



No. INGRS077

8 October 2021

Subject: Ratification on Asset Acquisition in Relation to the Development of Manufacturing Plant in Indonesia

To: The President
The Stock Exchange of Thailand

Enclose: Information Memorandum of Ingress Industrial (Thailand) Public Company Limited on Ratification on Asset Acquisition in Relation to the Development of Manufacturing Plant in Indonesia

In the meeting of the Board of Directors Meeting No. 9/2021-51, of Ingress Industrial (Thailand) Public Company Limited (“INGRS”) held on 8 October 2021, resolved to ratifying ongoing acquisition of assets in relation to the development of manufacturing plant in Indonesia (“the Project”). The acquisition includes the cost of procuring the property (land and factory building), machinery and production equipment, construction and renovation works and mechanical and electrical works. This assets acquisition is considered an asset acquisition of transaction pursuant to Notification of the Capital Market Supervisory Board an acquisition of assets transaction pursuant to Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering Into Material Transactions Deemed as Acquisition or Disposal of Assets.

The transaction size, calculated based on the total value of consideration paid/payable is 22.57% of the Total Assets of INGRS, based on the consolidated financial statements of the INGRS for the period ended 31 July 2021, which have been reviewed by the external auditor of INGRS. The total consideration represents multiple acquisitions of assets which approximate total value for the Project since the approval from the Board of Directors of INGRS to enter into the transaction.

The transaction size is classified as Class 2 transaction under the Acquisition or Disposal rule, i.e., a transaction value equivalent to 15% or more but lower than 50%. Consequently, INGRS is required to disclose an information memorandum regarding the acquisition of assets transaction by the subsidiary to the Stock Exchange of Thailand; and deliver such circular notice to INGRS shareholders within 21 days from the date of disclosure of the transaction. In addition, the transaction is not considered and regarded as a connected transaction of INGRS under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions due to the transaction parties not considered as the related party with INGRS. The details of Information Memorandum on Ratification on Asset Acquisition in Relation to the Development of Manufacturing Plant in Indonesia are shown as attached in the enclosure.

Please be informed accordingly.

Yours sincerely


(Hamidi Bin Maulod)
Chief Executive Officer



(Enclosure)
Information Memorandum
Ingress Industrial (Thailand) Public Company Limited
Asset Acquisition in Relation to the Development of Manufacturing Plant in Indonesia

1. Background

In the meeting of the Board of Directors Meeting No. 9/2021-51, of Ingress Industrial (Thailand) Public Company Limited (“INGRS”) held on 8 October 2021, resolved to ratifying ongoing acquisition of assets in relation to the development of manufacturing plant in Indonesia (“the Project”). The acquisition includes the cost of procuring the property (land and factory building), machinery and production equipment, construction and renovation works and mechanical and electrical works. This assets acquisition is considered an asset acquisition of transaction pursuant to Notification of the Capital Market Supervisory Board an acquisition of assets transaction pursuant to Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering Into Material Transactions Deemed as Acquisition or Disposal of Assets.

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2. Date of the Transaction

The multiple transactions that make up the total considerations of the acquisition are recorded on the following dates:

13 September 2019	The Board of Directors approved the Project
16 December 2019	Entering into Land and Building purchase agreement
During 2019 - 2021	Entering into purchase agreement of machinery and production equipment, including construction agreement of renovation works, consultancy and mechanical and electrical installation works

3. Parties involved and their relationship with the Company

- Buyer : PT Ingress Industrial Indonesia (“PTIII”), a wholly owned subsidiary of Ingress Industrial (Malaysia) Sdn Bhd (“IIM”) which in turn a wholly owned subsidiary of INGRS
- Sellers :

