

1.0 Business Policy and Overview of Business Operation

1.1 The Group's Vision, Objectives and Goal

1.1.1 The Group's Vision

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

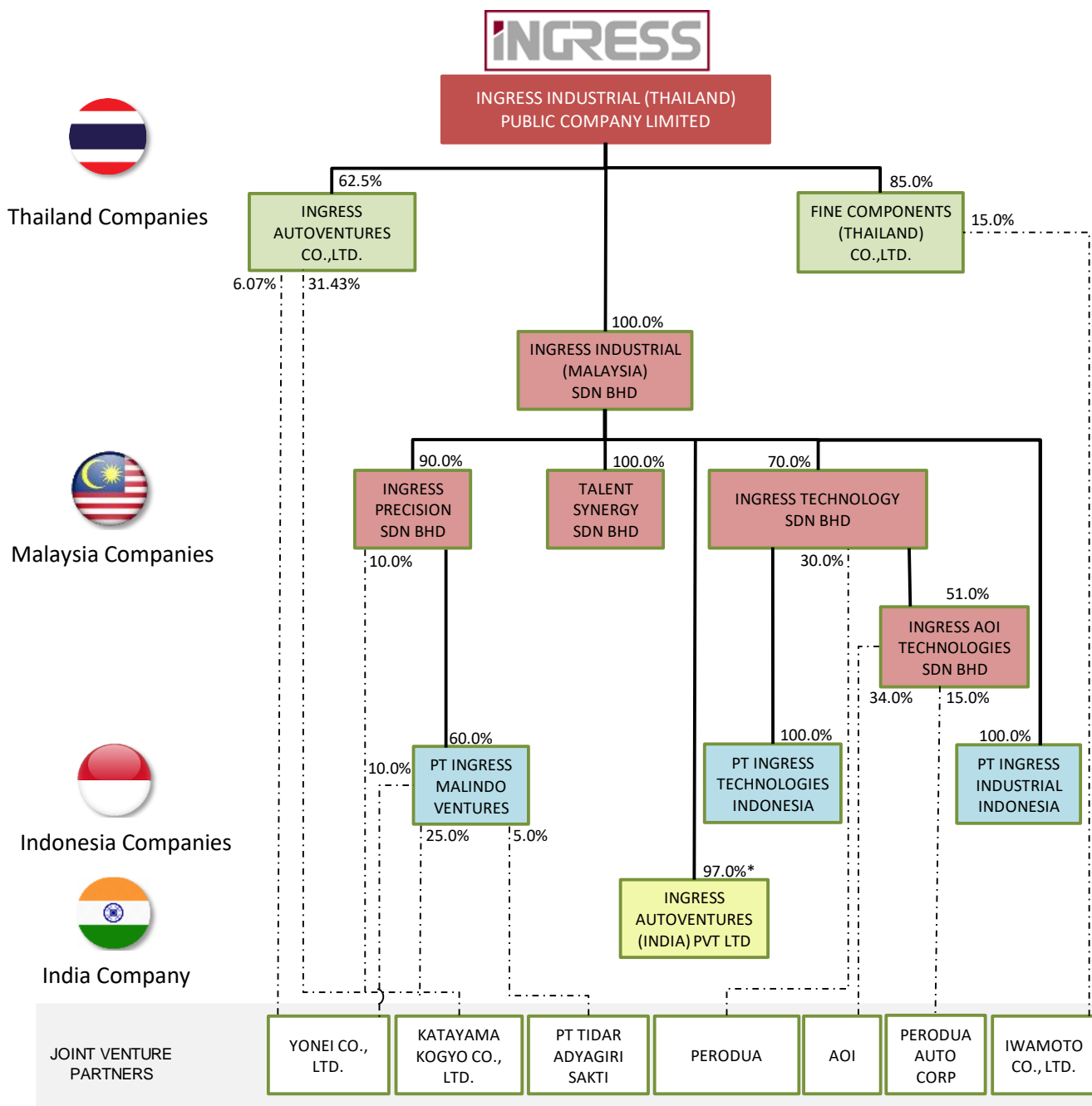
1.1.2 The Group's Business Goal and Mission

