTEE



## 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 Naaim**  
Chairman of Audit Committee

INGRS is committed with a long-term strategy to achieve continuous growth while underlining the importance of fair trade and good corporate governance to benefit its shareholders and stakeholders. The Audit Committee and the Internal Audit Department, in line with this direction, were established to govern, oversee and review the Company’s business processes and their conformity to the Corporate Governance Code and Anti-Corruption

policy to ensure that Governance, Risk Management and Compliance Management remained effective and made in accordance with the changing business environment.

The Audit Committee comprised three independent directors, all of whom were experts in their respective fields, which provided independence view over accuracy and reliability of financial statements. The particulars of the Audit Committee members are as follows:

NO	NAME	DESIGNATION	NUMBER OF MEETING FY2020/21
1.	Mr. Abdul Khudus Bin Mohd Naaim	Chairman	6/6
2.	Mr. Nuthavuth Chatlertpipat	Member	6/6
3.	Mr. Apichat Suttitsitum	Member	6/6



DUTIES AND RESPONSIBILITIES

FINANCIAL STATEMENT	<ul style="list-style-type: none"><li>Review of financial statements, significant accounting and reporting issues, including complex or unusual transactions and highly critical areas.</li><li>Discuss with the INGRS Management and external auditor regarding audit results, relevant risks and management action to minimise the impact of the identified risks and review the effectiveness of internal control over the financial reporting process.</li></ul>
INTERNAL CONTROL	<ul style="list-style-type: none"><li>Review the effectiveness and adequacy of the internal control system, including control over the information technology system and implementing recommendations on internal and external auditors' internal control.</li><li>Review and approve the internal audit charter, annual audit plan, staffing and resources required for the internal audit, and review the internal audit's effectiveness that complies with the Professional Practices of Internal Auditing.</li></ul>
RISK MANAGEMENT	<ul style="list-style-type: none"><li>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.</li><li>Review the adequacy of the Company's risk management process, policies and the effectiveness of the implementation of the Company's risk management systems;</li></ul>
POLICIES AND PROCEDURE	<ul style="list-style-type: none"><li>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.</li></ul>

In FY2020/21, the Committee had convened six (6) times, and the directors had attended all the meetings to discuss matters related to the Management and internal and external auditors. In FY2020/21, the Committee's had expressed their opinion, which can be summarised as follows;

1. THE REVIEW OF QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

- The Audit Committee reviewed quarterly and annual financial statements with the Management and the external auditor, to ensure accuracy, completeness, and compliance of financial reporting with all relevant laws and regulations.
- The Audit Committee also held a meeting with external auditor in the absence of the Management to discuss the auditors' independence and comments and the auditor's report and issues concerning the audit and review of financial statements.
- After the review, the Audit Committee considered that the financial statements for FY2020/21 were prepared according to the Thai Financial Reporting Standards (TFRS). They contained sufficient disclosure in the notes to financial statements, thereby approved the financial statements 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 reviewed and approved the internal audit report quarterly with Internal Auditor and the Management in assessing the level of the internal control system and compliance within the INGRS Group.
- This review also comprised an assessment questionnaire as required by the Securities and Exchange Commission of Thailand (SEC) carried out by the Internal Audit annually, which opined that INGRS had incorporated a proper internal control system.
- The Audit Committee considered the Internal Auditor's report to ensure the appropriate and sufficient internal control system and concluded that the INGRS Group's internal control system is sound without significant deficiencies.

- The Audit Committee suggests the focus should be made on critical business risks and encourage a continuous implementation of the preventive controls that helped prevent or minimise the risks that may have an unfavourable impact on the Company.

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 the impact to an acceptable level and report to the Audit Committee quarterly.
- 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 the impact is mitigated within the acceptable level.

4. THE APPOINTMENT OF EXTERNAL AUDITOR

- The Audit Committee noted that the external auditor's appointment is based on knowledge, experience, ability, adequacy of resources, and level of independence and quality of their services.
- The remuneration of the auditor is considered on the scope of duties and responsibilities.
- Based on the satisfactory results and their widely recognised audit standard and experience, the Audit Committee recommended the reappointment of the auditor from EY Office Limited as the Company's external auditor for the financial year ending 31 January 2021 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 INGRS and the subsidiaries' comply with SET's and SEC regulations, including other related laws, Thai laws, and the laws of other countries in which the INGRS operates or invests in.
- According to the Board's guidance, INGRS has conducted its business according to acceptable governance practices, business ethics, the anti-corruption policy, and other policies.
- There was no reporting of any misconduct in FY2020/21.

6. THE REVIEW OF RELATED TRANSACTIONS AND TRANSACTIONS OF POTENTIAL CONFLICT OF INTEREST

- The Audit Committee had reviewed the connected transactions or transactions with potential conflicts of interest prior to the Board's consideration to ensure that they were reasonable and beneficial to the Company and the shareholders, particularly the minority shareholders.
- The Committee had also reviewed the disclosure of the transactions and viewed that details of the transactions that had been completely disclosed, that the prices and conditions were fair, and that the transactions had been appropriately approved by the Management or the Board of Directors prior to their commencement.

The Audit Committee reported the results of all meetings to the Board regularly. In FY2020/21, the Committee conducted its work thoroughly and strictly according to the Audit Committee Charter to enhance INGRS good corporate governance. This approach and its follow-through ensured that INGRS could deliver the best possible performance than the industry peers. The Audit Committee is also confident in the Internal Audit Department's competency, which consists of personnel with qualifications, skills, and experiences, enabling them to perform their auditing duties to cover various aspects efficiently.

The Committee's opined that for FY2020/21, INGRS financial reports were accurate, in compliance with generally accepted accounting standards and International Financial Reporting Standards. The Company also conducted operations in compliance with the laws and all obligations by incorporating proper risk management systems, internal controls, internal audit, and corporate governance.

On behalf of the Committee



ON BEHALF OF THE COMMITTEE  
CHAIRMAN OF THE AUDIT COMMITTEE





## REPORT OF THE EXECUTIVE COMMITTEE



“ the EXCO has performed its duties and obligations diligently and prudently within its authorities and limits as provided in its Terms of Reference. ”

**Datuk Rameli Bin Musa**  
Chairman of the EXCO

The Company formed an Executive Committee (“EXCO”) comprising four (4) Non-Independent and Executive Directors. The members of the EXCO are as follows:

NO	NAME	DESIGNATION	NUMBER OF MEETING FY2020/21
1.	Datuk Rameli Bin Musa <sup>^</sup>	Chairman	10/10
2.	Dato <sup>*</sup> Dr. Ab Wahab Bin Ismail <sup>^</sup>	Deputy Chairman	10/10
3.	Mr. Hamidi Bin Maulod <sup>^</sup>	Member	10/10
4.	Datin Sri Farah Binti Datuk Rameli <sup>^</sup>	Member	10/10
5.	Mr. Affandi Bin Mokhtar <sup>*</sup>	Member	1/10
6.	Mr. Shamsuddin Bin Isa <sup>**</sup>	Member	9/10
7.	Mr. Safri Bin Sabtu	Member	10/10
8.	Mr. Mohd Sirajudean Bin Ab Rahim <sup>**</sup>	Member	9/10
9.	Mr. Amrizal Bin Abdul Majid <sup>**</sup>	Member	9/10

**Notes:**

<sup>^</sup> Non-Independent & Executive Directors.

<sup>\*</sup> Resigned as Exco Member on 18 March 2020

<sup>\*\*</sup> Appointed as Exco Members effective from 18 May 2020

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 FY2020/21, the EXCO convened ten (10) meetings, most of which were project related. For every new project where the subsidiary companies intend to participate in any projects that require new investment, detailed feasibility study will have to be prepared and presented

to the EXCO prior to the tabling of the same at the respective board meetings of the subsidiary companies for approval. EXCO meeting is the platform for the Company to evaluate, deliberate, identify the relevant risks and challenge the proposal submitted by the subsidiary companies. With these processes, not only the subsidiary companies are able to provide a competitive offer but also interest of the same is safeguarded.

The Board is of the view that throughout FY2020/21, 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



# 2 COMPANY STRUCTURE

INGRESS INDUSTRIAL (THAILAND) PUBLIC COMPANY LIMITED



## SHAREHOLDING STRUCTURE

As at 16 April 2021, 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. 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	56,000,300	3.870
3	Thai NVDR Co., Ltd.	28,082,700	1.941
4	Mr. Vasin Phatikulset	15,330,000	1.059
5	Mr. Wutthiphol Pariyakanok	14,000,000	0.968
6	Mr. Prasong Nakcharoen	13,800,000	0.954
7	Mr. Suthep Rutchatasomboon	12,224,900	0.845
8	Mr. Pichai Vichakphan	10,048,100	0.694
9	Ms. Orrapin Chupanichkul	8,941,000	0.618
10	Mr. Poonsombat Dumnernchanvanit	7,934,600	0.548
	Others	412,081,620	28.479
<b>TOTAL</b>		<b>1,446,942,690</b>	<b>100</b>

#### Source:

Thailand Depository (Thailand) Co., Ltd. (Information at the closing of share register book on 16 April 2021)

#### Remark:

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



## FOREIGNER SHAREHOLDER LIMITATION

There is no limitation of Foreigner hold shareholder in The Company.

## 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.

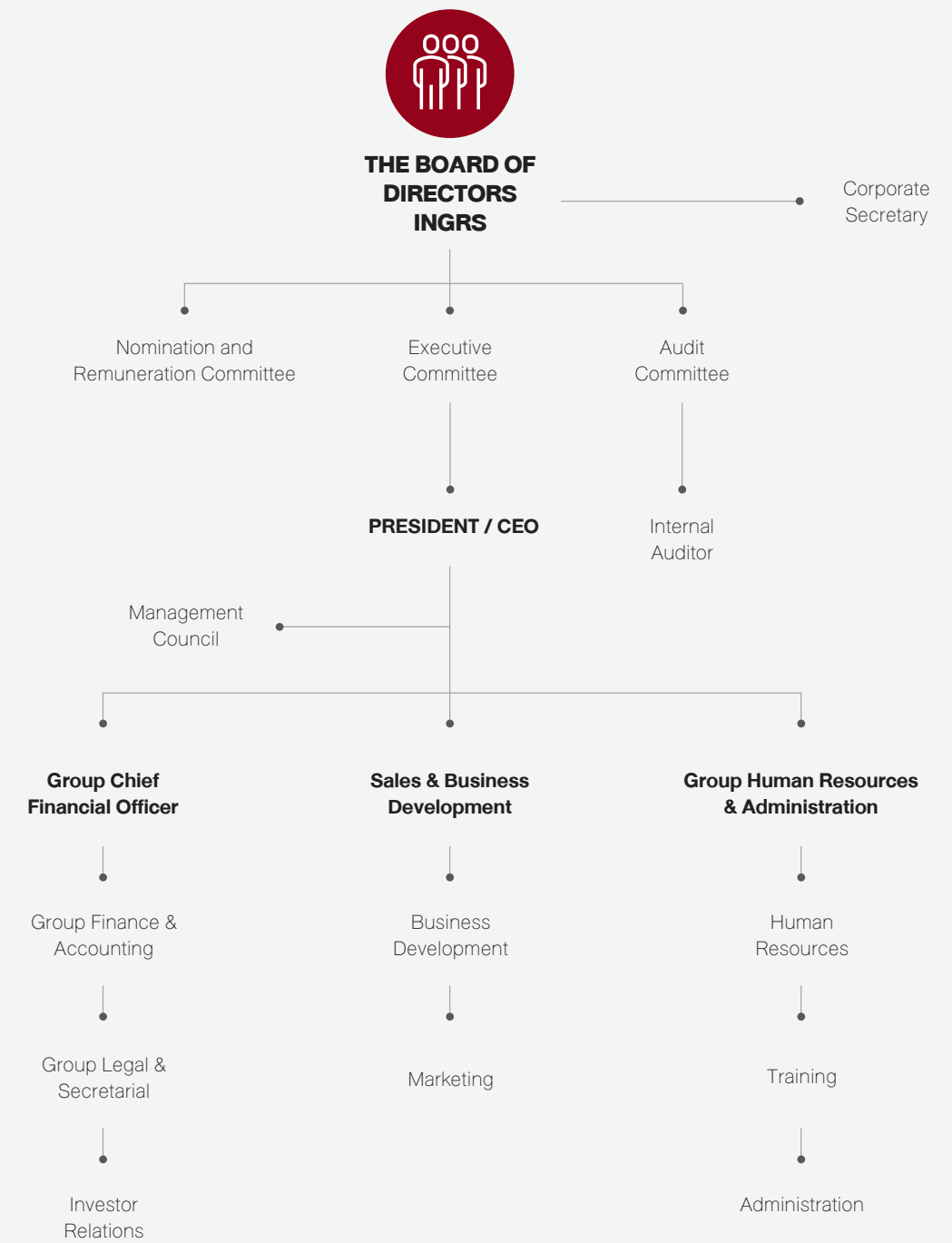
## DIVIDEND POLICY FOR SUBSIDIARY COMPANY

It is 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.



## MANAGEMENT STRUCTURE

The organization structure of Ingress Industrial (Thailand) Public Company Limited as of 31 January 2021







## BOARD OF DIRECTORS



**DATO' DR. AB. WAHAB  
BIN ISMAIL**  
NON-INDEPENDENT AND  
EXECUTIVE DIRECTOR



**HAMIDI  
BIN MAULOD**  
CHIEF EXECUTIVE OFFICER (CEO) /  
NON-INDEPENDENT AND  
EXECUTIVE DIRECTOR



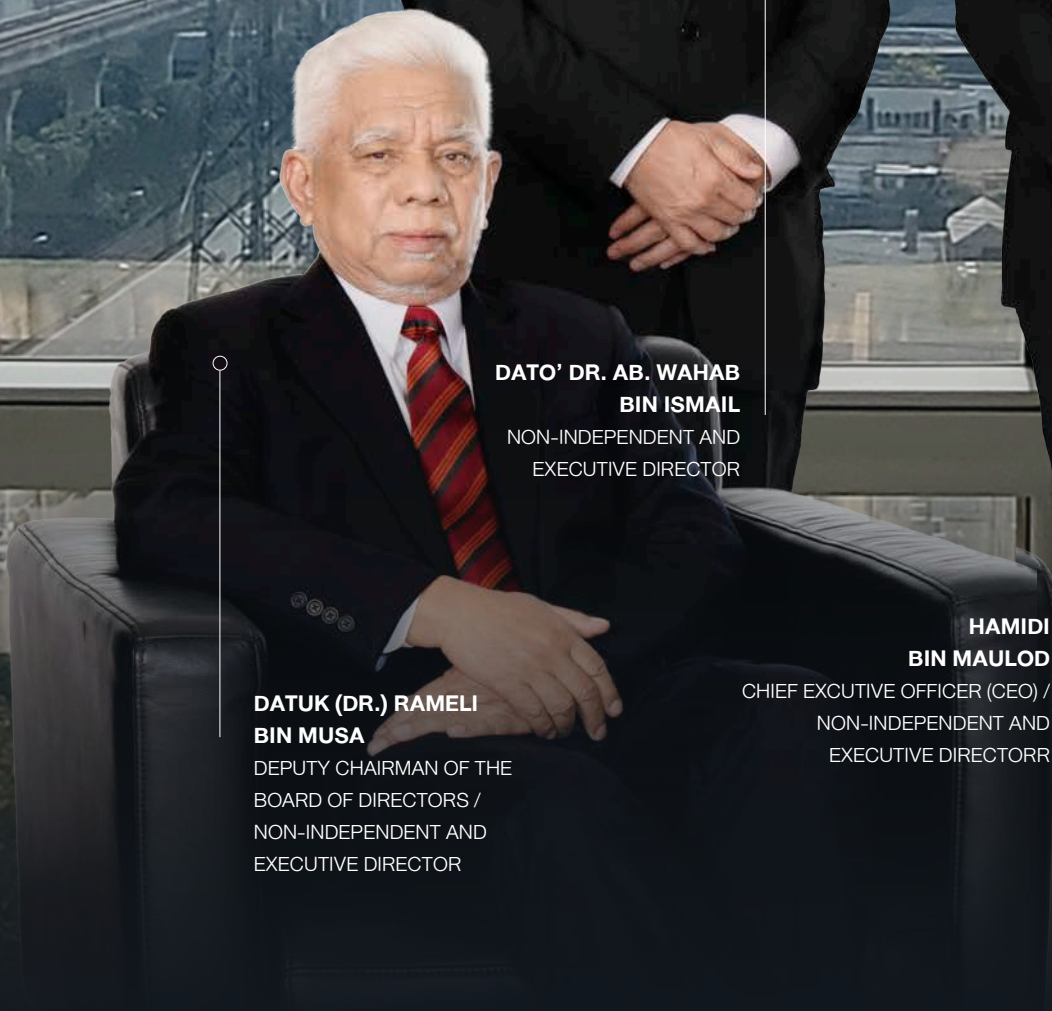
**NUTHAVUTH  
CHATLERTPIPAT**  
CHAIRMAN OF THE BOARD OF DIRECTORS /  
INDEPENDENT AND NON-EXECUTIVE DIRECTOR



**APICHAT  
SUTTISILTUM**  
INDEPENDENT AND  
NON-EXECUTIVE DIRECTOR



**SURIN  
WUNGCHAROEN**  
NON-INDEPENDENT AND  
NON-EXECUTIVE DIRECTOR



**DATUK (DR.) RAMELI  
BIN MUSA**  
DEPUTY CHAIRMAN OF THE  
BOARD OF DIRECTORS /  
NON-INDEPENDENT AND  
EXECUTIVE DIRECTOR



**ABDUL KHUDUS  
BIN MOHD NAAIM**  
INDEPENDENT AND  
NON-EXECUTIVE DIRECTOR



**DATIN SRI FARAH BINTI  
DATUK RAMELI**  
NON-INDEPENDENT AND  
EXECUTIVE DIRECTOR





## BOARD OF 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, Nuthavuth 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 RAMELI BIN MUSA**

DEPUTY CHAIRMAN OF THE BOARD  
OF DIRECTORS, NON-INDEPENDENT &  
EXECUTIVE DIRECTOR

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

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

### **HAMIDI BIN MAULOD**

CHIEF EXECUTIVE OFFICER (CEO)  
NON-INDEPENDENT & EXECUTIVE DIRECTOR

Mr. Hamidi Bin Maulod holds a Bachelor of Science in Industrial Engineering (1987) from the University of Toledo, Ohio, USA. He started his career at Mitsubishi Electric (Malaysia) Sdn. Bhd., from November 1989 until June 1994, after which he then joined Atasi 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 assumed 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

**APICHAT SUTTISILTUM**  
INDEPENDENT & NON-EXECUTIVE  
DIRECTOR

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

**SURIN WUNGCHAROEN**  
NON-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 AKN Arif, Chartered Accountants since August 2008.

