



No. INGRS076

14th September 2021

Subject: Entering into connected transaction in Receiving Financial Assistance in the Form of Corporate Guarantee

To: The President
The Stock Exchange of Thailand

In the meeting of Boards of Directors of Ingress Industrial (Thailand) Public Company Limited (“**INGRS**”) No.8/2021-50 held on 14th September 2021 at 1.30 p.m. resolved key matter regarding approved a connected transaction of receiving financial assistance in the form corporate guarantees from Ingress Corporation Berhad (“**ICB**”), a major shareholder of INGRS with 60% shareholdings. The details of which are as follows:

a) General description of the transactions:

On 20 August 2021, Export-Import Bank of Malaysia Berhad (EXIM Bank) has granted an Islamic Financing Facility under the Term-Financing-i Facility (the Facility) for the sum of Ringgit Malaysia One Hundred Fifty Million (RM150,000,000.00) or approximately Baht 1,187,000,000 to Ingress Industrial (Malaysia) Sdn. Bhd. (“**IIM**”), a 100% subsidiary of INGRS, for the purpose of part financing the capital expenditure of a new manufacturing plant in Cikarang, Indonesia including the cost of procuring the property (factory), machinery and production equipment, construction, renovation works and mechanical and electrical works. IIM has accepted the offer via its Resolution of the Board of Directors dated 25 August 2021.

In connection herewith, it was the condition of EXIM Bank, as a security of the Facility to provide the guarantee both by INGRS and ICB. In such case, ICB therefore have agreed to provide the corporate guarantee in favour of EXIM Bank and is proposing a corporate guarantee fees to IIM at the rate of 0.75% per annum based on the outstanding amount of the Facility, calculated on a monthly basis until full repayment of the Term Loan tenure of 8 years.

Pursuant to the Securities and Exchange Commission (“**SEC**”) on Connected Transaction Rules, ICB is a major shareholder of INGRS and is regarded as a connected party to INGRS. Any transactions between INGRS Group and ICB should comply with the SEC connected transaction. In this case, the transaction will be regarded as receiving financial assistance in the form of corporate guarantee by IIM from ICB.

b) Date of transactions:

The corporate financial guarantee by ICB will be perfected as security for the Facility in October 2021. The corporate financial guarantee fees is expected to be charged by ICB to IIM in November 2021 upon the disbursement of the loan to IIM by EXIM Bank.

c) Total estimate value of transactions:

The total estimated value of corporate guarantee fees chargeable by ICB over the tenure of the Facility in 8 years period is approximately RM4,158,339 (Baht 32.75 million).

d) Transaction size:

The above estimated value of transaction represents 2.84% of the Total Net Tangible Assets ("NTA") of INGRS as at 31 July 2021 of Baht 1,153,989,000. As the value of transaction is below 3.0% of INGRS NTA, the connected transaction is considered as Medium size, hence it is within the authority of the Board of Directors of INGRS to approve and disclose the information.

e) Reason and necessity of the transaction

The expansion of the Group business in Indonesia is regard as INGRS's platform to acquire new technology and production system based on South Korean methodology for the Indonesia market that will further help to improve the capability and productivity. This project has aligned the organization towards involving Hyundai to support local and export market especially ASEAN region.

In developing this project, IIM's subsidiaries PT Ingress Industrial Indonesia ("PTIII"), PT Ingress Malindo Ventures ("PTIMV") and PT Ingress Technologies Indonesia ("PTITI") require financing to finance its capital expenditures and working capital. As the financing is secured from Malaysia, it was the condition of EXIM Bank that the corporate financial guarantee is sought as a security of the Facility and that, ICB, being the ultimate holding company, to provide the guarantee.

Therefore, it is rational for IIM and ICB to proceed with the connected transaction to secure the financing and proceed with the development of the Hyundai project in Indonesia.

f) Opinion of the Audit Committee and the Board of Directors

The Audit Committee and the Board of Director has considered this connected transaction and off the opinion that it will benefit the Group directly to enhance its strategic growth specifically in its technological capabilities and its overall business growth generally.

The Authorized Directors of INGRS namely Datuk Dr. Rameli bin Musa, Dato' Dr. Ab Wahab bin Ismail who are the major shareholders of ICB and Datin Sri Farah binti Rameli, who is a related person to Datuk Dr. Rameli bin Musa which all are deemed to have conflict of interest of the transaction, not participate in the voting the resolution of this agenda.

Please be informed accordingly.

Yours sincerely



Hamidi Bin Maulod
(Chief Executive Officer)