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

1.1.3 The Group's Quality Policy

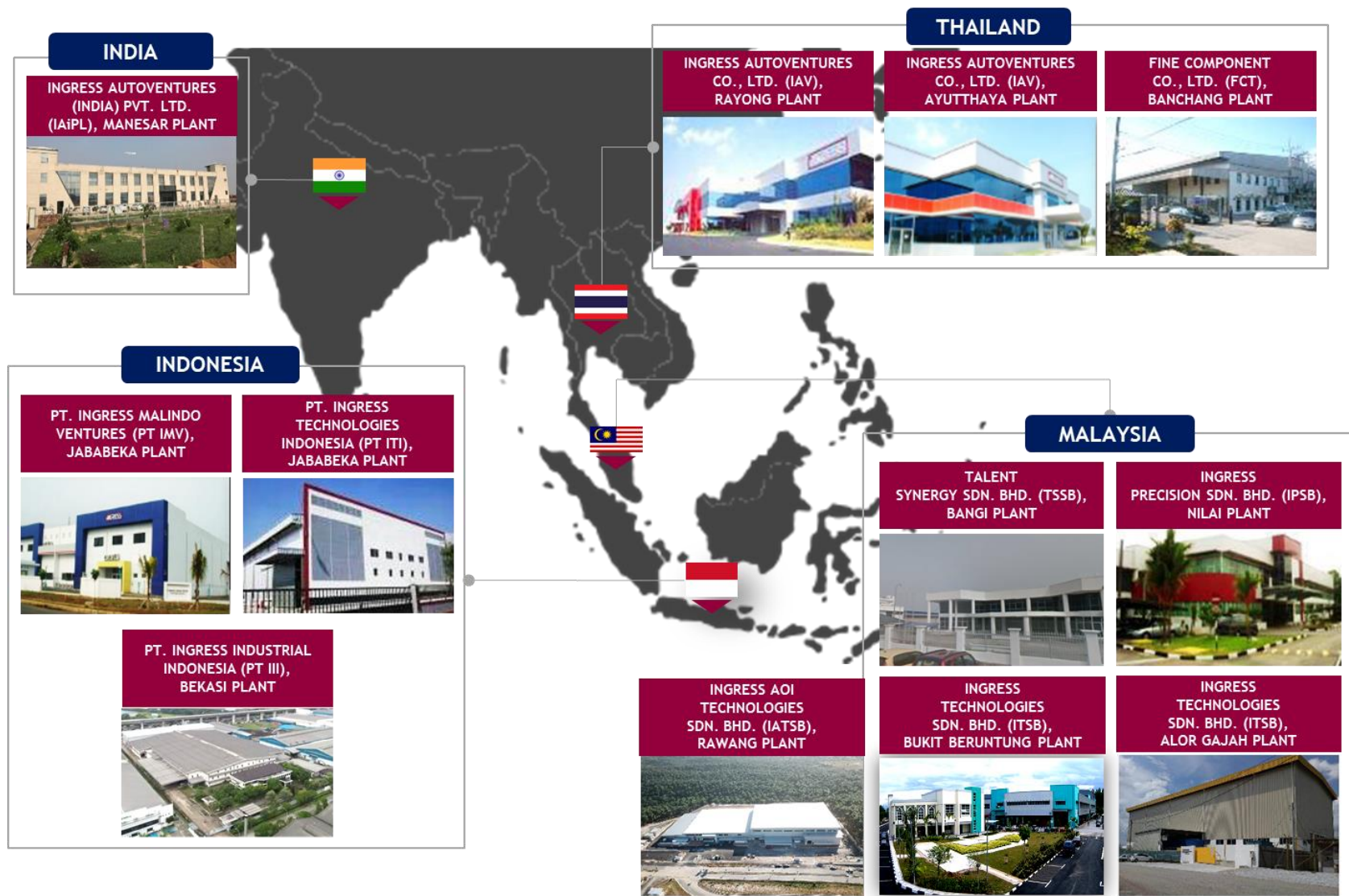
The Group aims to maximize customer satisfaction by enhancing the competitiveness, developing the product quality, and achieving human resource excellence.

1.2 The Group's Shareholding Structure as at 31 January 2021



*the remaining 3% hold by an individual

1.3 Location of Main Facilities



1.4 Key Business of Each Company under the Group

The Group aims to maximize customer satisfaction by enhancing the competitiveness, developing the product quality, and achieving human resource excellence.

Investment Holdings Companies

1.4.1 Ingress Industrial (Thailand) Public Company Limited (“INGRS”) or (“the Company”)

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.

1.4.2 Ingress Industrial (Malaysia) Sdn Bhd (“IIM”)

IIM was incorporated in 21st 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 Systems

1.4.3. 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.

1.4.4. 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.

1.4.5. 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.

1.4.6. Ingress Autoventures (India) Private Limited (“IAIPL”)

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 Assembly, Die Making**1.4.7 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.

1.4.8 Fine Components (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).

1.4.9 PT Ingress Technologies Indonesia (“PTITI”)

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.

1.4.10 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.

1.4.11 PT Ingress Industrial Indonesia (“PTIII”)

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 on December 2021

Design and Manufacturing of Industrial Automation**1.4.12 Talent Synergy Sdn Bhd (“TSSB”)**

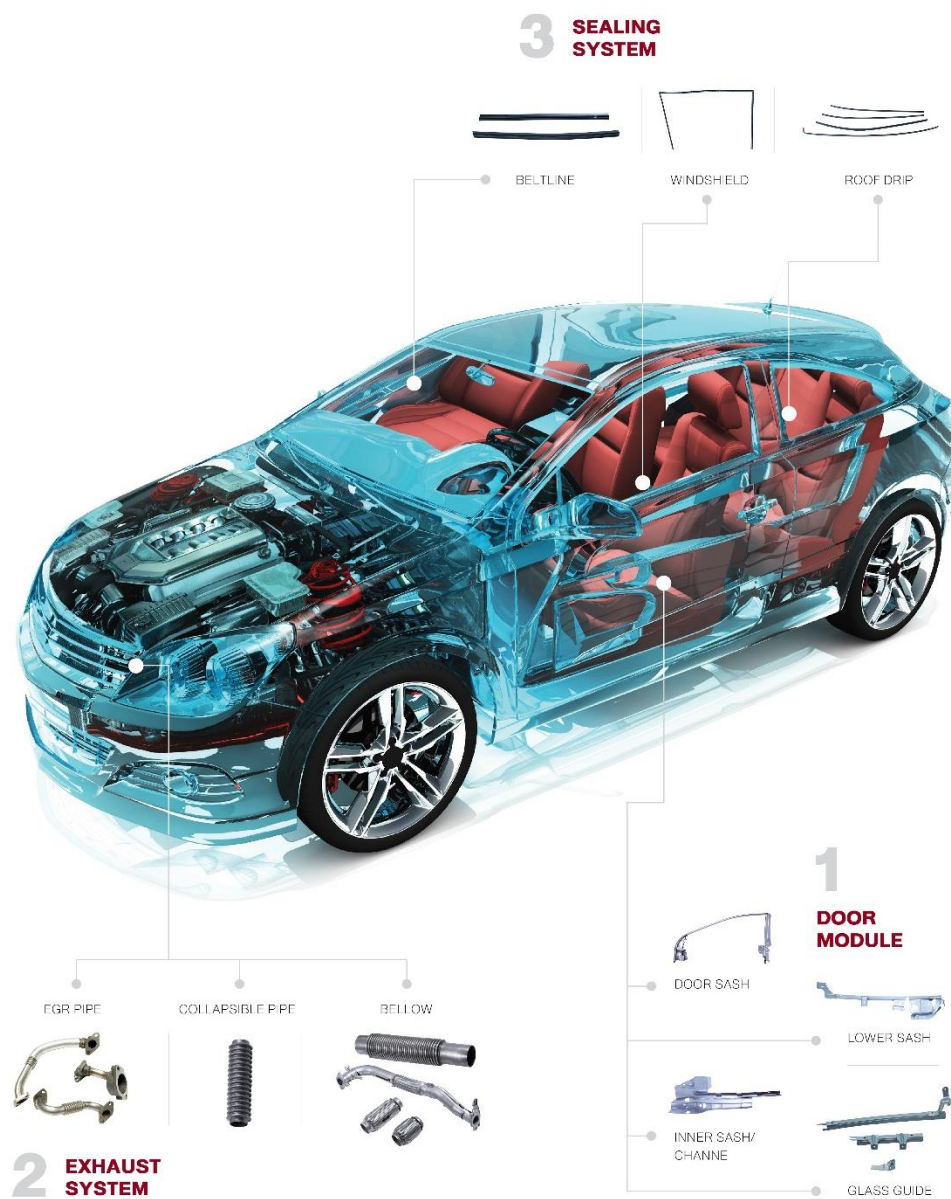
TSSB was established in 1995 and is mainly involved in the automation solution system provider for the automotive and other industry. With the coming of I-4.0 in the industry, TSSB will focus on adding new products related to it such as Automated Guided Vehicle (AGV), Production Monitoring System (PMS), 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.