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 Berhad Malaysia.

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

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 holds Bachelor of Science in Electrical Engineering from University Teknologi Malaysia and is a holder of MBA in Engineering Management from University of Coventry, United Kingdom.

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

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.





## COMPANY MANAGEMENT



**MR. NURSHAREYZAT  
BIN SAAIDIN**

GROUP CHIEF FINANCIAL OFFICER

**MR. HAMIDI  
BIN MAULOD**

PRESIDENT/CEO

**MR. SUPACHAI  
MEERERG**

DEPUTY GM, SALES &  
BUSINESS DEVELOPMENT

**MS. NABILAH  
HAJI HAMA**

SENIOR MANAGER,  
HUMAN RESOURCE  
MANAGEMENT

**MR. SARAWOOT  
SRIWANNAYOS**

CORPORATE SECRETARY AND  
HEAD OF GROUP LEGAL &  
SECRETARIAL



## ORGANIZATION AND MANAGEMENT

### BOARD OF DIRECTORS

The Board of Directors of Ingress Industrial (Thailand) Public Company Limited comprised 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 2021, there were eighth (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 <sup>1</sup>	Executive Director	-	Member	Chairman
3	Dato' Dr. Ab. Wahab Bin Ismail <sup>1</sup>	Executive Director	-	Member	Member
4	Mr. Hamidi Bin Maulod <sup>1</sup>	Executive Director	Member	-	Member
5	Mr. Abdul Khudus Bin Mohd Naaim	Independent Director	Chairman	Member	-
6	Datin Sri Farah Binti Datuk Rameli <sup>1</sup>	Executive Director	-	-	Member
7	Mr. Apichat Suttisiltum	Independent Director	Member	Member	-
8	Mr. Surin Wungcharoen	Non-Independent & Non- Executive Director	-	-	-

**Remark :**

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

The Board of Directors is appointed and approved by 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 conformed to laws, regulations, code of conducts and business ethics.



During the financial year ended 31 January 2021, 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	9/9	6/6	2/2	
2	Datuk (Dr) Rameli Bin Musa	9/9		2/2	10/10
3	Dato’ Dr. Ab. Wahab Bin Ismail	9/9		2/2	10/10
4	Mr. Hamidi Bin Maulod	9/9			10/10
5	Mr. Abdul Khudus Bin Mohd Naaim	9/9	6/6	2/2	
6	Datin Sri Farah Binti Datuk Rameli	9/9			10/10
7	Mr. Apichat Suttisiltum	9/9	6/6	2/2	
8	Mr. Surin Wungcharoen	7/9			

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. Nurshareyzat Bin Saaidin	Group Chief Financial Officer
3	Mr. Sarawoot Sriwannayos	Corporate Secretary and Head of Group Legal & Secretarial
4	Mr. Supachai Meererg	Deputy General Manager, Sales & Business Development
5	Ms. Nabilah Haji Hama	Senior Manager, Human Resource Management

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 offered the Group 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 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 2021, 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. Nurshareyzat Bin Saaidin	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 IPSB / PTIII
Mr. Mohd Sirajuddean Ab. Rahim	Member of Management Council	MC member representing ITSB / IATSB
Mr. Amrizal Abdul Majid	Member of Management Council	MC member representing FCT
Mr. Sarayut Mekso	Member of Management Council	MC member representing IAV
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. Ahmad Shafie Bin Kusni	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.

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.

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

The remuneration of directors for the financial year ended 31 January 2021 (“FY2020/21”) 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 FY2020/21	BOARD OF DIRECTOR	AUDIT COMMITTEE	NOMINATION & REMU- NERATION 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 FY2020/21, the Company paid the directors' remuneration in a total amount of THB 3,460,000. The details of compensation paid by the Company to the Company directors during year FY2020/2021 are as follows:

NAME LIST	REMUNERATION	ALLOWANCE			TOTAL
		BOD	AC*	NRC	
Mr. Nuthavuth Chatlertpipat	800,000	180,000	120,000	40,000	1,140,000
Mr. Abdul Khudus Mohd Naaim	600,000	180,000	120,000	40,000	940,000
Mr. Apichat Suttisiltum	600,000	180,000	120,000	40,000	940,000
Mr. Surin Wungchareon	300,000	140,000	-	-	440,000
<b>Total</b>	<b>2,300,000</b>	<b>680,000</b>	<b>360,000</b>	<b>120,000</b>	<b>3,460,000</b>

\* AC : Audit Committee

## DIRECTORS AND MANAGEMENT BENEFITS

During the financial year ended 31 January 2021 ("FY2020/21") and 31 January 2020 ("FY2019/20"), the Group had employee benefit expenses payable to their directors and management as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	FY2020/21 (MILLION BAHT)	FY2019/20 (MILLION BAHT)
Short-term employee benefits	81.5	80.2
Post-employment benefits	2.8	3.0
<b>Total</b>	<b>84.3</b>	<b>83.2</b>

## 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 FY2020/21 in the form of cash and cash equivalent was in a total amount of Bath 537.2 million, as compared to Bath 627.8 million in FY2019/20.

## 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 2021 and January 2020, the Group has in total 1,731 and 1,766 employees respectively, which can be classified as follow:

LOCATION	31 JANUARY 2021	31 JANUARY 2020
 Malaysia	811	737
 Thailand	539	612
 Indonesia	166	180
 India	215	237
<b>TOTAL</b>	<b>1,731</b>	<b>1,766</b>

## 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

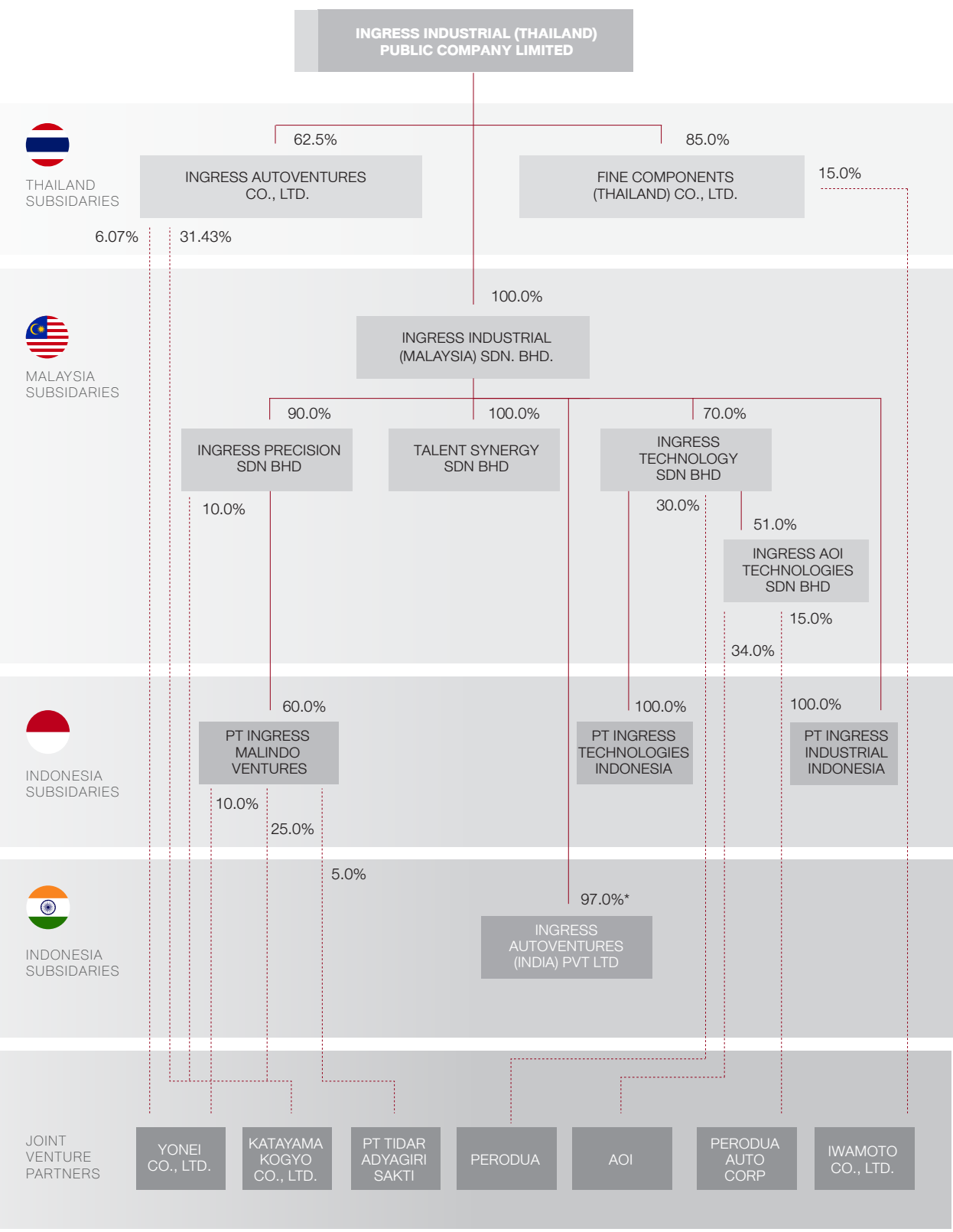
The Company arranges training programs relating to quality management, safety and environmental management within the organization to create awareness to employees for the standard of quality work, the efficient use of resources and the safe workplace and working environment. These courses cover safety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

SUPERVISING 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.



COMPANY HOLDING STRUCTURE



\* The remaining 3% shared owned by individual





# INGRS MILESTONES


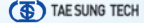
## 2015

- Ingress Group's Restructuring completed on 30 January 2015
- INGRS was converted into public company (change its name to Ingress Industrial (Thailand) Public Company Limited) on 9 December 2015
- ITSB entered into a TAA with Metaltech Limited from Japan for the development of new project

## 2017

- Acquisition of 100% shares in TSSB and 40% shares in IAIPL by IIM from ICB
- INGRS was listed on the Stock Exchange of Thailand ("SET") on 9 August 2017 
- ITSB entered into a TAA with AOI Kikai Co., Ltd from Japan for the development of new model 
- Acquisition of the remaining 60% shares in IAIPL from Mayur Industries Pvt Ltd by IIM resulted in IAIPL become subsidiary of IIM which was completed on 13 November 2017
- First delivery by IAIPL to MAHINDRA (Moulding related parts) 
- First delivery by PTIMV to MITSUBISHI (Sash related parts) 
- First delivery by PTITI (through PTIMV) to MITSUBISHI (Stamping related parts) 

## 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



## 2019

- PTIMV entered into TAA with Woo Young on 26 April 2019 
- PT Ingress Industrial Indonesia ("PTIIL") in Indonesia received business award from Hyundai on September 2019 for SUV platform. 
- 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. 

## 2021

- First delivery by Ingress AOI Technologies Sdn Bhd ("IATSB") in Malaysia to Perodua (Stamping parts) on January 2021. 

## 2018

- 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 Collaborative Robots (COBOT) distributor COBOT on 22 January 2019 



## 2020

- Ingress AOI Technologies Sdn Bhd ("IATSB") in Malaysia building completed July 2020. 
- PT Ingress Industrial Indonesia ("PTIIL") in Indonesia received business award from Hyundai on July 2020 for MPV platform. 







## LOCATION OF MAIN FACTORIES



## INDONESIA



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



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



**PT. INGRESS INDUSTRIAL  
INDONESIA (PT III),**  
BEKASI PLANT



## MALAYSIA



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



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



**INGRESS AOI  
TECHNOLOGIES SDN.  
BHD. (IATSB),**  
RAWANG PLANT



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



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



## THAILAND



**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



## INDIA



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





## COMPANY CONTACT INFORMATION



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# BUSINESS HIGHLIGHT

INGRESS INDUSTRIAL (THAILAND)  
PUBLIC COMPANY LIMITED



## 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 ("PTIIL")	
	High Tensile Strength Steel (AHSS) - Stamping and assembly		Ingress AOI Technologies Sdn. Bhd. ("IATSB")		
	Press Stamping Fine Blanking Normal Blanking	FCT		PTITI	
	Welding & Assembly - Modular		ITSB & IATSB		
	Acoustic Heat Management	IAV	IPSB	PTIMV	
	Door Hinges		ITSB		
	Collapsible Pipe	IAV			
	EGR Pipe	IAV			
	Plastic Lower Sash	IAV			
	Impact Beam		ITSB & IPSB		
	Pantograph Jack Assembly		ITSB	PTIMV	
	2. DESIGN & MANUFACTURE OF DIES	Steel and Casting based Press Dies including High Tensile Strength (AHSS) and Aluminum Material	FCT		
Fine Blanking and Normal 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")		





## MAIN BUSINESS ACTIVITIES



### 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 group 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 in 21<sup>st</sup> November 2014 as the immediate and intermediate holding company for all subsidiaries under the INGRS Group domicile outside the Kingdom of Thailand. It was also the requirement from the subsidiaries in Malaysia that holding manufacturing license, that their holding company must be a local company domicile in Malaysia. IIM acts as intermediary under INGRS to further strengthen the work relation that can be focused on two main division INGRS, Roll Forming Business and Stamping Business.



## AUTOMOTIVE PARTS MANUFACTURING – ROLL FORMING AND SEALING SYSTEM



### INGRESS AUTOVENTURES CO., LTD. – IAV

IAV runs the business in 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, Honda and Toyota. IPSB runs its operation in Nilai, Negeri Sembilan, 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, Katayama Kogyo Co. Ltd and Yonei Co. Ltd of Japan, runs the business in manufacturing and distributing car sealing system, door frames and heat protector to the main OEM customers in Indonesia, including Mitsubishi (car and truck), Honda, Suzuki, Toyota, Daihatsu and Hino. PTIMV is rank as Tier-1 supplier which manufactures and sells the products directly to the OEMs as well as to similar Tier-1 suppliers. With technical support from Woo Young Industry Co. Ltd of South Korea, PTIMV has been selected Tier-1 supplier for Hyundai Project and equipped with automated assembly lines with the latest manufacturing systems.