Name	Item
1. PT Tristar Makmur Kartonindo	Land & factory building
2. PT Kolega Dwi Semesta	Factory civil renovation
3. PT Raja Jaya Teknik	Factory mechanical and electrical installation
4. PT Cikarang Listrindo	Construction new power substation
5. PT Archimedia Consultants	Consultancy works on renovation and mechanical and electrical installation
6. Simpac Inc	1200T press machine
7. Ingress Technologies Sdn Bhd*	800T press machine
8. TS Automotive Co., Ltd.	Robotic system and welding equipment for assembly
9. PT MHE Demag Indonesia	Double girder travelling crane
10. PT JFE Shoji Steel Indonesia	Trial material for development
11. PT Autocar Industri Komponen	Production Equipment
12. PT Steel Centre Indonesia	Trial material for development
13. PT Duta Laserindo Metal	Trial material for development
14. PT Ridho Persada Teknik	Production Equipment
15. PT Duamitra Cemerlang Jaya	Computer hardware
16. PT Global Sukses Bersama	Computer software

Relationships: Ingress Technologies Sdn Bhd is the 70% subsidiary of IIM. The other sellers as listed above are not connected to PTIII or IIM in any aspect.

4. General characteristics, type of the transaction, and Basis used to determine the total value of consideration

- Land & Building: INGRS has entered into the Sale and Purchase Agreement (“SPA”) to purchase the land and building in which the purchase transaction in complied with the terms and conditions specified in the SPA.

Details	A plot of land with a factory building
Property location	Kawasan Industri Delta Silicon I, Desa Sukaresmi, Kecamatan Cikarang Selatan, Bekasi, Jawa Barat
Area	35,028 meter square
Property right	Right of Building until 24 September 2041 and can be extended for another 20 years afterwards
Ownership	PT. Tristar Makmur Kartonindo

The value of consideration of land and building is based on the price offered from the seller - PT. Tristar Makmur Kartonindo (“PTTMK”), according to the land price quotation letter of the project dated 31st October 2019 received from PT TMK.

PTIII acquired the land and factory and settled in cash for 5 instalment; the 4 instalment have been paid and the final instalment shall be settled within end of 2021.

- Factory renovation: PT III has entered into service supply agreement for the factory renovation with PT Kolega Dwi Semesta. The selection of the contractor is made based on full tender process participated by various contractors after consideration of pricing, timing, and expertise of each contractor. The consideration of the contract is based on the price quoted by the contractor based on market price and comparison with the other prices submitted for the tender. PT III had been settled the transaction in cash.
- Construction of Power Substation: PT III entered into service supply agreement for the construction of new power substation with the district Independent Power Producer (“IPP”) – PT Cikarang Listrindo. The selection is based on the requirement to increase the power capacity of the factory and the supplier is the IPP which supplies power to the industrial estate in the region. The consideration is based on price quoted by the supplier and at market rate. PT III had been settled the transaction in cash.
- Mechanical & Electrical Installation: PT III entered into service supply agreement for the mechanical & electrical installation in the factory with selected supplier - PT Raya Jaya Teknik. The selection of the contractor is made based on full tender process participated by various contractors after consideration of pricing, timing, and expertise of each contractor. The consideration of the contract is based on the price quoted by the contractors based on market price in reference to the tender submissions. PT III had been settled the transaction in cash.
- Renovation Consultancy: PT III entered into consultancy service contract for consultation for renovation and mechanical & electrical installation of the factory with selected supplier – PT Archimedia Consultants. The selection of the consultant is made based on full tender process participated by various consultants after consideration of pricing, timing, and expertise of each consultant. The consideration of the contract is based on the price quoted by the contractors based on market price and comparison with the other prices submitted for the tender. PT III will settle up the transaction in cash within end of 2021.
- Machine and Equipment: PT III entered into purchase contracts of development and supply of machine and equipment with selected supplier - TS Automotive Co., Ltd. The selection of the supplier is based on the capability and experience of the supplier as well as recommendation from customer. The value of the consideration is based on the price offer from supplier as well as market price. PT III has already paid 1 instalment in cash and the final instalment will be made within end of 2021.
- Press Machine 1,200T: PT III has entered into a purchase contract of 1,200T press machine with selected supplier - SIMPAC Inc. The selection of the contractor is made based on consideration and comparison with the same technical specification of the machine from various suppliers. The value of consideration is based on the price offer from the supplier as well as market price. PT III had been settled the transaction in cash.
- Press Machines 800T: PT III has entered into a purchase contract of used 800T press machines with a related company, Ingress Technologies Sdn Bhd. The purchase is to utilizing current machine within the Group which is below capacity. The value of consideration is based on the price offer from the supplier which is based on independent appraisal with additional costs of transportation and refurbishment. PT III will settle up the transaction in cash within end of 2021.
- Double Girder Travelling Crane: PTIII entered into a purchase contract of the double girder overhead travelling crane with selected supplier – PT MHE Demag Indonesia. The selection of the supplier is based on the specification of the equipment for the operation of PTIII. The consideration value is based on the price quoted by the supplier and within the market price. PT III had been settled the transaction in cash.