1.5 Products Highlights

Our products can be sub-divided into 4 main categories which are Roll Forming, Stamping, Die Making and Automotive Solutions. The variances of each categories are illustrated below.

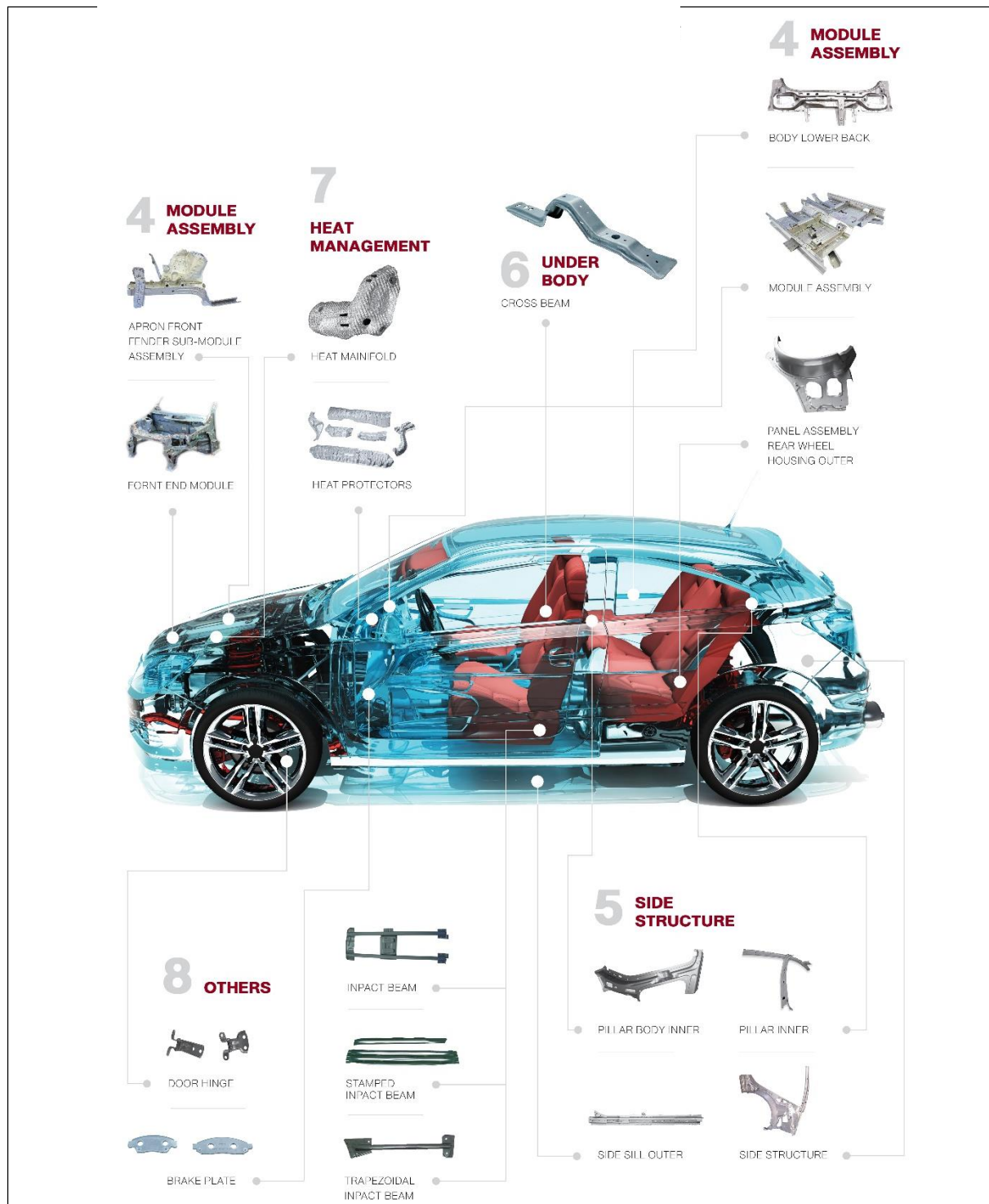
1.5.1 Roll Forming Products

Roll Forming products can be further sub-categories into door module, exhaust system and sealing system. These products are manufactured capitalizing our roll forming, extrusion molding & hydro forming technologies, using cold rolled steel for the door module, stainless steel and iron casting for the exhaust system and PVC, PP, TPO and TPE for the sealing system.