### INGRESS AUTOVENTURES (INDIA) PRIVATE LIMITED. – IA IPL

IAIPL was established in 2010 and currently operates its manufacturing plants in Manesar, Gurugram since July 2019, and a new assembly plant in Gujarat in April 2021. IAIPL manufactures and sells 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. Since December 2017, IAIPL signed a Technical Assistance Agreement with its sister company, Ingress Precision Sdn Bhd (IPSB) to support on technical preparation for future projects and expansion.

IAIPL's main OEM customers for passenger cars in India are Maruti Suzuki, Mahindra & Mahindra, FCA India (FCA), MG Motor India (MG), and Ford India. 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 was established in 1997 and runs the business in manufacturing and assembling of medium to high tonnage press automotive parts for sales to the OEM customers in Malaysia. ITSB maintain its position as the leading Tier-1 supplier in Malaysia, manufacturing and selling the products directly to the OEMs as well as other Tier-1 suppliers. ITSB customers include major automotive manufacturers in Malaysia including Perodua, Proton, Honda and Toyota. 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 a joint venture company with Iwamoto Co., Ltd of Japan. Operating from its plant in Ban Chang, 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, Siam Senater, Valeo Automotive, Hiruta, Thai Yashiro, Siam Sera FB, TOPRE, Adient Summit and INGRS Group of Companies. FCT is also capable in the Engineering, Design, Manufacturing and Maintenance of Stamping Dies (Casting/Steel base, including High Tensile Material up to 780Mpa) and Fine Blanking press dies. Not limited to in-house usage, FCT also supply steel and casting dies to local and overseas automotive customers (Thailand-Malaysia-Indonesia).

### PT INGRESS TECHNOLOGIES INDONESIA. – PT ITI

Established in 2012, PTITI is a wholly owned subsidiary of ITSB. PTITI mainly involved in small parts stamping and heat shield production which supplied solely to PTIMV. Moving forward, PTITI will become a prominent supplier of small stamping parts for body parts assembly in PT Ingress Industrial Indonesia (PTIII) for Hyundai project.

In addition to press stamping, PTITI will also supply blanking parts for PTIII.



### 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 for production using advance 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 at 95% for its production and assembly process.

IATSB business operation in Serendah, Selangor has started its production in January 2021.





## PT INGRESS INDUSTRIAL INDONESIA

PT III was established in October 2019 with the main business of the manufacturing and assembling medium to high tonnage press automotive parts for sales to Hyundai and other OEM in Indonesia. With technical support from Tae Sung Automotive, South Korea. PT III main customers is Hyundai Motor Manufacturing Indonesia. The plants are equipped with modern technology, high tonnage press machines and automated assembly lines with the latest manufacturing system. Mass production of the first model will be in December 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, Tier-1 and other manufactures. Some of TSSB products also being used by learning institutions and laboratory testing bodies. TSSB also provides after-sales service to the customers at mutually agreed period of time.



# INGRS

## PRODUCTS & SERVICES



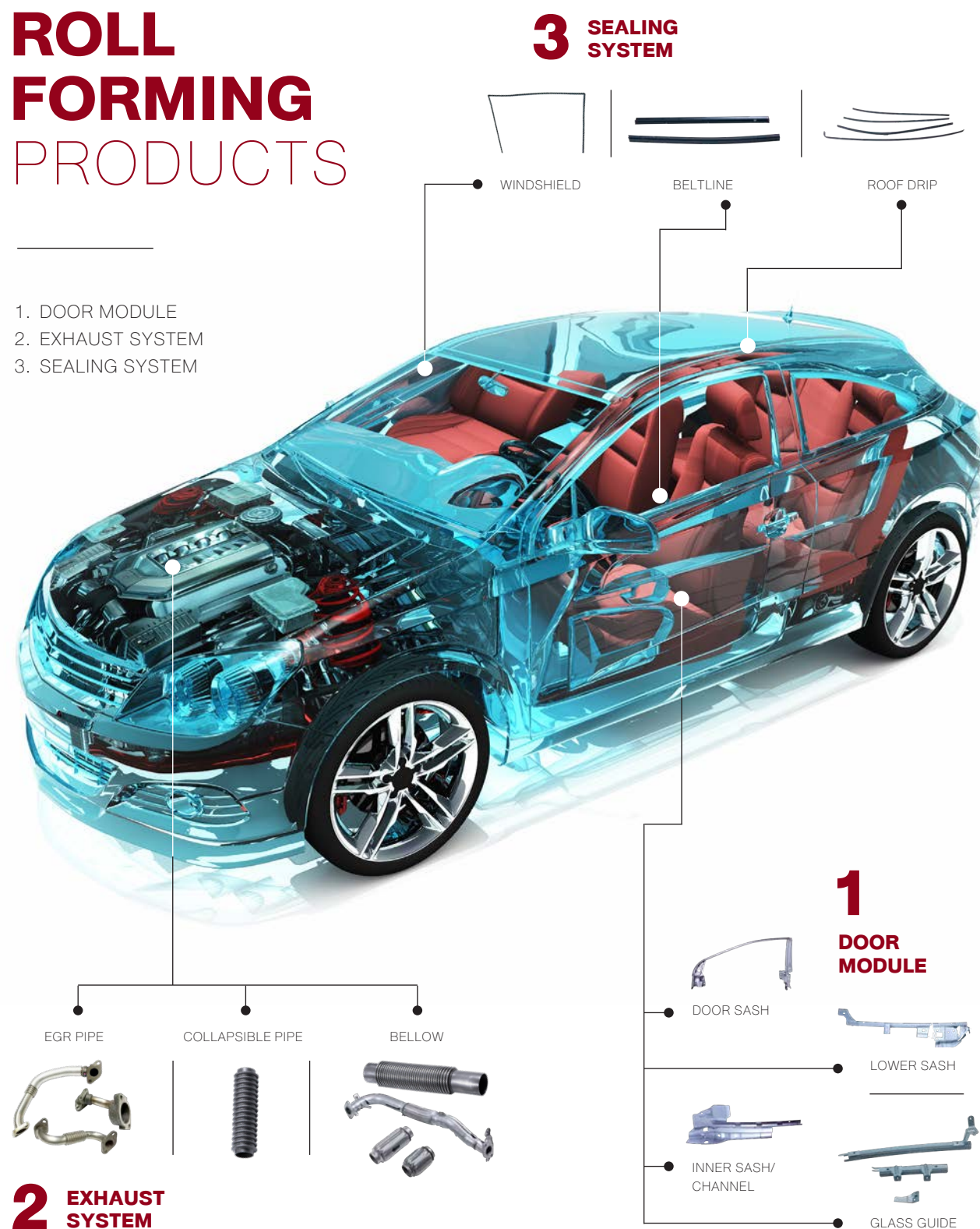




## INGRS PRODUCTS AUTOMOBILE PARTS

# ROLL FORMING PRODUCTS

1. DOOR MODULE
2. EXHAUST SYSTEM
3. SEALING SYSTEM

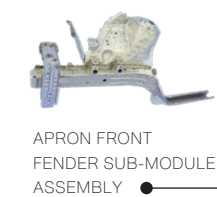


## **2 EXHAUST SYSTEM**

## **3 SEALING SYSTEM**

# STAMPING PRODUCTS

## **4 MODULE ASSEMBLY**

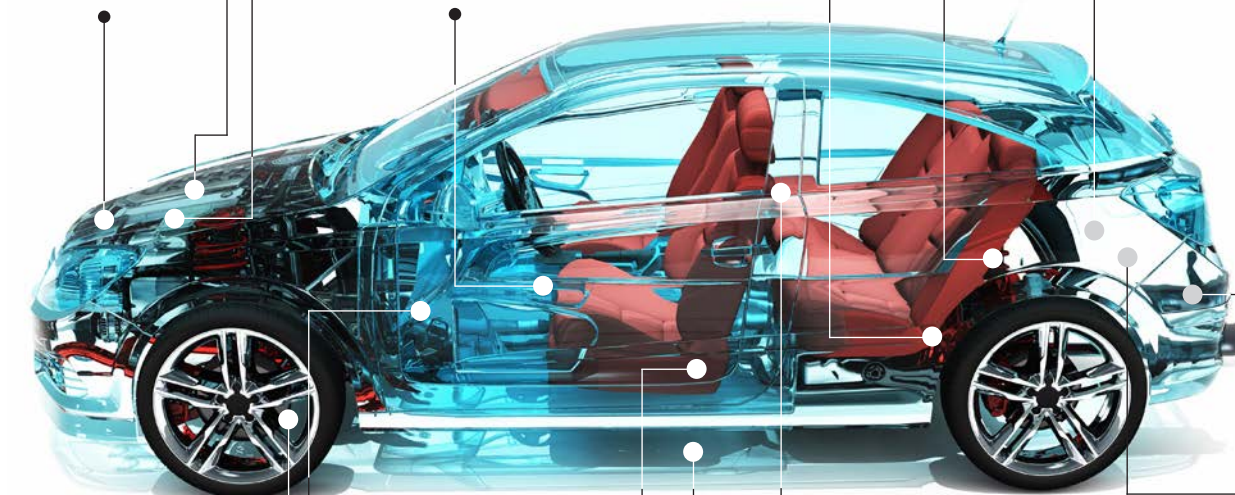


## **7 HEAT MANAGEMENT**

## **6 UNDER BODY**

## **4 MODULE ASSEMBLY**

4. MODULE ASSEMBLY
5. SIDE STRUCTURE
6. UNDER BODY
7. HEAT PROTECTOR
8. OTHERS



## **8 OTHERS**

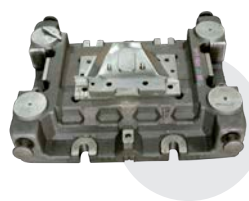
## **5 SIDE STRUCTURE**



# DIE MAKING PRODUCTS



**CAM  
CAMBER DIE**



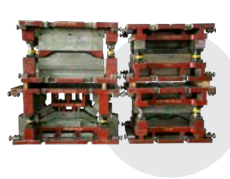
**SEAT  
RECLINER DIE**



**UPPER  
DIE**



**UPPER  
DIE**



**LOWER  
DIE**



**LOWER  
DIE**

## DIE MAKING

1. FINE BLANKING DIE

### TYPE

PROGRESSIVE

### DIE SIZE (MAX)

0.6 M x 1.0 M

### MATERIAL

STEEL AND CASTING

## DIE MAKING

2. NORMAL STAMPING DIE

### TYPE

TANDEM / PROGRESSIVE

### DIE SIZE (MAX)

4.0 M x 2.0 M

### MATERIAL

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

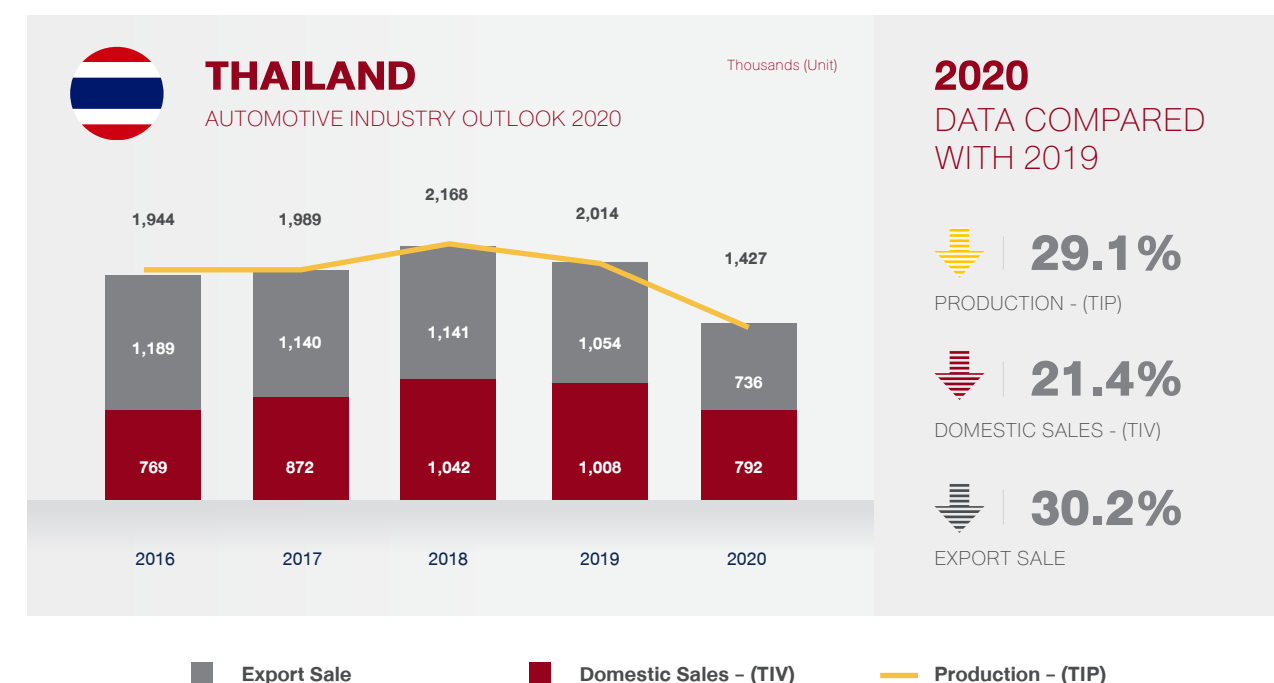


## ECONOMIC MARKET REVIEW 2020 AND 2021 OUTLOOK

### COMPETITIVE AND INDUSTRY TREND

#### THAILAND

OVERVIEW OF THAILAND MARKET IN 2020



Source : Federation of Thai Industries

Total Industry Production (TIP) volume in Thailand in year 2020 recorded 1.427 million vehicle which 29.1% decreased from 2019. While Total Industry Volume, (TIV) Domestic market sales in year 2020 recorded 0.792 million vehicles which 21.4% decreased from year 2019 and Export market sales recorded 0.736 million vehicle which 30.2% decreased from year 2019, impact from export market due COVID-19 pandemic crisis.

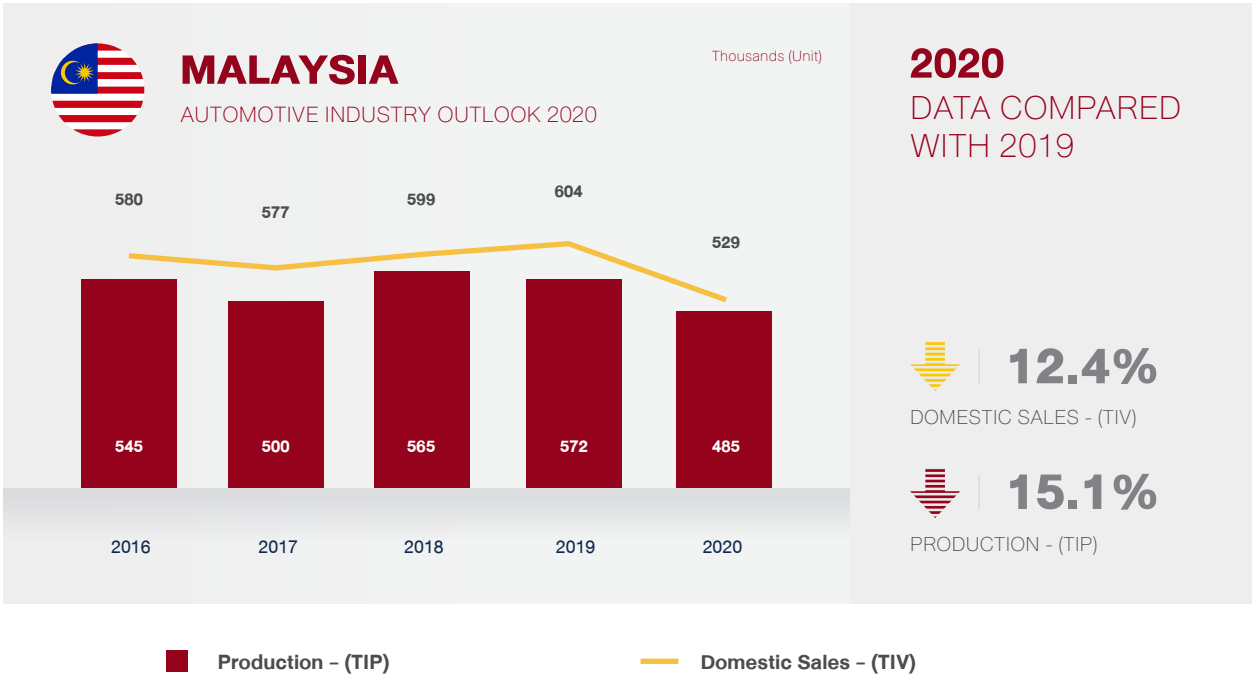
Thailand's market outlook will further improve in 2021, even as volumes for the year are still expected to be better off as compared to 2020. The Thai automotive

industry may begin in 2021 through the year started with a new Covid-19 outbreak as the Japanese car maker sets an ambitious target of 15-23% growth in sales, with its environmentally-friendly campaign to play an important role in stimulating new purchases.