5. Transaction Size

Based on the reviewed consolidated financial statements as of 31st July 2021, the calculation size under the Notifications on Acquisition or Disposal are as follows:

Basis Calculation of Transaction Size	Method of Calculation	Transaction Size
1. Net Tangible Assets (NTA) Basis	$\frac{(\text{NTA of investment in the company}) \times (\text{Proportion of assets acquired or disposed}) \times 100}{\text{NTA of the Company}}$	Not applicable, as there is no purchase of shares in a business
2. Net operating profits basis	$\frac{(\text{Net operating profits of the investment in the company}) \times \text{Selling or Buying Ratio} \times 100}{\text{Net operating profits of the Company}}$	Not applicable, as there is no purchase of shares in a business
3. Total value of consideration basis	$\frac{(\text{Value of payment or receive}) \times 100}{\text{Total asset of the Company}}$	$\frac{1,162,369,684 \times 100}{5,149,458,000} = 22.57\%$
4. Value of equity shares issued for the payment of assets	$\frac{(\text{Equity shares issued for the payment of assets}) \times 100}{\text{Paid-up shares of the Company}}$	Not applicable, as there is no issuance of new securities as consideration for the acquisition of assets

6. Total value of consideration and value of assets acquired

The assets and value under the Acquisition and Disposal Rule are as follow:

Description of Assets	Amount in IDR	Amount in THB
Land and factory building	161,511,530,000	346,096,136
SIMPAC press machine 1200T	31,596,138,000	67,706,010
Chin Fong press machine 800T	59,454,645,100	127,402,811
Double girder traveling crane	1,884,250,000	4,037,679
Gantry crane 15T	747,000,000	1,600,714
Die spotting Machine	9,290,400,000	19,908,000
Scrap conveyor	3,504,410,000	7,509,450
Robotic system and welding equipment	119,008,453,000	255,018,115
M&E installations for assembly equipment	27,211,099,000	58,309,500
Development cost	1,820,431,000	3,900,925
Factory renovation & consultancy	25,095,985,000	53,777,110
Mechanical, electrical installation & consultancy	44,200,000,000	94,714,286
Computer and software	4,745,998,000	10,169,996
Furniture & office equipment	1,630,696,000	3,494,349
Production equipment development	50,738,147,000	108,724,603
Total	542,439,182,100	1,162,369,684

The details and values of the assets above represent those which have been contracted for as well as those that are intended to be acquired in the future by PT Ingress Industrial Indonesia ("PTIII") relating to the Project.

7. Expected benefits to INGRS

The assets acquired for the Project is part of the INGRS business expansion in Indonesia. The Project 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.

8. Sources of funds for the acquisition of assets

INGRS through its wholly owned subsidiary company, IIM will partly fund the acquisition through Islamic Term Financing for the sum of Ringgit Malaysia (RM) 150,000,000 or Baht1,187,000,000 offered by the Export and Import Bank of Malaysia Berhad (“EXIM Bank”) as well as the capital injection into PTIII.

9. Conditions on entering into the transactions (if any)

-Nil-

10. Opinions of the Board of Directors on entering into the transactions

The Board of Directors has considered the transaction and in the opinion that the assets acquisition is necessary to support the Group expansion and the transactions entered into are reasonable.

11. Opinions of the Audit Committee and/or directors which are different from those of the Board of Directors under Item 10.

-Nil-