1.5.2 Stamping Products

Stamping products covers both large body parts of the vehicles as well as small parts such as bracket and fine blanking. These products can be further sub-categorized into the module assembly, side structures, under body parts, heat protectors and small blanking. Materials used for these products includes mild steel sheet with tensile up to 1,800 MPa and aluminium sheets. While press auto-line and assembly technology is applied for the stamping parts, embossing technology is used for the heat protector.



1.5.3 Die Making Products

Die making products includes the design, fabrication and maintenance of automotive dies in producing automotive parts of the Group which includes normal stamping and fine blanking dies ranging from small, medium and large dies. Steel and cating materials are used for these products.



**CAM
CAMBER DIE**



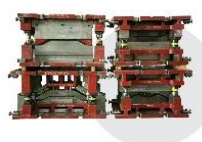
**SEAT
RECLINER DIE**



**UPPER
DIE**



**UPPER
DIE**



**LOWER
DIE**



**LOWER
DIE**

1.5.4 Automotive Solutions Provider

The Group plays important role in automation products and services to enhance effective and efficient manufacturing process. Our products under this category includes Manufacturing Execution Systems (MES), engineering services, Automated Guided Vehicles (AGV), Production Monitoring Systems (PMS), Autonomous Robotic, Colaborative Robot, specialized machineries and testing equipments.



1.6 Shareholding Structure

The shareholding structure of individual subsidiaries is as follows:

Company	Nature of business	Percentage of shares with voting right		Paid-up capital as at 31 January 2021
		within the Group	Others	
IAV	A manufacturer and supplier of plastic parts, roll-formed weatherstrips, roll-formed metal automotive door sashes, and other relevant components. Classified as Tier-1 Supplier, IAV was established in Thailand.	IIT: 62.5%	KK: 31.43% Yonei: 6.07%	Baht 300,000,000
FCT	A manufacturer and distributor of automotive metal parts, produced by stamping and fine blanking technology for the leading Tier-1 and Tier-2 OEMs suppliers. FCT was established in Thailand.	IIT: 85%	Iwamoto: 15%	Baht 220,000,000
IIM	An investment holding company and IIM was established in Malaysia.	IIT: 100%	-	RM118,395,002
ITSB	A manufacturer and assembler of medium to high tonnage press parts. Classified as Tier-1 Supplier, ITSB was established in Malaysia.	IIT: 70%	Perodua: 30%	RM20,000,000
IPSB	A manufacturer and supplier of roll-formed metal automotive door sashes (door frames) and relevant components. Classified as Tier-1 Supplier, IPSB was established in Malaysia.	IIM: 90%	KK: 10%	RM7,000,000
IATSB	A manufacturer and supplier of automotive parts using high strength steel (AHSS) materials with high level of automation. Classified as Tier-1 Supplier, IATSB was established in Malaysia	ITSB: 51%	AOI: 34% PAC: 15%	RM30,000,000

Company	Nature of business	Percentage of shares with voting right		Paid-up capital as at 31 January 2021
		within the Group	Others	
TSSB	Automation solution provider for automotive and other industry, and TSSB was established in Malaysia.	IIM: 100%	-	RM500,000
PTIMV	A manufacturer and supplier of sash-related components for the automotive industry. Classified as Tier-1 Supplier, PTIMV was established in Indonesia.	IPSB: 60%	KK: 25% Yonei: 10% PT Tidar: 5%	IDR59,999,996,625
PTITI	Stamping small parts. Classified as Tier-2 Supplier, PTITI was established in Indonesia.	ITSB: 100%	-	IDR6,077,164,863
PTIII	A manufacturer and supplier of medium to high tonnage stamping parts for the automotive industry. Classified as Tier-1 Supplier, PTIII was established in Indonesia	IIM: 100%	-	IDR32,750,060,000
IAIPL	A manufacturer and supplier for automotive sealing system and operates facilities for plastic extrusions, roll forming and bending of plastic parts. IAIPL was established in India.	IIM: 97%	Mr. Prateek Chitkara: 3%	INR150,000,000

1.7 Milestone

The Group's business milestones are as follows:

Year	Milestones
2015	<ul style="list-style-type: none"> Ingress Group's Restructuring completed on 30 January 2015
	<ul style="list-style-type: none"> INGRS was converted into public company (change its name to Ingress Industrial (Thailand) Public Company Limited) on 9 December 2015
	<ul style="list-style-type: none"> ITSB entered into a TAA with Metaltech Limited from Japan for the development of new project
2016	<ul style="list-style-type: none"> ITSB started to operate its automotive parts plant in Malacca, Malaysia for HONDA
	<ul style="list-style-type: none"> TSSB entered into a TAA with Tae Sung Tech Co., Ltd from Korea for automation solution
	<ul style="list-style-type: none"> First delivery by ITSB to HONDA (Stamping related parts) from Malacca Plant
2017	<ul style="list-style-type: none"> Acquisition of 100% shares in TSSB and 40% shares in IAIPL by IIM from ICB
	<ul style="list-style-type: none"> INGRS was listed on the Stock Exchange of Thailand ("SET") on 9 August 2017
	<ul style="list-style-type: none"> ITSB entered into a TAA with AOI Kikai Co., Ltd from Japan for the development of new model
	<ul style="list-style-type: none"> 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
	<ul style="list-style-type: none"> 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)
2018	<ul style="list-style-type: none"> IIM entered into TAA with Tae Sung Tech for Hyundai Project on 24 January 2019
	<ul style="list-style-type: none"> TSSB entered into Distributorship Agreement with Neuromeka for ASEAN, India and Gulf countries Collaborative Robots (COBOT) distributor COBOT on 22 January 2019
2019	<ul style="list-style-type: none"> PTIMV entered into TAA with Woo Young on 26 April 2019 PT Ingress Industrial Indonesia ("PTIII") 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 ("PTIII") in Indonesia on 30 October 2019 Establishment of PT Ingress Industrial Indonesia ("PTIII") in Indonesia on 15 November 2019 for manufacturing of stamping parts. Acquired new land and factory for PT Ingress Industrial Indonesia ("PTIII") in Indonesia on 16 December 2019.



Year	Milestones
2020	<ul style="list-style-type: none">• Ingress AOI Technologies Sdn Bhd (“IATSB”) in Malaysia building completed July 2020.• PT Ingress Industrial Indonesia (“PTII”) in Indonesia received business award from Hyundai on July 2020 for MPV platform
2021	<ul style="list-style-type: none">• First delivery by Ingress AOI Technologies Sdn Bhd (“IATSB”) in Malaysia to Perodua (Stamping parts) on January 2021.

2.0 Nature of 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.

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

2.1.1 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: -

- 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.

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.

2.1.2 IAV Future Project

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.

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

2.2.1 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).

2.2.2 IPSB Future Project

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

2.3 PT. INGRESS MALINDO VENTURES (“PT IMV”)

2.3.1 PT IMV 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 country. 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, PT IMV is supplying products to all major key car assemblers in Indonesia and is making continuous effort to penetrate into new potential customers. PT IMV'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 PT IMV. Mitsubishi is forecast to be PT IMV'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, PT IMV will continue its efforts in securing contracts for replacement of phased-out models. This would ensure continuity of revenue stream for the future.

2.3.2 PT IMV Future Project

PT IMV 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. PT IMV 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.

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

2.4 INGRESS AUTOVENTURES (INDIA) PVT. LTD. ("IAIPL")

2.4.1 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, IA IPL 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 IA IPL's growth strategies of developing human capital development, achieving operational excellence, growing new businesses, and strengthening financial position, IA IPL 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 IA IPL.

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), IA IPL have been developing products for two (2) new Mahindra's SUV flagship projects, namely W601 and Z101 since year 2020, where IA IPL were responsible for the product design from the start of development.

On the operations aspect, IA IPL 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, IA IPL have started implementing robotic automation for assembly processes at both plants to increase productivity and reduce wastes.

In 2021, IA IPL shall continue the same business strategies as outlined in 2020 concentrating on survival and revival. For the next 5-year forecast, IA IPL 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.

2.4.2 IA IPL 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 IA IPL's position as one of key partners for existing customers / OEMs, IA IPL 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, IA IPL 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 IA IPL 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.

2.5 INGRESS TECHNOLOGIES SDN. BHD. (“ITSB”)

2.5.1 ITSB Business Strategy

Since its inception in September 1997, ITSB is one of the fastest growing companies and major player for medium stamping business in Malaysia. With more than two decades of manufacturing experiences, ITSB has embarked into the business of ‘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 is in line with ITSB target towards Smart Factory in 2024.

2.5.2 ITSB 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.

2.6 INGRESS AOI TECHNOLOGIES SDN. BHD. (“IATSB”)

2.6.1 IATSB Business Strategy

Since the incorporation of IATSB on 17th October 2019, the company has been aggressively developing an advance manufacturing factory facility 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.

2.6.2 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.

2.7 PT INGRESS TECHNOLOGIES INDONESIA (“PT ITI”)

2.7.1 PT ITI Business Strategy

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

PT ITI’s major products are small stamping parts (below 400 tons) and heat shield products.

The company’s major customers are PT IMV and PT III who supply their products directly to the OEMs.

2.7.2 PT ITI Future Project

PT ITI was appointed as a Stamping Supplier for body parts, which will be supplied to PT Ingress Industrial Indonesia (PT III) for Hyundai project. The mass production for the first model expected to commence in November 2021. To cater for the production requirement, PT ITI 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 PT III are Side Structure, Rear Floor and small brackets.

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

2.8 PT INGRESS INDUSTRIAL INDONESIA (“PT III”)

2.8.1 PT III Business Strategy

From December 2020, PT III 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 for the total cost of USD 16.0 million. In order to show strong commitment towards Hyundai business in Indonesia, Hyundai Motor Manufacturing Indonesia (HMMI) had paid 60% from the tooling cost, which the remaining 40% will be paid after mass production. 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. As part of the project commitment, HMMI had paid 30% upfront for the tooling cost.

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. As part of the project commitment, HMMI had paid 30% upfront for the tooling cost. 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.

2.8.2 PT III 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).

2.9 FINE COMPONENTS (THAILAND) CO., LTD. (“FCT”)

2.9.1 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.

2.9.2 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.