Federation of Thai Industries (FTI) expects the vehicle production to increase by 5.12% to 1.5 million units in 2021. Of the 1.5 million units expected to be produced this year, 750,000 units will be made for the domestic market while the remainder will be exported.



MALAYSIA  
OVERVIEW OF MALAYSIA MARKET IN 2020



Source : Malaysian Automotive Association

In 2020 Total Industry Production (TIP) recorded 0.485 million vehicles which decreased 15.1% as compared to 2019. While Total Industry volume (TIV) domestic sales recorded 0.529 million vehicles which decreased 12.4% from year 2019.

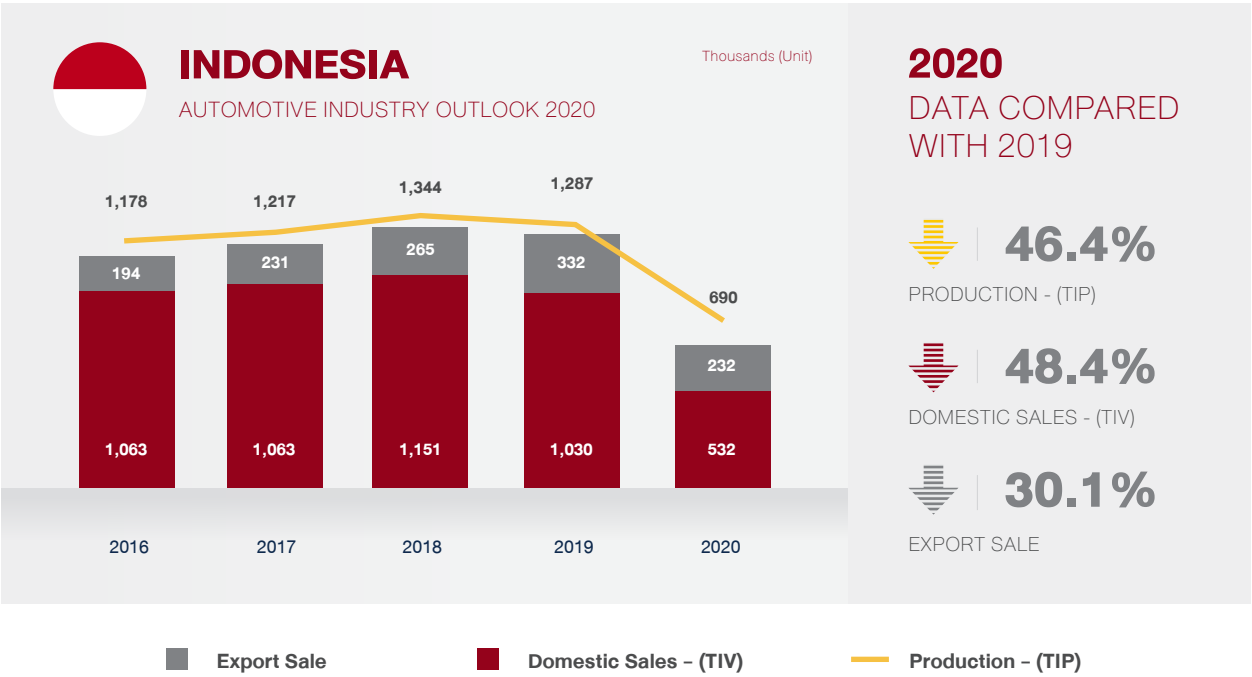
In 2021, The Malaysian Automotive Association (MAA) reported Malaysia automotive industry volume forecast could be attributed to the following factors:

- a) The recovery in the global as well as our local economy. Continuation of the sales tax exemption incentive for passenger vehicles under Malaysia Economic Stimulus Package 2020 (PENJANA) package till 30 June 2021.

- b) Lower hire purchase loan interest rates will assist to spur automotive sales.
- c) Introduction of new models with latest additional specifications, design styles and at very competitive prices can assist to sustain buying interest.
- d) Aggressive promotional campaigns by car companies to push sales and to maintain market share.

The Malaysian TIV of vehicle sales is expected to record growth of 7.7% in 2021 while Passenger vehicles and Commercial vehicles expected to record growth 6.7% and 17.6% respectively. Coupled with the many economic stimulus packages initiated by our government, MAA is optimistic that the local automotive market will rebound in 2021.

INDONESIA  
OVERVIEW OF INDONESIA MARKET IN 2020



Source : Gaikindo

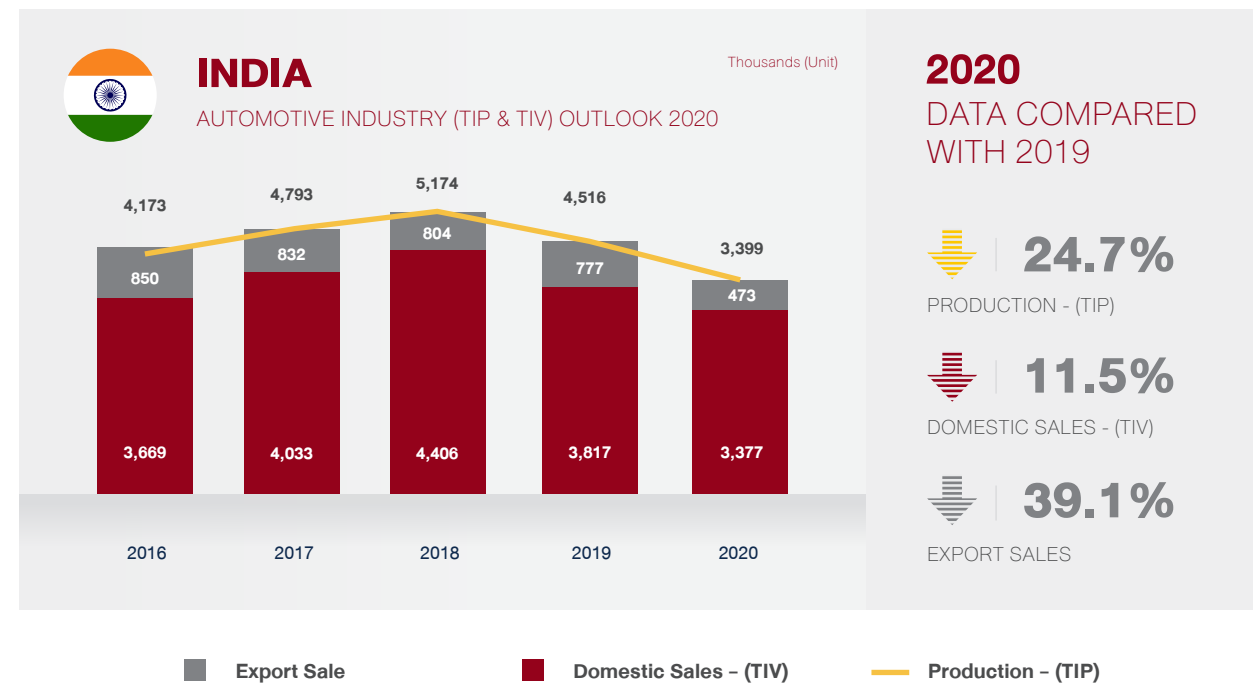
Total Industry Production (TIP) volume recorded 0.69 million vehicles which decrease 46.4% from year 2019 while Total Industry Volume (TIV) domestic market sales recorded 0.53 million vehicles which decreased 48.4% from year 2019. Mainly impact from pandemic COVID-19, there was any restriction for all industries caused by Large Social Restriction (PSBB) implemented in Jakarta and West Java. Export market recorded 0.23 million vehicles which decrease 30.1% from year 2020 due to locked down of country such as Malaysia, Philippine, Thailand (COVID-19 impact).

The Association of Indonesian Automotive Manufacturers (GAIKINDO) has forecasted that domestic car sales will remain at a pre-pandemic level in 2021, as an economic rebound is expected to take time with COVID-19 still impacting the auto industry. GAIKINDO projects domestic car sales in 2021 to hit 750,000, slightly higher than last year's sales of 0.53 million cars.



## INDIA

### OVERVIEW OF INDIA MARKET IN 2020



Source : SIAM

In 2020, India total industry production (TIP) volume decreased by 24.7 % as compared to 2019, where 3.399 million units were produced, while the total industry volume (TIV) or domestic sales was registered at 3.377 million units or a decreased of 11.5% as compared to last year. Export volume decreased by 39.1% as compared to 2019.

Both TIP and TIV performance were influenced mainly by lockdowns due to Covid-19 pandemic which affecting the production and sales momentum across all OEMs. However, positive results were shown from September 2020, derived from pent-up demand from pre-COVID-19

lockdowns, along with continued fears for using shared mobility, while at the same time the rural market continues to show growing demand for vehicles.

In 2021, The Automotive Component Manufacturers Association of India - (ACMA) forecast total industry production volume - (TIP) was increase by 35% as 4.6 million while total industry volume - (TIV) was increase by 20% as 4 million. The export market forecast increases by 50% as compared to same period of last year. Main contribution for automotive industry market of India improves in 2021 due to COVID-19 pandemic situation improve and vaccine will apply in this year. Overall, India economic improving as well.



## BUSINESS OPERATION

INGRS business is mainly linked to 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 automotive industry in Thailand for more than 50 years ago, its automotive sector has developed to be the biggest in Southeast Asia and one of the largest in the world. Thailand emerges as key automotive base in ASEAN which is mainly due to its geographically strategic location, reliable supplier base, experienced industry expertise, larger production capacity and good infrastructure.

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

These initiatives are to ensure continuity of IAV's growth engine with a motto of "Growth 2021" in 2021.

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

#### IAV BUSINESS STRATEGY

The year 2020, IAV focused on the business recovery from year 2019 under the company motto of "ACTIVE 2019" to enhance company revenue and profitability back to the level of year 2018. However, the impact from COVID-19 pandemic had spoiled the business plan with drop in delivery volume for more than 30%. The volume was recovered in September 2020 after a long-suffering drop from April to August 2020.

IAV shall continue to focus on business recovery in 2021 by maintaining all the existing customers and striving to secure new projects through aggressive participation in customers' new project bidding as well as 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 impacted from COVID-19 pandemic, on top of IAV's ongoing quest for manufacturing excellence, greater focus is also given to the following strategic initiatives: -

IAV's core manufacturing excellence, which is based on Ingress Lean System (ILS) will continue the "Just-In-Time" initiative in achieving optimum stock level and elimination of wastes at each stages of production. Automation of major manual production processes will be enhanced 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 the company's initiatives towards achieving Industry 4.0 status and enhancing production efficiencies. The key benefit of I-POS is for assisting management to make fast and accurate decision in day-to-day operations.

IAV will continue implementing Cost Awareness and Cost Reduction Programs, complimenting the company's strategic efforts to achieve desired contribution margin and becoming profitable in 2021.



In 2020, IAV successfully launched mass production for moulding products and supplied to ISUZU for PPV (Pick up Platform Vehicles) and in early February 2021 IAV will start supply Inner Sash products to Honda for new model Hatch Back (5 Door) 1.5 liter. Both 2 models are expected to continue receiving favourable demand from both domestic and export markets.

For year 2021, IAV in the progress of new model development for 1 ton pickup truck for new Ford Ranger and Mitsubishi new Triton such as Inner Sash, Moulding and Heat Protector. At the end of December 2020, IAV once again received Letter of Award from Honda to start developing components for new SUV (Support Utility Vehicle) as replacement of current model.

Moving forward, IAV has been embarking on marketing drive focusing on new products expansion of Heat Protector for major customers such as Honda and Isuzu. IAV also continued penetrating new customers such as Toyota and other incoming OEMs from China, namely Great Wall Motor (GWM) by introducing IAV's current products and light weight components to support their future requirements.

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

### 1. IPSB BUSINESS STRATEGY

IPSB is a leading supplier of advanced automotive technology, systems and components for major Malaysian automakers. IPSB is a joint venture company between Ingress and Katayama Kogyo Co. Ltd of Japan. IPSB was established in 1994 with the core expertise is in the manufacture 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's main products are door sash and beltline moulding. These are IPSB's traditional parts, supplied to major OEMs in Malaysia such as Proton, Perodua and Honda. IPSB's other customers are Tier-2 suppliers for 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 Ingress' 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 2020, IPSB continued with its 'Five Pillars' of key strategies in meeting the annual business target, which are summarised 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 cash flow.
3. Operational Stability - QCDSMP (Quality, Cost, Delivery, Safety, Morale & Productivity) monitoring and control, with 'Self-Management Operation' approach, implementation of ILS and adopting Industry 4.0 approach.
4. Cost Reduction Initiatives - To achieve cost savings target through tangible savings via ICC (Innovative Creative Circle), SIT (Small Improvement Team), VA/VE (Value Analysis/Value Engineering) and Kaizen.
5. People Development - To identify talent and determine gap to develop people for Ingress' future expansion.

IPSB had been certified with IATF 16949, OHSAS 18001 and MS ISO 14001. These quality certifications are very crucial in ensuring the company is internationally recognized. IPSB is also adopting best manufacturing practices in the workplace 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 toward smart factory that integrates process automation and information management. IPSB had started the automated process for glass guide assembly, aiming at process stability and consistency with an initial introduction of automated production line model

in 2017. Currently, IPSB has 10 automated production lines and an additional 2 more lines will be completed in 2021. This will be in line with Ingress Group's aspiration towards Industry Revolution 4.0 (IR4.0).

### 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 its 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 had received a Letter of Intent (LOI) from Honda for a new Subcompact SUV model, which is expected to be launched in 2021. IPSB had also received a LOI from ASSB (Toyota) for their model of Compact SUV which is targeted for launching in 2021. Perodua awarded a LOI to IPSB for their Small MPV model. This model will be developed under Daihatsu New Global Architecture (DNGA) approach, which IPSB had participated through new Compact SUV model. The C-SUV model is expected to be launched in 2022.

IPSB aims to penetrate one new customer in 2021 for the supply of heat shield, besides targeting for new Request for Quotation (RFQ) for Honda, Perodua and Toyota's new models that are to be launched in 2023 and onwards.

Internal process improvement is always a major emphasis by IPSB. An automated Glass Guide assembly line with the integration of SAP system had been developed and installed, to steer IPSB toward Industry 4.0. The line is expected to be fully operational in 2021.

## 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 capital GDP.

Due to Covid-19 pandemic, year 2020 caused a major impact in the production and sales performance of Indonesian automobile manufacturers, which have, in recent years, been on the increasing trend. For the first six (6) months, there was a decline in production figures of more than a third and a drop in sales of over 40%. However, since Quarter 3, there had been recoveries on the overall production volume. The automotive industry (or the transport equipment sector as a whole) accounts for 8.3% of the manufacturing industry and 1.6% of the Indonesian economy. In order to keep the production line moving, Indonesian carmakers were vying to lobby car brands to facilitate export market expansion.

Currently, PTIMV is supplying products to all major key car assemblers in Indonesia and is making continuous effort to penetrate into new potential customers. PTIMV's commitment in gearing up its production capacity together with right marketing and pricing strategies are the key factors to enhance and ensure the success of the customer engagement process.

Based on the supply volume and sales revenue in 2020, car assemblers like Toyota, Daihatsu, Honda, Suzuki, and Mitsubishi will continue becoming major customers for PTIMV. Mitsubishi is forecast to be PTIMV's main revenue contributor from 2020 and beyond, especially after the successful launching of its MPV Xpander into the market in September 2017.

Beside working on the new projects, PTIMV will continue its efforts in securing contracts for replacement of phased-out models. This would ensure continuity of revenue stream for the future.



### 3.2 PTIMV FUTURE PROJECT

PTIMV entered year 2020 with a number of new projects under development where LOIs had been awarded. This year (2021) a major project, namely SU2id model for Hyundai Motor Manufacturing Indonesia which will be produced starting December 2021. Before that, a new project for D55L model of Daihatsu through Asahimas is targeted to start production in February 2021. PTIMV received LOI for Hyundai project KS model (Small MPV segment) in 2020. The development has started in end of 2020. This is the second model for Hyundai Indonesia. In KS model there are introduction of new parts called Garnish Assy Moulding and Bracket Garnish Moulding.

The OEMs such as Mitsubishi, Daihatsu and Toyota are targeted to introduce new models commencing from 2021. These models which feature new design and technologies with better fuel efficiency are expected to continue receiving favourable market demand. PTIMV is making a concerted effort to introduce more products for a wider range of customers in the country.

## 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 extrusion, roll forming co-extrusion and bending. IAIPL's product range includes door and roof 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 FCA India Automobiles Private Limited (“FCA India”), MG Motor India (“MG”), and Ford India Private Limited (“Ford India”). Others are Tier-1 and Tier-2 customers (which in turn supply to OEMs).

Despite still suffering from the effect of severe economic downturn due to Covid-019 pandemic, the auto industry has been recovering since September 2020, after a few major OEMs resumed operations by end of May 2020. In tandem with OEMs, IAIPL had been focusing on improving productivity and controlling costs more effectively since re-opening.

In line with the auto industry's positive outlook in the coming years, and IAIPL's growth strategies of developing human capital development, achieving operational excellence, growing new businesses, and strengthening financial position, IAIPL is in the midst of expanding its operation to Gujarat, in addition to its existing main plant in Manesar, Gurugram. The new Gujarat plant (Floor area of 2,000 m2) is located at Soko Naviyani Industrial Real Estate, Surendra Nagar-Gujarat, about 1.5 km away from Suzuki Motors Gujarat (“SMG”) plant. Gujarat plant is targeted to be operational in April 2021.

However, the plant will only commence supply of weatherstrips and roof moulding to SMG and Ford India from November 2021 and November 2022 respectively. Getting the Gujarat plant ready for Start of Production (SOP) will be one of the main focus of IAIPL.

Besides that, for Mahindra (Top 3 of the biggest Utility Vehicle OEMs and also the third biggest in terms of total volume of production and sales), IAIPL have been developing products for two (2) new Mahindra's SUV flagship projects, namely W601 and Z101 since year 2020, where IAIPL were responsible for the product design from the start of development.

On the operations aspect, IAIPL would continue its operational excellence initiatives through the Group's Ingress Lean System (ILS) to enhance its human capital development and prepare for business growth. In line with Industry 4.0, IAIPL have started implementing robotic automation for assembly processes at both plants to increase productivity and reduce wastes.

For financial year 2021/22, IAIPL shall continue the same business strategies as outlined in 2020 concentrating on survival and revival. For the next 5-year forecast, IAIPL shall continue to focus on its growth engines by strengthening the current customer base and securing new customers, the likes of Hyundai, Kia, Honda and TATA for similar and new products, namely windshield, inner sash, and other sealing parts.

### 4.2 IAIPL FUTURE PROJECT

India became the fourth largest auto market in 2019 displacing Germany with about 3.99 million units sold in the passenger and commercial vehicles categories. India is expected to displace Japan as the third largest auto

market by 2021. Maruti Suzuki will continue to dominate the market share, despite stiff competition from other OEMs.

To strengthen IAIPL's position as one of key partners for existing customers / OEMs, IAIPL had been successful in securing a number of Letter of Intent (LOI) in 2020 for weatherstrip outers / inners (WSO/WSI), and roof moulding (RM) of new models for commercial supply in 2021 and 2022. The company is expected to receive more Request for Quotation (RFQ) and LOI in 2021 and 2022 for SOP in 2022 and 2023.

The immediate focus for the next 2 years (FY2021/22 and FY2022/23) would be the development of WSO/WSI and RM for 9 different models of Suzuki (6 models), Mahindra (1) and Ford India (2).

As part of diversification initiatives and sustainable growth, which are in the pipeline of product planning, IAIPL will be doing marketing drive programmes for similar product technologies available in the Ingress Group such as inner sash and heat shield to be produced in IAIPL for India market.

Going forward, for the next 4 years up to financial year 2026/2027, IAIPL are targeting to become Tier-1 Supplier in Passenger Vehicles segment for SML Isuzu, Volvo-Eicher Motor, Hyundai, Honda and Nissan. IAIPL shall continue to strengthen its business with Two-Wheeler customers, namely Bajaj and Piaggio.

## 5. INGRESS TECHNOLOGIES SDN. BHD. (“ITSB”)

### 5.1 ITS B BUSINESS STRATEGY

Since its inception in September 1997, ITSB is one of the fastest growing companies and major player for medium stamping business in Malaysia. With more than two decades of manufacturing experiences, ITSB has embarked into the business of ‘door in white’ and structural modules such as rear & front side under body, side structure, body lower back and fuel lid cover. ITSB's state-of-the-art manufacturing facilities coupled with modernization of automation assembly line has positioned ITSB ahead of its competitors. 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 have enabled ITSB to meet the customers' requirement especially in Quality, Delivery and Cost. ITSB's major OEM customers are Perodua, Proton, Honda and Toyota.

With the incorporation of a new subsidiary i.e Ingress AOI Technologies Sdn Bhd (IATSB), ITSB has undergone manpower rationalization exercise by optimizing the current human capital strength and right sizing through sharing of expertise and lean organization structure across the ITSB group of companies. The exercise covers reassignment of manpower and restructuring of senior management functions.

In year 2018, Ingress Technologies Sdn Bhd has been awarded as Industry Regional Champion by Ministry of Entrepreneur Development (MED) Malaysia. With this achievement, ITSB has secured Grant from Malaysia Automotive Robotics and IoT Institute (MARii) for Manufacturing Execution System (MES) starting with Digital Operating Reporting System (DORS) unit. In addition, ITSB also received grant from Ministry of Entrepreneur Development and Cooperative (MEDAC) for Fully Automated Stamping Screening System (FAS3) using Artificial Intelligent. The implementation of these projects are in line with ITSB target towards Smart Factory in 2024.

### 5.2 ITS B FUTURE PROJECT

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

ITSB has successfully penetrated into a new customer, namely Toyota where ITSB had secured Letter of Intent (LOI) to supply for their new model which expected to mass produce in November 2021. This is in line with the Company strategy which is to expand customers base for continuous growth.

On top of that, ITSB has planned to expand the product base into aluminum material by procuring new 1,200 tonne hydraulic press (head press) in 2021.



## 6. INGRESS AOI TECHNOLOGIES SDN. BHD. (“IATSB”)

### 6.1 IATSB BUSINESS STRATEGY

Since the incorporation of IATSB on 17th October 2019, the company has been aggressively developing an advance manufacturing factory facilities with build-up of 13,500 square meter at Serendah district until February 2020.

Toward achieving the company’s aspiration to become premier vendor supplying Advance High Tensile Strength Steel (AHSS) stamping and assembly of automotive components in Malaysia, IATSB has employed 86 staffs in FY2020/21 for various field of expertise together with the support from joint-venture partner, AOI Machine Industry Co. Ltd. Despite challenging period during movement restrictions due to Covid-19 pandemic from March to December 2020, IATSB had successfully installed the first 3,000 tons servo-transfer press in Malaysia on 20th October 2020.

Before that, IATSB had successfully installed 45 robots in September 2020 and currently is operating at 95% automation level. IATSB is also the first vendor to use “house carriage” logistic management by supplying parts direct to customer production line by implementing high level of Just-in-Time (JIT) system.

IATSB aims to becoming a model company for a centre of 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

With the success of first model production to Perodua targeted for January 2021, IATSB has secured another Letter of Intent for the development of second DNGA model, expected to be launched in 2022.

Toyota is also in IATSB radar as the next core potential customer for their new models since AHSS parts are main components in their production with similar platform under DNGA projects.

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

### 7.1 PTITI BUSINESS STRATEGY

PTITI started its operation in November 2012 in Jababeka Indonesia by supplying small brackets of Suzuki APV model to PTIMV. In February 2021, PTITI planned to shift operations to a new location together with PTIMV and PTIII in Delta Silicon I, Cikarang Barat, Indonesia. PTITI occupies 2,000 square meter out of total area of 20,000 square meter for PTIII's premise.

PTITI's major products are small stamping parts (below 400 tons) and heat shield products.

The company's major customers are PTIMV and PTIII who supply their products directly to the OEMs.

### 7.2 PTITI FUTURE PROJECT

PTITI was appointed as a Stamping Supplier for body parts, which will be supplied to PT Ingress Industrial Indonesia (PTIII) for Hyundai project. The mass production for the first model expected to commence in November 2021. To cater for the production requirement, PTITI had invested a total of 16 press machines ranging from 110 tons to 400 tons with an overall investment of RM8.3 million. The company had increased its paid-up capital by RM2.2 million in order to strengthen its capability in moving forward. Among others, the products to be supplied to PTIII are Side Structure, Rear Floor and small brackets.

With promising Indonesia automotive outlook in the forthcoming years, PTITI looks forward toward the future potential growth of the company.

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

### 8.1 PTIII BUSINESS STRATEGY

From December 2020, PTIII had started to put more efforts in the new Hyundai's Compact SUV tooling development with Tae Sung Automotive Co. Ltd (TSA) as Technical Assistant (TA) partner Until December 2020, PT III had supplied parts for AP1 and AP2 events in Korea.

In June 2020, PT III had started factory renovation for the press shop area which consist of modification of roof level and erection of pit for press machines foundation. The renovation was fully completed in November 2020 and ready for press machines installation. The Mechanical and Electrical (M&E) activities had started from December 2020, and the 1st phase will be completed in February 2021. The full phase is targeted to complete by July 2021.

PT III had received another LOI on 2nd July 2020 for Hyundai's B-Segment MPV model. The award is for Rear Floor and Quarter Inner Modules. The tooling design was completed in November 2020.

Installation of the press machine had started since the arrival of the head press from Korea. The installation activity started from December 2020 and expected to complete in February 2021. It will be followed by installation of press stamping machine shipped from Malaysia that targeted for commissioning in March 2021. In November 2020, a press machine (Simpac) of 1,200 tons had been shipped to PT III.

### 8.2 PTIII FUTURE PROJECT

In year 2020, PT III had secured a project for 2nd model under B-Segment MPV. At the same time, PT III was also in bidding for the 3rd and 4th model for Sedan and Hatchback model respectively, where quotations had been submitted for Rear Floor and Quarter Inner modules. These modules are within the production capability of PT III and TSA, as the technology provider. The SOP dates for both models are October 2022 (for 3rd model) and July 2023 (4th model).

## 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 a pioneer in Fine Blanking parts manufacturing in Southeast Asia. Since then, FCT have been evolving progressively into a complete stamping manufacturer with various related core businesses as follows;

- Fine Blanking stamping for precision automotive parts
- Normal stamping for automotive medium body parts, brackets and accessories
- Die manufacturing for normal and High Tensile Steel (HTS) materials.
- Die maintenance services.

In 2020, the stamping and dies business benefited from various new products launches in Thailand and abroad which FCT had completed the development of several projects for HIRUTA, TOPRE, TSA-Hyundai, Siam Senator and VALEO Automotive.

As dies business shows a growing trend, FCT will further upgrade its dies making and dies maintenance capability by investing in 3D Design and Simulation technologies, CNC machining facilities and specialized skill enhancement programs with support from die-making experts from Malaysia, Japan and Korea. FCT aims to becoming a preferred Tooling & Dies Manufacturer and Dies Maintenance service provider, catering for Ingress Group of companies and international automotive customers.

For stamping business, FCT will start high-tensile parts stamping in addition to the current fine blanking and normal blanking parts. Adopting best manufacturing practices (ILS, 5S, KYT, Waste Elimination) in the workplace, FCT intends to automate 3D (Difficult-Dirty-Dangerous) and repetitive processes to enhance operations efficiency, productivity and quality towards creating a safe work environment.

### 9.2 FCT FUTURE PROJECT

For 2021, FCT forecasts to start full mass production for both Siam Senator's Toyota / Isuzu models, and IAV's new Honda models. As a continuous effort, FCT focuses to secure new projects from IATSB, TSA-Hyundai, IAV, TOPRE, TACHI-S, Thai Yashiro and HIRUTA for various new model's development for Mitsubishi, Ford, Hyundai and Perodua.



FCT is also planning to acquire value-added parts with sub-assemblies from current and new customers via a strategic technical marketing plan to notify potential customers of the company’s existing and future initiatives and capability enhancement programmes.

The dies-making business is viewed as a growth engine for FCT. Currently, FCT undertakes developments of new project for IATSB, TS Automotive-HYUNDAI, Hiruta, Thai Yashiro and several other re-tooling projects. FCT targets to secure various LOIs from Thai customers for various new models which will start development in 2021. For Indonesia market, FCT continues to receive order for the development of HYUNDAI KS project from PTIII/TSA. For PERODUA project, FCT is targeting to secure new project from IATSB for new model planned for launching in 2023.

10. TALENT SYNERGY SDN. BHD. (“TSSB”)

10.1 TSSB BUSINESS STRATEGY

TSSB 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 22nd January 2019, TSSB had signed an agreement with Neuromeka (a renowned Cobot manufacturer) to become their sole distributor for Southeast 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.

Potential industries for Cobot application are automotive, furniture, food and beverages and pharmaceutical. It is very suitable for manually-operated process which requires human and robot cooperation.

As all industries have been gradually adopting Industry 4.0 methodology, TSSB will be in the forefront for 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, fabricate, assemble and finally will conduct testing at workshop before shipping to the clients.

With the new vision, TSSB will add more products to its current listing of products, which among others include;

- Automated Guided Vehicle (AGV)
- Production Monitoring System (PMS)
- Autonomous Robotic
- Cobot
- Manufacturing Execution System (MES)

10.2 FUTURE PROJECTS

TSSB will remain becoming a supporting company which gradually transforms the current manual operation into a more fully-connected, integrated and automated system at Ingress’ ACM Division.

Using the Cobot technology, TSSB would market these products into various industries, especially furniture and food, which currently engage intensive labour usage.

Post Covid-19, the demand for automated process is forecast to be high. Therefore, TSSB would take those business opportunities to expand its business not only within Ingress Group of companies but also outside Ingress.

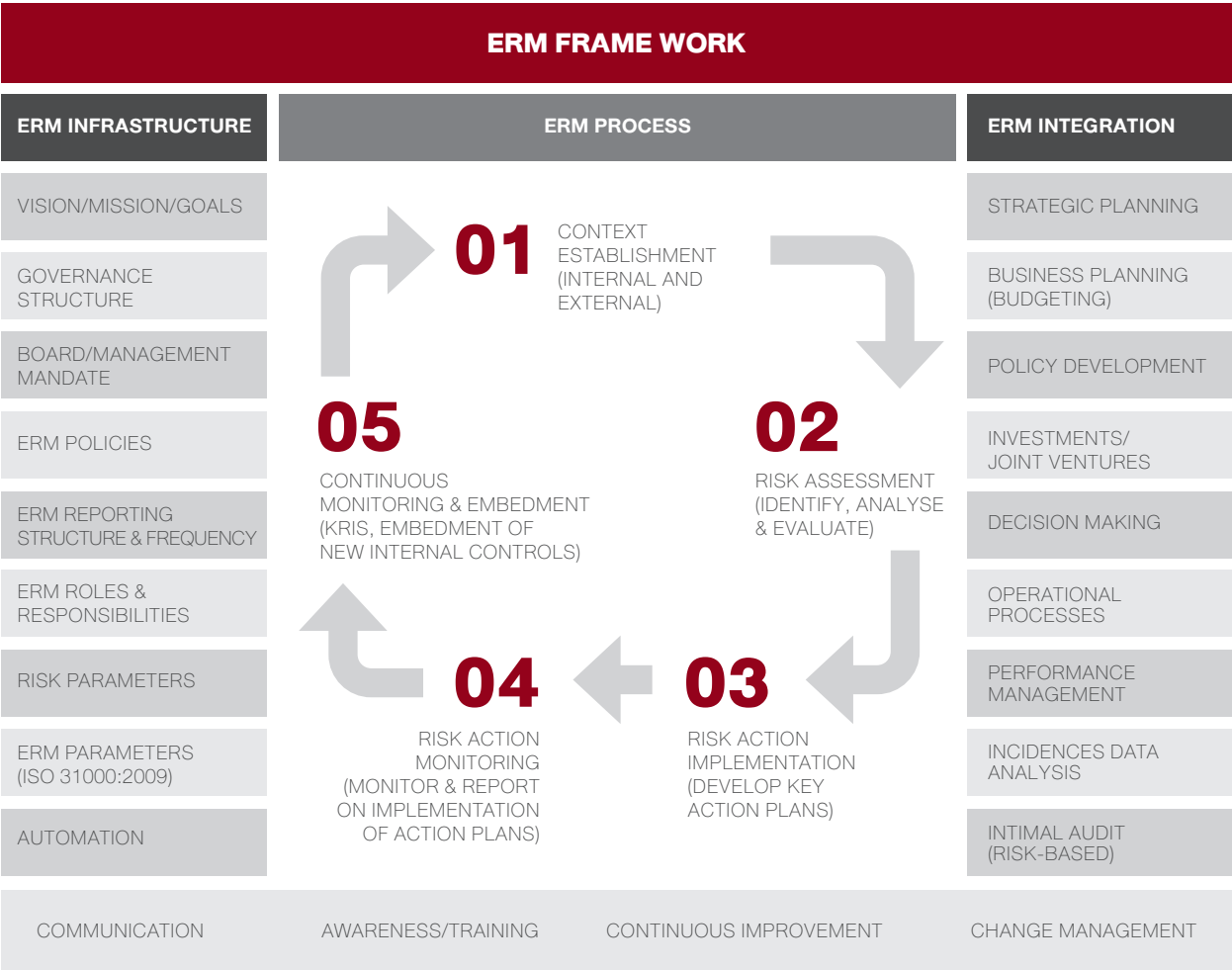
TSSB would market its latest products such as AGV, PMS and COBOT to the private as well as government sectors such as hospital, R&D and education institutions to enhance its sustainability to face future challenges.