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

2.10.1 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-sofware, 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)

2.10.2 TSSB Future Project

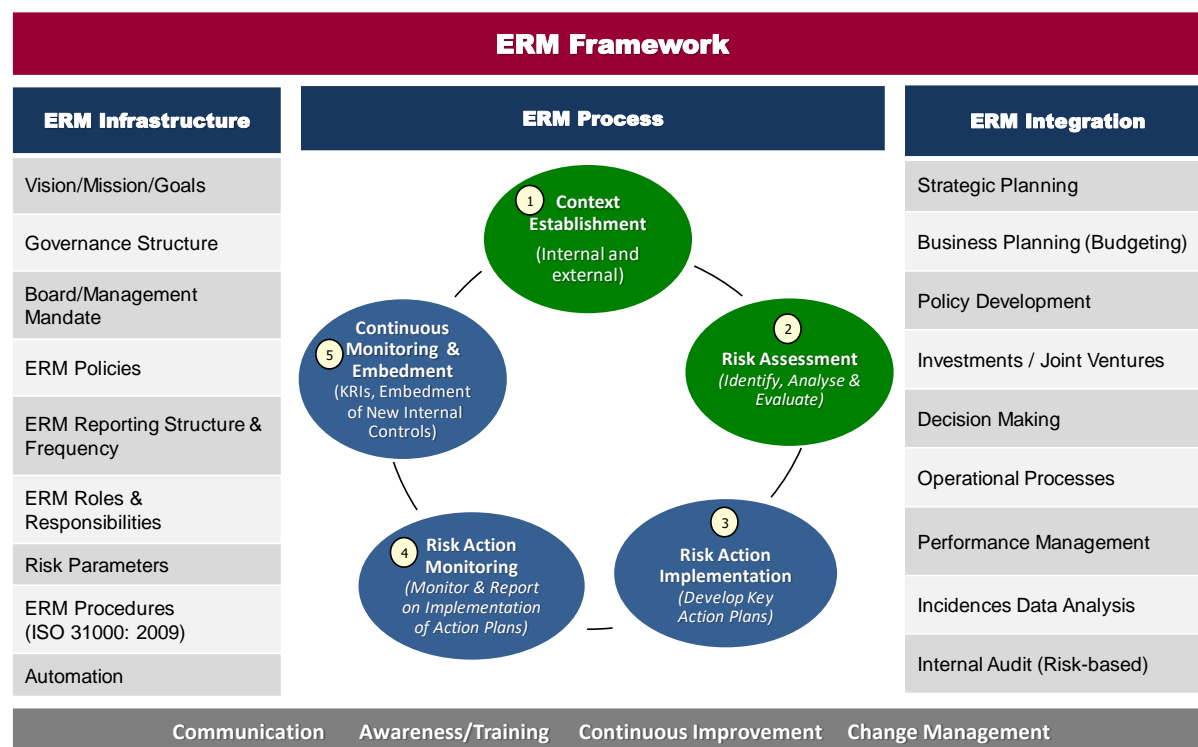
TSSB will remain becoming a supporting company which gradually transforms the current manual operation into a more fully-connected, integrated and automated system at INGRS Group. Using the Cobot technology, TSSB would market these products into various industries, especially furniture and food, which 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.

3.0 Risk Factors

For more than five years, INGRS 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.

3.1 Strategic Risks

3.1.1 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.

3.1.2 Risk 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.

3.1.3 Risk 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

3.2 Financial Risks

3.2.1 Risk of forex exposure

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. Unfavorable 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.

3.2.2 Risks of interest rates 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.

3.3 Operational Risks

3.3.1 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 emphasizing 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.

3.3.2 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.

3.3.3 Risks associated to safety, health and environment

Personal injuries due to non-conductive 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.

3.3.4 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.

3.3.5 Risks of deficiency of products 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 operator turnover rate, but also reduce the number of unnecessary production errors caused by humans, especially newly recruited staff. Presumably, robotized or automated lines would technically address all risks related to safety as well as competency gaps.

3.3.6 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 turns 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.

4.0 Assets Used in Business Operation

4.1 Fixed assets used in business operation

No.	Type/Description of Asset	Net book value as at 31 January 2021 Million Baht	Type of ownership	Encumbrance
1.	Land and land improvement *	520.6	Details in 4.1.1	
2.	Building and building improvements *	787.9	Details in 4.1.2	
3.	Machinery and equipment	1,478.1	Full ownership	Details in 4.1.3
4.	Furniture, fixtures and office equipment	12.6	Full ownership	None
5.	Motor vehicles	20.8	Full ownership	None
6.	Assets under construction and installation	208.8	Full ownership	Details in 4.1.4
TOTAL *		3,100.8		

* The amount includes property classified as Investment Properties (IPSB Bangi Plant).

Fixed assets of the Group which are shown above can be categorized by type of assets and companies as follows:

4.1.1 Land and land improvement

(a) Land in Thailand

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	IAV	Land in Eastern Seaboard Industrial Estate, Rayong 64/6 Moo 4, Pluakdaeng T, Pluakdaeng A, Rayong (1 plot total of 12 Rai 3 Ngan 14 Square war) Area: 220,183 sq. ft.	Site of the manufacturing plant for IAV in Rayong, Thailand	61.4	Full ownership	Charge registered by a financial institution as guarantee for banking facility
2.	IAV	Land in Hitech Industrial Estate, Ayutthaya 64/6 Moo 1, Ban lane T, Bang Pa-in A, Ayutthaya (1 plot total of 11 Rai, 27 Square war) Area: 191,664 sq. ft.	Site of the manufacturing plant for IAV in Ayutthaya, Thailand	66.4	Full ownership	None

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
3.	FCT	Land in Tambun Makhamkhu 600 Moo 4, T Makhamkhu King-Am-Pur Nikhompattana, Rayong 21180 Thailand (1 plot total of 24 Rai) Area: 413,334 sq.ft.	Site of the manufacturing plant for FCT in Rayong, Thailand	40.3	Full ownership	Charge registered by a financial institution as guarantee for banking facility
TOTAL				168.1		