RISK FACTORS

RISK MANAGEMENT APPROACH

For more than five years, Ingress Industrial (Thailand) Public Company Limited and its subsidiaries (“the Group”) have since implemented Enterprise Risk Management (“ERM”) throughout the organization in compliance with international standards. The ERM framework 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.



Facilitated and coordinated by the Group Risk Management department, outputs from the five ERM processes contained in the framework are used as tools to manage the Group’s key risks on a continuous basis, in a structured manner.

For the financial year ended 31 January 2021, 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 periodically reviewed independently, and then reported to the Board accordingly.



On top of that, Key Risk Indicator (“KRI”) was also introduced as an additional tool to complement the current Risk Action Plan monitoring processes. By measuring KRIs, changes to the levels of risk exposures that may contribute to early warning signs, would enable the Group to prevent crises and mitigate risks in time.

The following risks factors were identified as among the key risks affecting the Group:

## STRATEGIC RISK

### ECONOMIC AND COUNTRY RISKS

Country risk is an all-encompassing term used to describe the risk that companies face when investing/operating in a country, focusing on areas from political instability to natural disasters. Economic risk is the chance that macroeconomic conditions like exchange rates, government regulation, or political stability will affect a business environment.

This risk is critical in order to protect the Group’s investments from various threats moving forward, especially when there are four countries involved i.e. Thailand, Malaysia, Indonesia and India. Failure to mitigate with effective action plans will be costly. To minimise this, the Group responds by monitoring each country’s historical and forecasted economic trends, as well as keeping abreast of political and socio-economic news. In the event of disasters, a comprehensive supplier database for materials and parts from local and abroad was developed, including subsequent tier suppliers, as a preparation for speedy action.

### RISKS IN INVESTMENT DUE TO COMMERCIAL FAILURES

Under certain circumstances, 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 incurred finance costs from bank borrowings, hence affecting the Group’s long term sustainability.

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 increase productivity and efficiency, or even 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 aged machineries.

Among the management’s contingency plans include:

- Establishing a technology roadmap by analyzing the latest technological changes within the market;
- Developing a long-term technology improvement strategy for the division;
- Continue to pursue learning of new technology from existing technical partners or other countries such as Korea

## FINANCIAL RISK

### RISKS OF FOREX EXPOSURES

Exposure to forex risks is apparent for a Group such as INGRS who has overseas business dealings and transacting in foreign currencies. Furthermore, this risk is more or less unavoidable particularly upon consolidating the Group’s financial results from its foreign subsidiaries. Unfavourable changes in exchange rates between Thai Baht and its relevant foreign currencies i.e. Malaysian Ringgit, Indonesian Rupiah and Indian Rupee, could result in adverse financial impact to the Group.

By having a system in place to closely monitor exchange rate movements between its base currencies, Thai baht against all other currencies transacted is one form of mitigating this risk. 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, as determined by OEMs.

### 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 AS A RESULT OF PANDEMIC

Large-scale outbreaks of infectious diseases such as the recent Covid-19, have greatly increased morbidity and mortality over a wide geographical area and have caused significant disruptions to social and economic conditions across the world. This extreme vulnerable state has the potential to cause interruptions towards the continuity of business operations particularly in the areas of supply chain and human resource management.

Among the measures taken by the management in order to control the spread include developing procedures containing business travel restrictions, work-from-home and virtual meeting policies, as well as emphasising compliance to respective government’s SOPs. Recovery plans for trade sourcing is also produced covering stock status checks, shipment strategies, supply continuity by vendors, alternate supplier identification, and others.

### RISKS RELATING TO CUSTOMER CONCENTRATION

The inevitable exposure to over dependence on a handful of customers 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, to continuously secure new business or customer becomes crucial for the long term sustainability for the Group nonetheless. Inability to secure new business would disrupt a 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.

Aggressive marketing drives to expand customer base from other various segments for diversification purposes have 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 detailed benchmarking exercise against customers’ requirements and future market demands.

### RISKS ASSOCIATED TO SAFETY, HEALTH AND ENVIRONMENT

Personal injuries due to non-conducive and hazardous working environment i.e. operating of machineries in the plant, long working hours / working overtime, etc. not only will result in serious accidents, loss of time and high medical costs, but 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 regular briefings and trainings to employees for better understanding while providing guidelines on operating and production processes to reduce the risk of possible losses 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 COMPETENCY GAPS AMONG EMPLOYEES**

Competency gap refers to the skill gap between Management's expectation and actual skill level, knowledge and experience possessed by staff. Incompetent staff may not be able to execute the given task effectively resulting in low productivity, poor product quality, high rejection rate and customer complaints.

Competent staff is required to execute plans set by the top management effectively and efficiently. It is critical for the Group to enhance its overall manpower's competency level to remain competitive in its various industries for both local and overseas business operations. Mitigation efforts include improvement in training plans and enhancing performance management systems.

**RISKS OF DEFICIENCY IN PRODUCT QUALITY**

High standards in its production processes are strongly emphasised by the Group, 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 directly pose adverse financial impact towards the Group and indirectly cause possible loss of existing or potential business.

Apart from controlling its product quality through continuous improvement in production processes and enhancement of quality control review, the Group's efforts in increasing the level of automation throughout its manufacturing facilities would unquestionably improve quality assurance level too. Installation of robots, which is planned in stages over the coming years, not only will address the issue on high operators turnover rate, but also reduce the number of unnecessary production errors caused by humans, especially newly recruited staff. Presumably, robotised or automated lines would technically address all risks related to safety as well as competency gaps.

**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 business consequential losses.



INTERNAL CONTROL AND  
**RISK MANAGEMENT**

**THE INTERNAL CONTROL AND RISK ASSESSMENT**



Internal Control is an essential factor to promote INGRS's efficient and transparent operations. Thus, INGRS has established appropriate policies and procedures to manage potential risks in its business operations.

As laid down in the Company's Audit Committee Charter, the Audit Committee discharges its duties and responsibilities within its authority delegated from the Board of Directors. The Audit Committee Charter is under the Audit Committee Best Practices, and Good Corporate Governance Guidelines set out by The Stock Exchange of Thailand and related laws and regulations.

With consultation from the Internal Audit and External Auditors, the Audit Committee determines the adequacy and appropriateness of the INGRS Internal Control

Systems to ensure that financial reporting is reliable and that the business operations are efficient for the present business situation and in accordance with relevant laws, regulations, and related policies.

Internal Audit Department is INGRS third line of defence and provides assurance to Management and the Board of Directors that the first and second lines' efforts are consistent with expectations. Internal Auditors accomplished their objectives by bringing a systematic approach to evaluating and improving risk management, control, and governance processes.





The Internal Audit Department is an independent unit which directly reports to the Audit Committee. They are responsible for assuring and providing consultation and performing the internal audit to various INGRS's business area, ensuring that business processes are adequately equipped with corporate governance, risk management and appropriate internal controls. The observations and recommendations are reported to the Audit Committee and Management.

The Management has been invited to attend the Audit Committee meeting to provide information and discuss the audit findings. The Audit Committee updates the Board of Directors shall material deficiencies discovered during the audit to immediately resolve the audit findings.

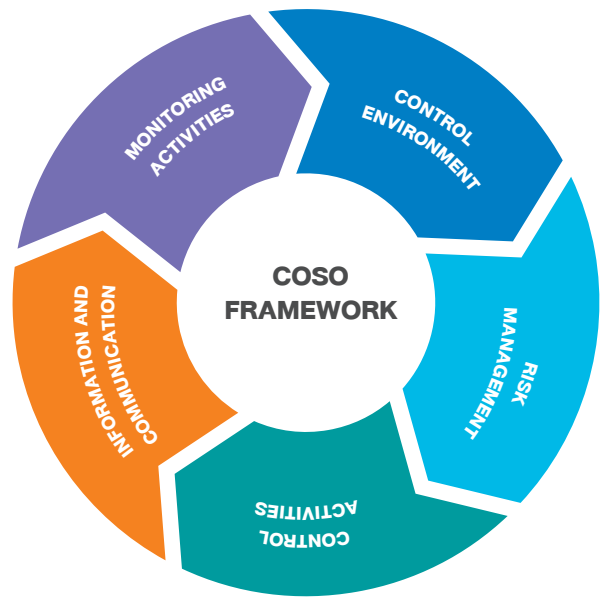
The Internal Audit Department plans the assignments according to strategic business directions and risk-based prioritisation, considering the Management's concerns. In performing the duties, the Internal Audit applies a systematic and disciplined approach to reviewing, evaluating and improving governance effectiveness, risk management, and internal control.

The Internal Audit Department follows up the Management's corrective actions and regularly reports to the Audit Committee for acknowledgement and further guidance. The Internal Audit Department performed auditing and assessing the internal controls to reasonably assure three (3) primary objectives - operations, reporting and compliance.

The audit assignments were as per the approved annual audit plan. The observations and recommendations were reported to head of business unit for consideration of control improvement.

The continuous improvement of professional and business competence for internal auditors is essential to maintain audit reporting quality. The Company gives full support to the adequate development and continuous training for internal auditors to be well equipped with the knowledge, competence, and expertise in internal auditing and other skills needed by encouraging the auditors to attend appropriate training courses and professional seminars.

The Audit Committee independently evaluates and reviews the INGRS internal control system's effectiveness to ensure that Sponsoring they are in compliance with sound corporate governance principles and the Committee of Organisations of the Treadway Commission (COSO) internal control framework which generally accepted control framework. COSO consist of five (5) integrated components; Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. The Audit Committee reviewed internal audit reports, including audit findings and recommendations. Based on the Audit Committee's assessment, the Board concluded that the INGRS internal control system is adequate and effective, and are functioning consistent with corporate governance principles and the COSO internal control frameworks as follows;



### CONTROL ENVIRONMENT

The existing organisational structure is appropriate and effective for INGRS businesses operations. INGRS policy states that directors, officers, and employees are expected to observe the highest code of ethics and avoid any actual or apparent conflict between their interests and the interest of INGRS. They are also expected to deal fairly with each other or with the INGRS suppliers' customers, competitors and other third parties.

### RISK MANAGEMENT

INGRS applies rigorous risk assessment and management practices in all aspects of its business. INGRS has processes in place to analyse and assess the significance of risks and determine mitigation measures to reduce those risks to the extent feasible. Risk Management plans are embedded as an integral part of business processes, developed with consideration for internal and external risk factors, and designed to include follow-up processes to ensure effective implementation and continuous improvement.

### CONTROL ACTIVITIES

INGRS adopted a clear delegation of authority that summarises the responsibilities and authorities that form

the overall framework for ensuring business arrangement and transactions are reviewed and approved appropriately. By delegating authority, Management ensures individuals will make decisions with the required skills and knowledge. A basic premise is that the delegated authority bears the obligation to exercise sound business judgement and due diligence and adequate segregation of duties. In addition, INGRS computer systems include effective application and general controls.

### INFORMATION AND COMMUNICATION

Meeting agendas and supporting information are provided to Board members in a timely fashion to ensure that the material information is available to those responsible for making relevant decisions. Minutes of the Board meetings, including relevant comments by Board members, are adequately documented for subsequent review online. All financial and supporting documents are retained in accordingly. INGRS provides ongoing training for team members to ensure they well-informed with the latest information and technology related to their work.

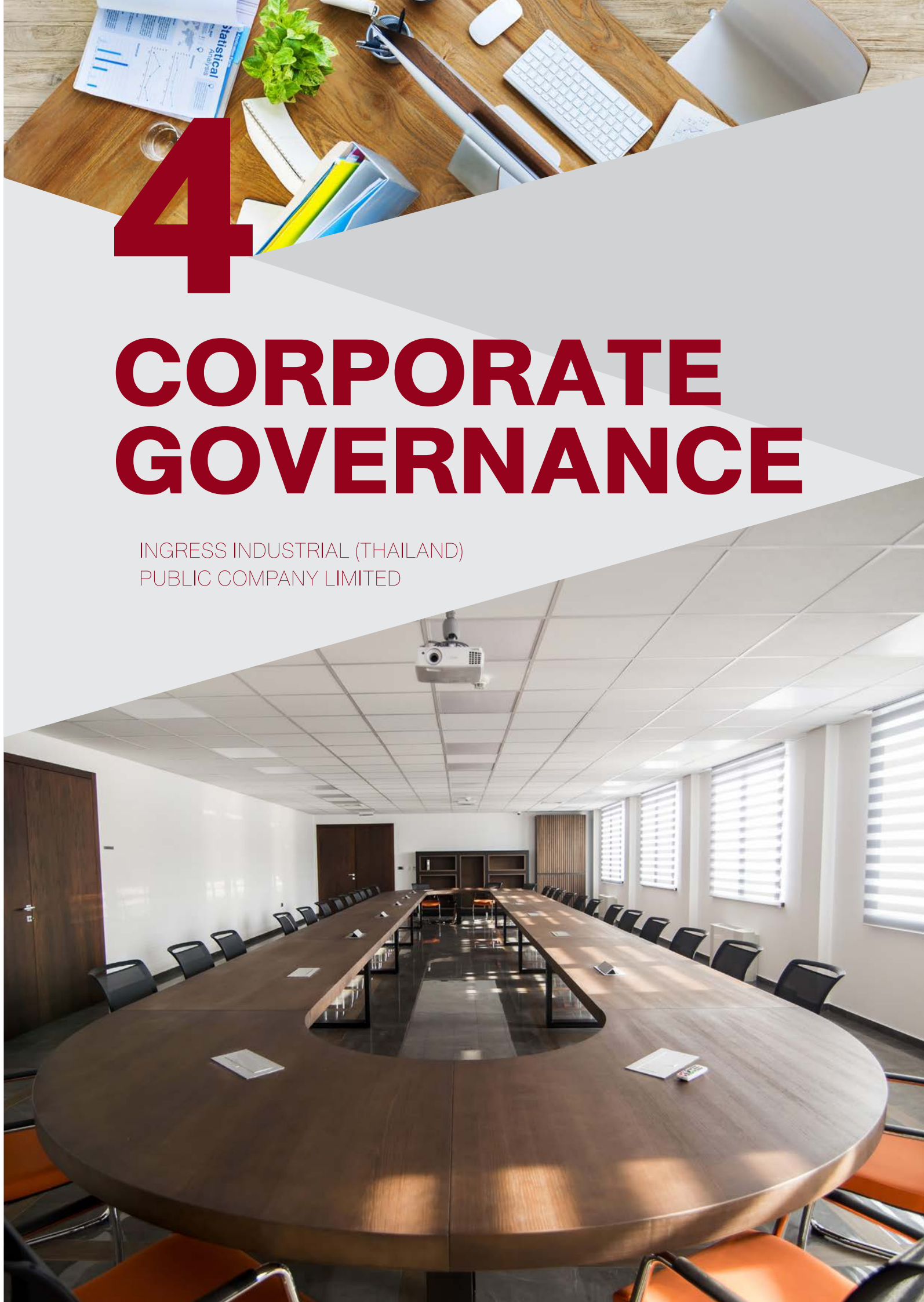
### MONITORING ACTIVITIES

Internal Audit staff independently assesses compliance with policies and procedures and evaluates all control systems' effectiveness relating to the business. Material control weaknesses, irregularities, and business practice issues are promptly addressed and reported to Management and subsequently reviewed by the Audit Committee. In accordance with internal audit findings and recommendations, corrective actions are monitored by the Management of each business unit until the issues are resolved entirely. The Internal Audit Department will follow up on quarterly basis reviews and assess the corrective actions' effectiveness and updated to the Audit Committee accordingly.

### INTERNAL CONTROL SYSTEM

INGRS recognised the importance of an effective Internal Control System (ICS). In this regard, extensive internal control procedures, including those set out in the INGRS Group Policies, are fully established at all levels in the organisation.





# 4

# CORPORATE GOVERNANCE

INGRESS INDUSTRIAL (THAILAND)  
PUBLIC COMPANY LIMITED

The Internal Control System, including compliance with policies and procedures, is formally assessed by the internal audit personnel and external auditors during each cycle. This includes a review of the effectiveness of all financial, operational and related controls.

INGRS has also adopted three (3) level of controls. Every business unit performed monthly self-audit to assess the level of compliance and implementation of policies and procedures whilst Group Risk Management, as the second tier of defence would review each business unit KRI quarterly.

### INGRS GROUP POLICIES AND PROCEDURES

The policies and procedures set forth basic control principles, concepts, and standards. INGRS identified the policies and procedures as a guiding principle to ensure effective, efficient, and proper utilisation of INGRS resources. The control framework's primary purpose is to make sure business activities are conducted properly and in accordance with the Top Management general and specific directives.

### AUDITING AND COMPLIANCE

INGRS has long recognised the importance and value of sound corporate governance, a straightforward business model, and high ethical business standards. We believe the methods we use to meet business objectives are as important as the results themselves. All employees

are expected to be familiar with INGRS policies and procedures and acceptable business conduct and apply them to their daily work. The objective of having standard business practises are;

1. Promote INGRS reputation for honesty and straightforward approach to business integrity.
2. Promote a clear understanding of and compliance with the INGRS Business Conduct
3. Demonstrate the standards' applicability to all aspects of day-to-day business activities and practices at every organisation level.
4. Convey consequences for non-compliance
5. Identify, evaluate, report and where necessary, and correct practises that may not be consistent with INGRS,
6. Reporting of misconduct and ensure employee awareness of channels available for reporting.

### INTERNAL AUDIT

The Inter Audit Staff independently assess compliance with policies and procedures and evaluate all controls' effectiveness relate to INGRS business. Generally, each business unit is subject to an audit every financial year. The Management of each business unit is obligated to consider all valid internal audit and self-audit findings and recommendations and take appropriate corrective actions. In addition, the results of Internal Audit are reviewed by the Audit Committee.





# 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.

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 Association 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 30 APRIL 2018	INCREASE/ (DECREASE)	AT BOOK CLOSING ON 16 APRIL 2019
1.	Mr. Nuthavuth Chatlertpipat <sup>^</sup>	Chairman	2,500,000	198,600	2,698,000
2.	Datuk Rameli Bin Musa <sup>^^</sup>	Deputy Chairman	1,447,010	-	1,447,010
3.	Dato' Dr. Ab Wahab Bin Ismail <sup>^^</sup>	Director	1,447,010	-	1,447,010
4.	Datin Sri Farah Binti Datuk Rameli <sup>^^</sup>	Director	914,000	-	914,000
5.	Mr. Sarawoot Sriwannayos	Corporate Secretary	750,000	-	750,000

**Note:**

<sup>^</sup> Independent & Non-Executive Directors

<sup>^^</sup> 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 IA IPL 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 continuous 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	NUMBER OF MEETING FY2020/21
1.	Mr. Abdul Khudus Bin Mohd Naaim	Chairman	6/6
2.	Mr. Nuthavuth Chatlertpipat	Member	6/6
3.	Mr. Apichat Suttisiltum	Member	6/6

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

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.

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.

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.

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.

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

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	NUMBER OF MEETING FY2020/21
1.	Mr. Nuthavuth Chatlertpipat*	Chairman	2/2
2.	Datuk Rameli Bin Musa^	Deputy Chairman	2/2
3.	Dato’ Dr. Ab Wahab Bin Ismail^	Member	2/2
4.	Mr. Abdul Khudus Bin Mohd Naaim*	Member	2/2
5.	Mr. Apichat Suttisiltum*	Member	2/2

\* 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;

#### 6.3 EXECUTIVE COMMITTEE

The Company formed an Executive Committee ("EXCO") comprising four (4) Non-Independent and Executive Directors and four (4) from Management of the Company. The members of the EXCO are as follows:

NO	NAME	DESIGNATION	NUMBER OF MEETING FY2020/21
1.	Datuk Rameli Bin Musa <sup>^</sup>	Chairman	10/10
2.	Dato' Dr. Ab Wahab Bin Ismail <sup>^</sup>	Deputy Chairman	10/10
3.	Mr. Hamidi Bin Maulod <sup>^</sup>	Member	10/10
4.	Datin Sri Farah Binti Datuk Rameli <sup>^</sup>	Member	10/10
5.	Mr. Affandi Bin Mokhtar <sup>*</sup>	Member	1/10
6.	Mr. Shamsuddin Bin Isa <sup>**</sup>	Member	9/10
7.	Mr. Safri Bin Sabtu	Member	10/10
8.	Mr. Mohd Sirajuddean Bin Ab Rahim <sup>**</sup>	Member	9/10
9.	Mr. Amrizal Bin Abdul Majid <sup>**</sup>	Member	9/10

##### Notes:

<sup>^</sup> Non-Independent & Executive Directors.

<sup>\*</sup> Resigned as Exco Member on 18 March 2020

<sup>\*\*</sup> Appointed as Exco Members effective from 18 May 2020

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

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.

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.



## RELATED TRANSACTIONS

During the financial year ended 31 January 2021 ("FY2020/21") and 31 January 2020 ("FY2019/20"), 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.

### 12.1. PERSONS WHO MAY HAVE A CONFLICT OF INTERESTS

#### CORPORATE SHAREHOLDERS OF SUBSIDIARIES

	RELATED PARTY AND NATURE OF BUSINESS	RELATIONSHIP WITH THE GROUP
1.	Katayama Kogyo Co., Ltd ("KK") Established in Japan and engaging in the business of manufacturing and sales of various automotive parts, agricultural machinery and construction related parts.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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).</li> </ul>
2.	Yonei & Co., Ltd ("Yonei") Established in Japan and engaging in general trading business with over 200 bases of operations in approximately 80 countries worldwide.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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).</li> </ul>
3.	Iwamoto Co., Ltd ("Iwamoto") Established in Japan and engaging in design, development, fabrication and sales of tooling for stamping.	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.

#### SUBSIDIARIES OF A CORPORATE SHAREHOLDER OF A SUBSIDIARY

	RELATED PARTY AND NATURE OF BUSINESS	RELATIONSHIP WITH THE GROUP
1.	Perodua Manufacturing Sdn. Bhd. ("PMSB") Established in Malaysia and engaging in the business of manufacturing and assembly of Perodua vehicles.	PMSB is a subsidiary of Perusahaan Otomobil Kedua Sdn Bhd ("Perodua"), which is holding 30.00 percent of shares in ITSB. Perodua has designated two delegates to act as directors, consisting of (1) Mr. Zainal Abidin Bin Ahmad and (2) Ms. Noor Zakiah Binti Hasan.



	RELATED PARTY AND NATURE OF BUSINESS	RELATIONSHIP WITH THE GROUP
2.	Perodua Sales Sdn. Bhd. ("PSSB") Established in Malaysia and engaging in the business of sales, marketing and distribution of all Perodua vehicles as well as after sales and spare parts operations.	PSSB is a subsidiary of Perodua, which is holding 30.00 percent of shares in ITSB. Perodua has designated two delegates to act as directors in ITSB, consisting of (1) Mr. Zainal Abidin Bin Ahmad and (2) Ms. Noor Zakiyah Binti Hasan.
3.	Perodua Global Manufacturing Sdn. Bhd. ("PGSB") Established in Malaysia and engaging in the business of manufacturing and assembly of Perodua vehicles.	PGSB is a subsidiary of Perodua, which is holding 30.00 percent of shares in ITSB. Perodua has designated two delegates to act as directors in ITSB, consisting of (1) Mr. Zainal Abidin Bin Ahmad and (2) Ms. Noor Zakiyah Binti Hasan.
4	Perodua Auto Corporation Sdn. Bhd. ("PCSB")	PCSB is an associate company of PERODUA, who holds 30% shareholdings in ITSB, which in turn holds 15% shareholdings in Ingress AOI Technologies Sdn Bhd ("IATSB"). PCSB delegates one (1) director in IATSB, who is Ms Noor Zakiyah Binti Hasan
5	AOI Machine Company Ltd. ("AOI")	AOI owns 34% shareholding interest in IATSB. IATSB delegates two (2) directors in IATSB, namely (1) Mr. Noboru Doi and (2) Mr. Katsumi Nishida

PARENT COMPANY

	RELATED PARTY AND NATURE OF BUSINESS	RELATIONSHIP WITH THE GROUP
1.	Ingress Corporation Berhad ("ICB") Established in Malaysia and engaging as the investment holding company. Currently, ICB has subsidiaries engaged in ACM business, automobile dealership, as well as engineering services for energy and railway industries.	ICB was the sole major shareholder and the controlling person of the Company. ICB is parent company of IIT who holds 60.02% shareholding in IIT. ICB delegates three (3) directors in IIT, namely (1) Datuk Rameli Bin Musa, (2) Dato' Dr. Ab. Wahab Bin Ismail and (3) Datin Seri Farah Binti Datuk Rameli

RELATED COMPANIES

	RELATED PARTY AND NATURE OF BUSINESS	RELATIONSHIP WITH THE GROUP
1.	Ingress Katayama 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 100% 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 FY2020/21 and FY2019/20 are as follows:

	TRANSACTION VALUE (MILLION BAHT)		TRANSFER PRICING POLICY
	FY2020/21	FY2019/20	
Transactions with parent company			
Dividend paid	-	45.16	As announcement
Corporate guarantee fees	4.33	-	As agreed
Transactions with corporate shareholders of subsidiaries			
Sale of goods	-	16.60	As agreed
Purchase of raw materials and supplies	12.04	15.02	As agreed
Purchase of machinery and equipment	37.34	6.82	As agreed
Advance payment for mold	-	5.40	As agreed
Royalty fee	11.26	15.44	Contract price
Technical assistance fee	4.12	3.64	Contract price
Dividend paid	30.85	45.10	As announcement
Transactions with subsidiaries of a corporate shareholder of a subsidiary			
Sale of goods	1,078.77	821.81	As agreed
Transactions with related companies			
Sale of goods	2.68	-	As agreed
Purchase of supplies	1.14	-	As agreed
Purchase of machinery and equipment	2.97	25.81	As agreed
Advance payment for mold	29.56	14.51	As agreed
Rental income	1.92	1.93	Contract price
Rental expense	1.10	-	Contract price

For FY2020/21 and FY2019/20, the balance of accounts between the Group and those related parties are as follows:

	TRANSACTION VALUE (MILLION BAHT)	
	FY2020/21	FY2019/20
<b><u>Trade and other receivables – related parties</u></b>		
Trade receivables – related parties		
Subsidiaries of a corporate shareholder of a subsidiary	45.32	84.25
Corporate shareholders of subsidiaries		-
Related companies	0.92	0.03
Total trade receivables – related parties	46.24	84.28



	TRANSACTION VALUE (MILLION BAHT)	
	FY2020/21	FY2019/20
Other receivables – related parties		
Parent company	51.13	38.59
Subsidiaries of a corporate shareholder of a subsidiary	32.73	-
Related companies	7.96	5.56
Total other receivables – related parties	91.82	44.15
Total trade and other receivables – related parties	138.06	128.43
<b><u>Trade and other payables – related parties</u></b>		
Trade payables – related parties		
Corporate shareholders of subsidiaries	1.43	4.82
Related companies	0.19	
Total trade payables – related parties	1.62	4.82
Other payables – related parties		
Parent company	0.74	5.41
Corporate shareholders of subsidiaries	164.73	9.05
A subsidiary of a corporate shareholder of a subsidiary	-	79.87
Related companies	28.28	9.14
Total other payables – related parties	193.75	103.47
<b><u>Accrued expenses – related parties</u></b>		
Related companies	-	4.71
Total accrued expenses – related party	-	4.71
Total trade and other payables – related parties	195.37	113.00
<b><u>Dividend payables to related party</u></b>		
Corporate shareholders of subsidiary	0.04	17.23
Total dividend payables to related party	0.04	17.23
<b><u>Lease liabilities – related parties</u></b>		
Related companies	5.33	-
Total lease liabilities - related parties	5.33	-

## 12.2. THE GROUP'S BORROWINGS GUARANTEED BY ICB

The Group's borrowing with financial institution which ICB as corporate guarantees as at 31 January 2021 and 31 January 2020 are as follows:

No.	Borrower	Consolidated Financial Statements				Description of asset for security/mortgage
		31 January 2021		31 January 2020		
		Type	Amount (Million Baht)	Type	Amount (Million Baht)	
1.	Ingress Industrial (Malaysia) Sdn. Bhd.	TL	142.25	TL	149.92	Corporate guarantee by ICB
2.	Ingress Precision Sdn. Bhd.	TL	98.58	TL	121.22	Corporate guarantee by ICB
		BA	16.92	BA	13.68	
		RC	74.04	RC	76.19	
3.	Ingress Technologies Sdn. Bhd.	TL	171.05	TL	201.45	Corporate guarantee by ICB
		BA	65.15	BA	70.24	
		RC	66.63	RC	106.48	
4.	PT Ingress Malindo Ventures	TL	-	TL	-	Corporate guarantee by ICB
		RC	42.65	RC	45.56	
5.	Ingress AOI Technologies Sdn. Bhd.	TL	396.99	TL	-	Corporate guarantee by ICB
		OD	103.62	OD	-	
6.	Ingress Autoventures (India) Private Limited	OD	36.4	OD	-	Corporate guarantee by ICB

## 12.3 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 2021 and 31 January 2020 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.

## 12.4 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 aim is to ensure that such transactions takes into account the utmost benefits of all shareholders.



# 5

## SUSTANABILITY DEVELOPMENT

INGRESS INDUSTRIAL (THAILAND)  
PUBLIC COMPANY LIMITED



### SUSTAINABLE DEVELOPMENT POLICY & STRATEGY

INGRS strives to a sustainable growth with environmentally friendly to benefit our internal and external stakeholders within and surrounding our business supply chain. The Company emphasize that social & environment responsibility and good governance are part of the Company's duty to ensure our business operation is environmentally safe.