(b) Land in Malaysia

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	IPSB	Lands in Nilai area (a)PN 38504, Lot 9144;and (b)PN 38503, Lot 9145, both in Mukim of Setul, District of Seremban, State of Negeri Sembilan, Malaysia (total of 2 plots) Area: 303,069 sq. ft.	Site of the manufacturing plant for IPSB in Nilai, Malaysia	137.0	Leasehold for 99 years, expiring on 3 July 2092	Charge registered by a financial institution as guarantee for banking facility
2.	IPSB	Land in Bangi area HS(M) 9638, PT 11469 Seksyen 13, Bandar Baru Bangi, Mukim of Kajang, District of Hulu Langat, State of Selangor, Malaysia (1 plot) Area: 43,560 sq.ft.	Site for manufacturing facility of IKTC in Bangi, Malaysia.	30.4	Leasehold for 99 years, expiring on 29 September 2086	Charge registered by a financial institution as guarantee for banking facility
3.	ITSB	Land in Bukit Beruntung area HS(D) 39152, PT 13990 Seksyen 20, Bandar	Site of the manufacturing plant for ITSB in Bukit	122.2	Full ownership	Charge registered by a financial institution as

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
		Serendah, District of Ulu Selangor, State of Selangor, Malaysia (1 plot) Area: 365,564 sq.ft.	Beruntung, Malaysia.			guarantee for banking facility
TOTAL				289.6		

(c) Land in Indonesia

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	PTIMV	Land in Kawasan Industri Jababeka, Cikarang Blok GG-7A, 7B & GG-8, Jln Industri Jababeka, Tahap II Cikarang, Indonesia (3 plots) Area: 132,083 sq. ft. HGB Certificate No. 2612 dated 5 September 2002 HGB Certificate No. 2613 dated 5 September 2002 HGB Certificate No. 2667 dated 26 May 2003	Site of the manufacturing plant for PTIMV and PTITI in Cikarang, Indonesia	62.9	Right to Build, valid until 24 September 2026	Charge registered by a financial institution as guarantee for banking facility
TOTAL				62.9		

4.1.2 Building and building improvements

(a) Building and building improvements in Thailand

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	IAV	Factory in Eastern Seaboard Industrial Estate, Rayong 64/6 Moo 4, Pluakdaeng T, Pluakdaeng A, Rayong	IAV manufacturing plant in Rayong, Thailand	167.6	Full ownership	Charge registered by a financial institution as guarantee for banking facility

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
2.	IAV	Factory in Hitech Industrial Estate, Ayutthaya 64/6 Moo 1, Ban lane T, Bang Pa-in A, Ayutthaya	IAV manufacturing plant in Ayuthaya, Thailand	35.6	Full ownership	None
3.	IAV	Factory in Prachinburi 603 Moo 8 Nongprong T, Srimahapo A, Prachinburi	IAV factory operation in Prachinburi, Thailand	1.4	Rental	None
4.	FCT	Factory in Tambun Makhamkhu 600 Moo 4, T Makhamkhu King-Am-Pur Nikhompattana, Rayong 21180 Thailand	FCT manufacturing plant in Rayong, Thailand	38.7	Full ownership	Charge registered by a financial institution as guarantee for banking facility
5.	IIT	Building Improvements No. 9/141 UM Tower Floor 14th Unit A1 Ramkhamhaeng Road Suanluang Bangkok Thailand	IIT Corporate Office	3.4	Rental	None
TOTAL				246.7		

(b) Building and building improvements in Malaysia

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	IPSB	Factory in Nilai PT 2475 & PT 2476, Kawasan Perindustrian Nilai, P.O. Box 45, 71807 Nilai, Negeri Sembilan	IPSB manufacturing plant in Nilai, Malaysia	143.6	Leasehold for 99 years, expiring on 3 July 2092	Charge registered by a financial institution as guarantee for banking facility
2.	IPSB	Factory in Bangi Lot 9, Jalan P/7, Seksyen 13, Kawasan Perindustrian Bangi, P.O Box 9, 43650 Bandar Baru Bangi, Selangor	IKTC manufacturing plant in Bangi, Malaysia.	14.1	Leasehold for 99 years, expiring on 29 September 2086	Charge registered by a financial institution as guarantee for banking facility
3.	IPSB	14 units of apartments B.M. No 12, Lot 9132, Mukim of Setul, District of Seremban, State of Negeri Sembilan, Malaysia Area: 9,494 sq. ft.	Apartments for IPSB staff	4.3	Freehold	None
4.	ITSB	Factory in Bukit Beruntung Lot 11, Jalan Jasmine 4, Kawasan Perindustrian Bukit Beruntung, 48300 Rawang, Selangor	ITSB manufacturing plant in Bukit Beruntung, Malaysia.	222.2	Freehold	Charge registered by a financial institution as guarantee for banking facility
5.	ITSB	20 units of apartments Rose Court Block E, Bandar Bukit Sentosa, 48300 Rawang, State of Selangor, Malaysia Area: 15,640 sq. ft.	Apartments for ITSB staff	10.4	Freehold	None
6.	ITSB	Lot 9307, Jalan TTC 26A, Taman Teknologi Cheng, 75250 Melaka	ITSB manufacturing plant in Melaka, Malaysia	8.8	Rental	None
7.	TSSB	Building improvements Lot 11A, Jalan P/7, Seksyen 13, Kawasan Perindustrian Bangi, P.O	TSSB Office and factory operation in	5.4	Rental	None

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
		Box 9, 43650 Bandar Baru Bangi, Selangor	Bangi, Malaysia			
8.	IATSB	Factory in Serendah Lot 40481, Seksyen 20, Mukim Bandar Serendah, 48200 Rawang, Selangor	IATSB manufacturing plant in Serendah, Malaysia.	42.2	Rental	None
TOTAL				451.0		