The Company examined the key stakeholder's expectations to determine any business concerns to be the Company focus initiative as outlined below:

**1**   
CUSTOMER  
SATISFACTION

**2**   
ENVIRONMENT  
IMPROVEMENT & GREEN  
HOUSE EFFECT REDUCTION

 **3**  
EMPLOYEES  
RETENTION

 **4**  
SUPPLY CHAIN  
MANAGEMENT

**5**   
GOOD  
GOVERNANCE

**6**   
SOCIAL  
ENGAGEMENT





## STAKEHOLDERS ENGAGEMENT

### STAKEHOLDERS ENGAGEMENT MATRIX

To ensure our stakeholders expectation were fulfilled, company determined the approach by providing communication channel to convey stakeholders comments for continual improvement and growth as the below matrix :

STAKEHOLDERS	EXPECTATION	APPROACHES	COMMUNICATION CHANNEL
<b>Customers</b>	<ul style="list-style-type: none"><li>Product Quality</li><li>On time Delivery</li><li>Environment Conformity</li><li>Suitable Pricing</li><li>Co-operation</li></ul>	<ul style="list-style-type: none"><li>Maintain and improve operational PQCD</li><li>Implementation IATF 16949 and ISO 14001 Systems</li><li>Implementation of good CRM</li></ul>	<ul style="list-style-type: none"><li>Customer Satisfaction Survey</li><li>Customer Evaluation Performance</li><li>Departmental PQCD Follow Up</li></ul>
<b>Business Partner in Supply Chain</b>	<ul style="list-style-type: none"><li>Correct and On Time Business Information</li><li>Fairness Business Agreement</li><li>Co-operation</li></ul>	<ul style="list-style-type: none"><li>Suppliers Audit</li><li>Knowledge Sharing and Improvement</li><li>Suppliers' development Program</li></ul>	<ul style="list-style-type: none"><li>Suppliers Evaluation</li><li>Suppliers Conference</li><li>Departmental PQCD Follow Up</li></ul>
<b>Local Community</b>	<ul style="list-style-type: none"><li>Operation Business with Responsibilities</li><li>Community Economic Sustainability Contribution</li><li>Contribution to local improvement</li></ul>	<ul style="list-style-type: none"><li>Implement Business Ethics</li><li>Implement Cooperate Social Responsibility</li><li>Local Employees Career Support</li></ul>	<ul style="list-style-type: none"><li>Department in-charge for Community</li><li>Meeting with Community Leader</li></ul>
<b>Global Environment</b>	<ul style="list-style-type: none"><li>Environmental Conformity of Products</li><li>Environmental Conformity of Operation</li><li>Continual Improvement of Environmental Concern</li></ul>	<ul style="list-style-type: none"><li>Implement ISO 14001 with Environmental Improvement Program</li></ul>	<ul style="list-style-type: none"><li>Environment Related Report</li><li>Department In-charge for Environment</li></ul>
<b>Employee</b>	<ul style="list-style-type: none"><li>Mutual Trust , Respect and Benefit</li><li>Life and Property Security</li><li>Career &amp; Knowledge Improvement</li><li>Work-life-balance</li></ul>	<ul style="list-style-type: none"><li>Employees Retention Program</li><li>Ingress Lean System</li><li>Management By Objectives</li><li>Family Day &amp; Sport Day</li></ul>	<ul style="list-style-type: none"><li>Town Hall</li><li>Morning Market</li><li>Comment Box and Whistle Blower Communication</li></ul>
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"><li>Improvement in business performance</li><li>Good governance with transparency</li><li>Equality rights</li></ul>	<ul style="list-style-type: none"><li>Business operation under Good Governance</li><li>Internal Audit</li><li>Risk Assessment</li></ul>	<ul style="list-style-type: none"><li>SET Notifications</li><li>Annual Report</li><li>Annual General Meeting</li><li>Company Website</li><li>Investor Relation Contact</li></ul>
<b>Region and Local Government</b>	<ul style="list-style-type: none"><li>Law and Regulation Compliance</li><li>Public Activity Participation</li></ul>	<ul style="list-style-type: none"><li>Full Adherence and Compliance of Laws and Regulation</li><li>Cooperation to Public Activities</li></ul>	<ul style="list-style-type: none"><li>Corporate Compliance Communication</li><li>Investor Relation Contact</li></ul>



## SUSTAINABLE DEVELOPMENT ACTIVITIES

### 1) CUSTOMER SATISFACTION

SYSTEM	IAV	FCT	IPSB	ITSB	TSSB	PTIMV	PTITI	IAIPL
ISO 9001 Quality Management System					●		●	
IATF 16949 Automotive Management System	●	●	●	●		●		●
ISO 14001 Environmental Management System	●	●	●	●		●		●
ISO 45001 Occupational Health and Safety Management			●	●				●

The Company continuously develop and improve the operation processes to produce parts and services in compliance to customers requirement. ISO 9001, IATF 16949, ISO 14001 and ISO 45001 system were adopted and implemented to ensure customers satisfaction is met. With customers satisfaction survey conducted every year, the Company confident to be good partners for our customers.







To sustain our businesses in Covid-19 Pandemic period, customers voice, view and requirement shall be still fast responded. The Company has implemented “Customer Relation Management Program” or CRM to ensure all customers expectation will be supported. CRM activities in FY2020/21 consist of;

- 1) Online Customer Meeting
- 2) Online Customer Conference

## 2) ENVIRONMENT IMPROVEMENT & GREEN HOUSE EFFECT REDUCTION

### SOLAR CELL PROJECT

In improving the environmental climate, the Company has willing to reduce greenhouse effect from CO<sub>2</sub> generation. Energy saving project is considered and will be implemented by increasing the production of natural resources will be part of the program. The company has signed a memorandum of understanding to install Solar Cell in INGRS Manufacturing companies in Malaysia to support of the green house initiative. Installation of the solar panel is planned to commence in the financial year FY2021/22.



### LED LIGHT PROJECT

To reduce energy usage, the Company considered to change the lighting in the manufacturing shop floor and office to the LED type which generate the same amount of light with lower energy consumption. As of FY2020/21, approximately 60% of the light bulb in a subsidiary company has been changed to LED type.



### WASTE REDUCTION

One of the environmental improvement programs is waste reduction from the product packaging. Returnable packaging has been implemented in all the Group operations. With endorsement by the customers, our current products have been delivered by the returnable packaging more than 80% of overall domestic OEMs customers in FY 2020/21.



### 3) EMPLOYEES RETENTION



#### EMPLOYEES TRAINING, DEVELOPMENT AND CARE

Training and development are provided to all INGRS employees based on the training need analysis carried out at end of each year comprises both technical competencies as well as interpersonal 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. Health screening programs are conducted annually to ensure healthy lifestyle as well as early detection of any health risk and complications.

#### EMPLOYEES CONTRIBUTION & PARTICIPATION

INGRS considers our employees are our partners who will run the business and grow together. Management by Objectives (MBO) has been implemented within the Group to seek co-operation from every employee with mutual trust, respect and benefit. The interaction and participations are through the company events such as Annual Management Plan target settings, quarterly town hall and Family Day and Sports Day events.



### 4) SUPPLY CHAIN MANAGEMENT



#### SUPPLIER COMMUNICATION

To strengthen the cooperation between INGRS and our suppliers, the correct information ensured and on time. The company has set the communication channel such as the yearly supplier conference, monthly supplier evaluation and departmental Quality, Cost & Delivery ("QCD") follow up.

Due to pandemic of Covid-19 in FY 2020/21, the Company still convey the important information through on-line such as supplier yearly performance, supplier manual and regulation of environmental.

#### VENDOR DEVELOPMENT

To sustain vendors' QCD performance and their co-operation in delivering satisfaction to our customers, the Company continuously conduct supplier development program as follow such as yearly supplier audit, supplier improvement program and knowledge sharing and coaching.





5) GOOD GOVERNANCE  
CODE OF BUSINESS ETHICS

Group of interested parties to be treated under Business Ethics



In practicing good governance, the Company conducted self responsibility, transparency, honesty, and with competitive competence while treating each component within the Group fairly.

The Company ensure this policy is practiced through risk assessment and risk management, compliance management, information sharing and internal audit.

HUMAN RIGHT PROTECTION AND WHISTLE BLOW

WHISTLE BLOWER  
CONTACT

AUDIT COMMITTEE

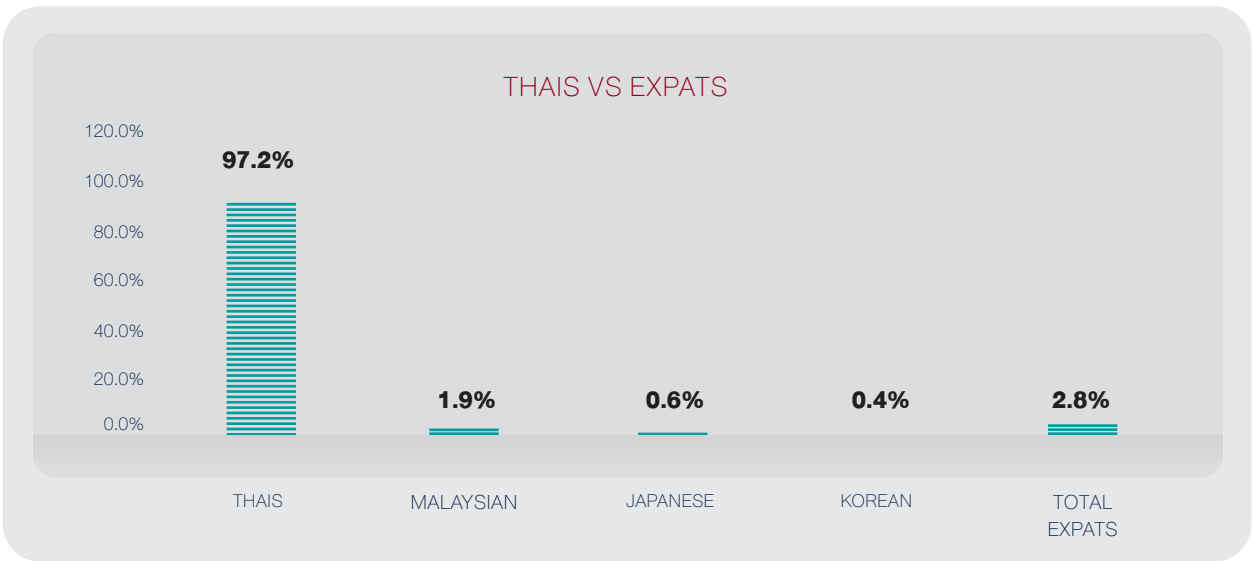
Tel : 02-719-9646

Email : whistleblower@ingress.co.th

INGRS operates our business in absolute respect of human rights, by promoting and protecting rights, freedom, and equitable treatment, which is the foundation of human resources management and development. It is not the company policy to discriminate on the grounds of race,

gender, age, or disability. Any right violations and fraud finding, employees and stakeholders can inform directly to the whistle blower committee. The company will investigate and take action to the cases.

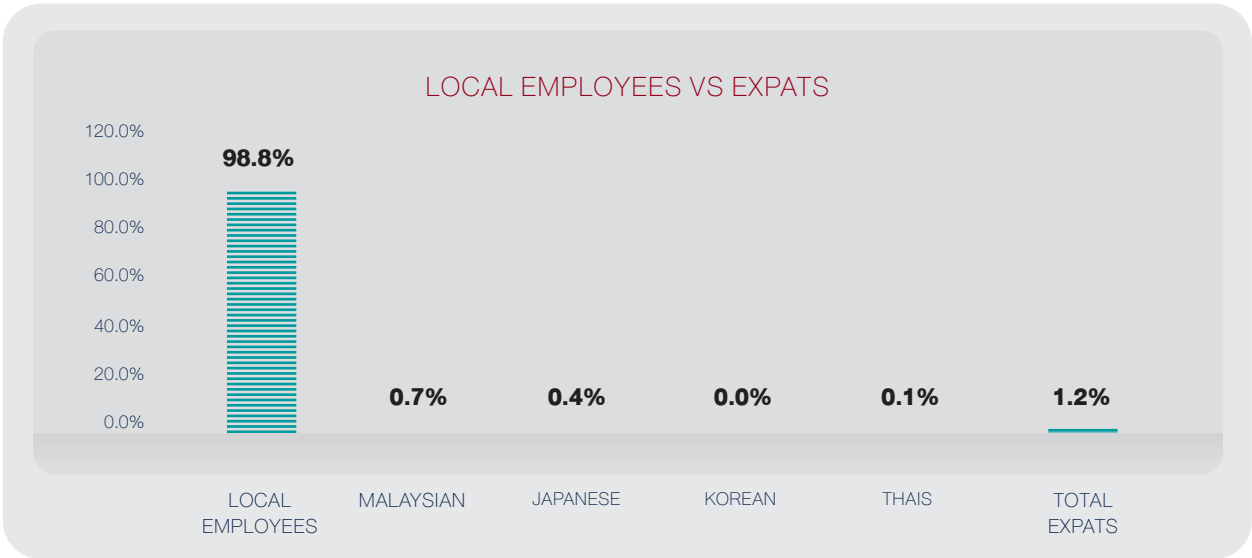
6) SOCIAL ENGAGEMENT  
LOCAL EMPLOYMENT (THAILAND OPERATION)



To contribute to local Thai economic sustainability and local employees career support, the Company has employed local Thais to work in the 3 plants at Rayong and Ayutthaya provinces with 97.2% Thais employees and 2.8% Expatriate employees in FY2020/21.

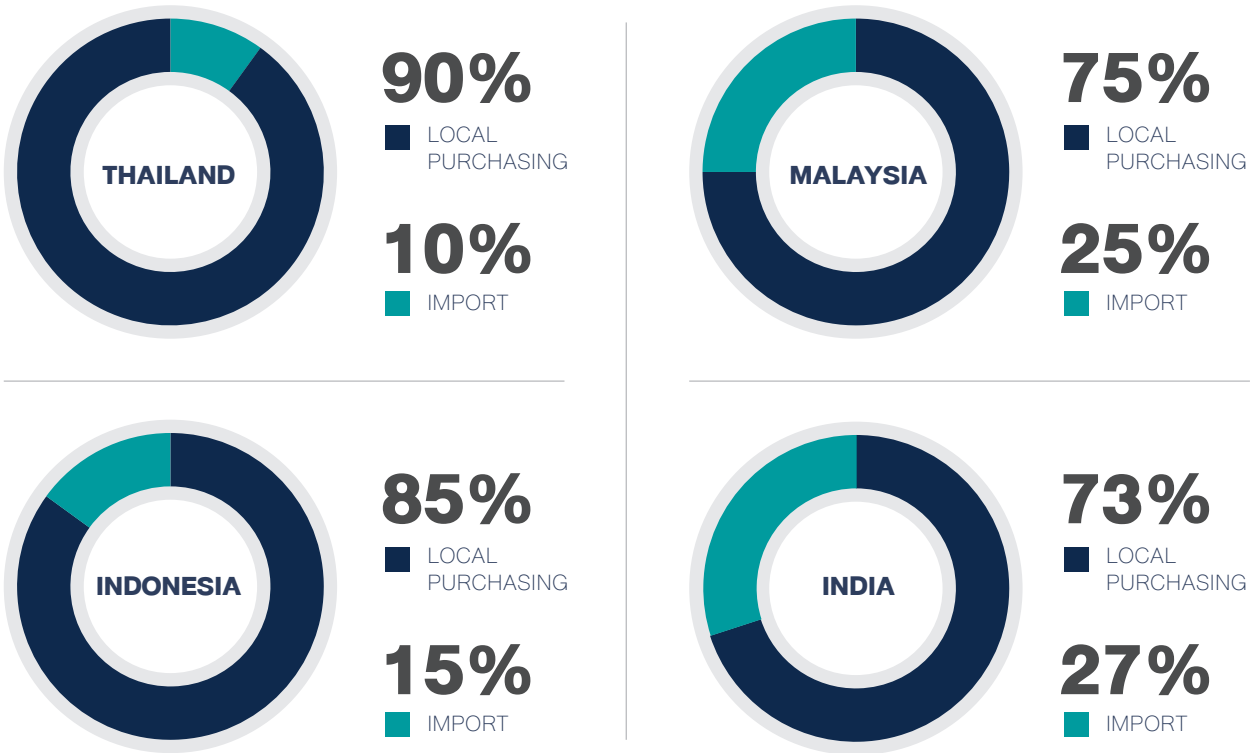


LOCAL EMPLOYMENT (OVERSEA OPERATION)



INGRS is supporting the sustainable growth of every region in which the Group is located in Malaysia, Indonesia and India. The Group contributed to the local economic sustainability by engaging local employees with 98.8% local employment engagement in FY2020/21.

LOCAL PURCHASING



One of the activities to support local economic of each region which the company located is in form of sourcing for local suppliers. In FY2020/21, the ratio of local purchasing of INGRS is 73% in India, 75% in Malaysia, 85% in Indonesia and 90% in Thailand.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

INGRS has, since the beginning of our operation, contribute to the social and local community in our Corporate Social Responsibility (CSR) Program. Over the past years, INGRS' CSR activities are focused on the two areas:

- 1. Healthcare & Sanitation and
- 2. Livelihoods.

For the year FY2020/21 INGRS have contributed approximately Baht 1.23 million in contributions to support the above.

Apart from these core area, INGRS has identified a few special projects in a more specific areas such as supporting to the front liner (police) during Covid-19, environment conservation and sports.

INGRS continued to support sustainable, community as well as supporting / collaboration with local industry. INGRS in Indonesia has participated in a consortium lead by Research Centre for Biomedical Engineering from University of Indonesia and was produced and donate one million units of flocked swab known as HS-19 (Hope and Solution for COVID-19) and was distributed to all Government Hospitals and Clinic in Jakatar and West Java province.

In Community Development, the Corporate contributed towards the efforts of building for Orphan in Nongjok, Bangkok. The project is being implement through together with local authority.

Social welfare, INGRS contributed the consumer and food support to the needed throughout in Thailand, Malaysia, Indonesia and India.