(c) Building and building improvements in Indonesia

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	PTIMV	Factory in Cikarang Jln. Industri Selatan 6A, Block GG-7A/B, Kawasan Industri Jababeka II, Cikarang Selatan, 17854 Bekasi, Indonesia	PTIMV manufacturing plant in Cikarang, Indonesia	17.5	Right to Build, valid until 24 September 2026	Charge registered by a financial institution as guarantee for banking facility
				17.5		

(d) Building and building improvements in India

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	IAIPL	Factory in Gurugram Sector M-10, IMT Manesar, Village Bhangrola, Gurugram 123505, Haryana India	IAIPL manufacturing plant in Gurugram, India	70.0	Rental	None
				70.0		

4.1.3 Machinery and equipment

(a) Machinery and equipment in Thailand

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	IAV	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	158.5	Owner	Charge registered by a financial institution as guarantee for banking facility
2.	FCT	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	87.2	Owner	None
				245.7		

(b) Machinery and equipment in Malaysia

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	ITSB	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	335.1	Owner	Charge registered by a financial institution as guarantee for banking facility
2.	IPSB	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	238.4	Owner	Charge registered by a financial institution as guarantee for banking facility
3.	TSSB	Machinery and equipment for automation solution provider	Business operation	3.9	Owner	None
4.	IATSB	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	560.9	Owner	Charge registered by a financial institution as guarantee for banking facility
				1,138.3		

(c) Machinery and equipment in Indonesia

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	PTIMV	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	45.4	Owner	Charge registered by a financial institution as guarantee for banking facility
2.	PTITI	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	1.5	Owner	None
				46.9		

(d) Machinery and equipment in India

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	IAIPL	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	47.2	Owner	None
				47.2		

4.1.4 Assets under construction and installation

(a) Assets under construction and installation in Thailand

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	IAV	Assets under construction and installation	Business operation	29.9	Owner	None
2.	FCT	Assets under construction and installation	Business operation	1.4	Owner	None
				31.3		

(b) Assets under construction and installation in Malaysia

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	ITSB	Assets under construction and installation	Business operation	1.2	Owner	None
2.	IPSB	Assets under construction and installation	Business operation	9.8	Owner	None
3.	IATSB	Assets under construction and installation	Business operation	18.8	Owner	None
				29.8		

(c) Assets under construction and installation in Indonesia


No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	PTIMV	Assets under construction and installation	Business operation	18.6	Owner	None
2.	PTIII	Assets under construction and installation	Business operation	151.0	Owner	None
3.	PTITI	Assets under construction and installation	Business operation	21.4	Owner	None
				191.0		

(d) Assets under construction and installation in India

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2021 (Million Baht)	Type of ownership	Encumbrance
1.	IAIPL	Assets under construction and installation	Business operation	28.7	Owner	None
				28.7		

4.2 Trademark

As at 31 January 2021, the Group does not own any copyright or trademark. However, Ingress Corporation Berhad (ICB), a major shareholder of the Company has entered into a license agreement on 10 August 2015 with the Group (including the Company, IAV, FCT, IIM, ITSB, IPSB, PT ITI and PT IMV). The agreement allows the Group to use “INGRESS” brand in the manufacture, marketing and sale of automotive parts in Thailand, Malaysia, Indonesia and India. The details of the trademark are as follows:

No.	Owner	Trademark	Registration number	Protected products	Malaysia's statutory right to trade marks is the exclusive property of the ICB (Protection Period)
1.	ICB		2012019064	Category 12: automotive parts and components All are in Category 12.	10 years from 9 November 2012 to 9 November 2022
2.	ICB		2012019065	Category 35: Dealers, sales, marketing, advertising, services and service providers for automotive and automobiles. All are in category 35.	10 years from 9 November 2012 to 9 November 2022

4.3 Intangible assets

As at 31 January 2021, the Group have intangible assets of the computer software and customer relationships. The net book value of computer software as at 31 January 2021 was Baht 19.70 million (Baht 8.89 million as at 31 January 2020). The customer relationships value was arising from the allocation of goodwill arising from the acquisition of IAIPPL on 13 November 2017 of which the measurement of goodwill have been completed during the fourth quarter of the financial year ended 31 January 2019. The customer relationships is amortised on a systematic basis over 10 years period. The net book value of customer relationships as at 31 January 2021 was Baht 8.39 million (Baht 10.26 million as at 31 January 2021).



5.0 Legal Dispute

As at 31 January 2021, the Company and its subsidiaries in Thailand, Malaysia, Indonesia and India have no legal disputes (of more than 5% of the shareholders' equity based on the consolidated financial statements of the Group) that could cause damage to the Company and its subsidiaries.



6.0 Other Important Information

Other than as disclosed in this Annual Registration Statement (Form 56-1) and the audited financial statements of the Group and the Company for the financial year ended 31 January 2020, there is no other important information to be disclosed as at 31 January 2021.

7.0 Information on the Securities and Shareholders

As at 16 April 2021, the INGRS has a registered capital of Baht 1,446,942,690 comprising 1,446,942,690 Ordinary Shares issued and fully paid-up at par value of Baht 1 each. As at todate, the Company does not have any other securities with terms and conditions different from Ordinary Shares.

7.1 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
11	Others	412,081,620	28.153
TOTAL		1,446,942,690	100.000

Source : Thailand Depository (Thailand) Co., Ltd. (Information at the closing of share register book on 16 April 2020)

Note : The major 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.

7.2 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.

7.3 Dividend Policy for Subsidiary Companies

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



other related management factors that the Board and shareholders of subsidiaries deemed appropriate which need to follow the policy of the Company.