

INGRESS INDUSTRIAL (THAILAND) PUBLIC COMPANY LIMITED

INGRS

2018/2019
ANNUAL REPORT



**ASIAN COMPANY
WITH GLOBAL REACH**

www.ingress.co.th

CORPORATE 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.



CORPORATE MISSION STATEMENT

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.

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FINANCIAL HIGHLIGHT

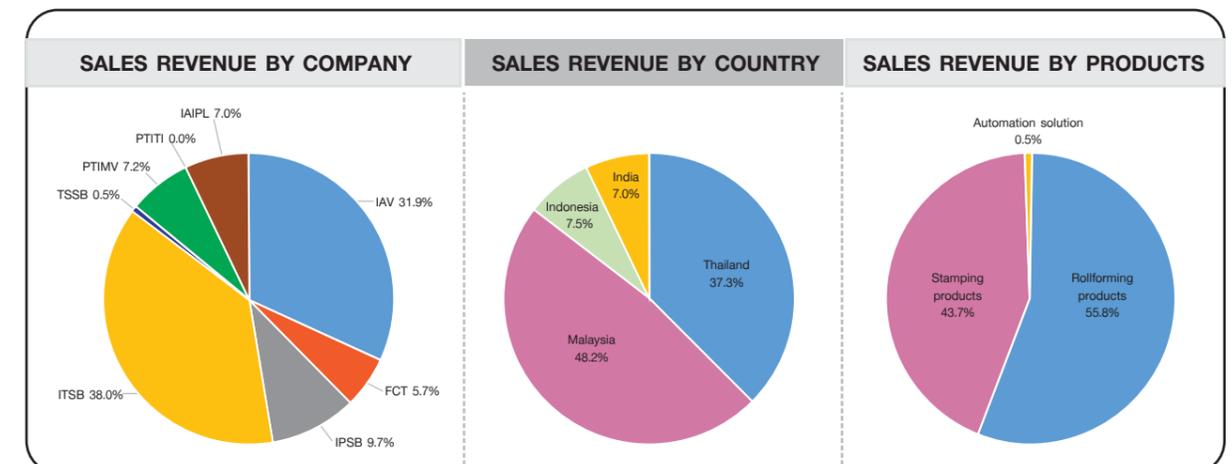
	Consolidated Financial Statements				
	FY2018/19	FY2017/18 (Restated)	FY2016/17	FY2015/16	* FY2014/15
Statement of Financial Position (Million Baht)					
Current Assets	1,173.8	1,259.4	1,362.3	1,173.7	1,597.7
Non-current Assets	3,068.2	3,221.8	3,163.0	3,222.9	2,897.8
Current Liabilities	1,014.9	1,155.5	1,302.5	1,237.1	1,439.9
Non-current liabilities	659.0	780.7	957.7	837.5	945.7
Paid up capital	1,446.9	1,446.9	1,185.4	1,185.4	1,185.4
Shareholder's Equity	1,758.4	1,739.5	1,444.3	1,470.0	1,246.7
Total Equity	2,568.1	2,544.9	2,265.1	2,322.0	2,109.9
Statement of Comprehensive Income (Million Baht)					
Sales Revenue	3,199.3	2,912.9	2,915.9	3,158.6	3,852.5
Gross Profit	633.0	644.3	636.4	642.0	715.0
Other Revenue	92.1	65.6	137.7	146.8	145.7
EBITDA	464.8	516.1	586.3	574.9	562.9
Net Profit Before Tax	99.5	142.8	193.4	210.0	180.3
Net Profit After Tax	76.4	147.2	210.4	177.0	209.3
Net Profit After Tax Attributable to Equity Holders	54.1	97.1	169.6	132.0	155.6
Earning per share	0.04	0.07	0.14	0.11	0.13
Dividend paid - interim	37.6	94.4	37.9	40.0	-
Dividend paid - final	37.6	37.6	37.9	37.9	-
Financial Ratios					
Current Ratio (times)	1.16	1.09	1.05	0.95	1.11
Gross Profit Margin (%)	19.8%	22.1%	21.8%	20.3%	18.6%
Net Profit Before Tax Margin (%)	3.1%	4.9%	6.6%	6.6%	4.7%
Net Profit After Tax Margin (%)	2.4%	5.1%	7.2%	5.6%	5.4%
Return on Total Assets (%)	1.3%	2.2%	3.7%	3.0%	3.5%
Return on Equity (%)	2.1%	3.8%	7.5%	5.7%	7.4%
Debt to Equity Ratio (times)	0.65	0.76	1.04	0.88	1.14
Dividend payout (% of Net Profit After Tax Attributable to Equity Holders)	139.0%	135.9%	44.7%	59.0%	0.0%

* The Consolidated results presented were based on the Common Control concept of which INGRS Group exists since the inception of the Group under Ingress Corporation Berhad.

REVENUE STRUCTURE

EXTERNAL SALES REVENUE (Million Baht)	Consolidated Financial Statements				
	FY2018/19	FY2017/18	FY2016/17	FY2015/16	FY2014/15
Sales Revenue by Company					
Ingress Autoventures Co., Ltd	1,021.5	972.6	984.7	1,024.5	1,314.3
Fine Components (Thailand) Co., Ltd	182.2	165.0	178.6	205.1	150.2
Ingress Precision Sdn Bhd	311.7	319.0	370.8	365.8	402.7
Ingress Technologies Sdn Bhd	1,214.3	1,217.7	1,132.2	1,343.1	1,721.1
Talent Synergy Sdn Bhd	17.0	12.6	9.4	15.3	6.7
PT Ingress Malindo Ventures	228.8	188.8	239.7	204.3	256.9
PT Ingress Technologies Indonesia	0.0	0.3	0.5	0.5	0.6
Ingress Autoventures (India) Pvt Ltd *	223.8	36.9	-	-	-
	3,199.3	2,912.9	2,915.9	3,158.6	3,852.5
Sales Revenue by Country					
Thailand	1,194.8	1,137.6	1,163.3	1,229.6	1,464.5
Malaysia	1,542.5	1,549.3	1,512.4	1,724.2	2,130.5
Indonesia	238.3	189.1	240.2	204.8	257.5
India *	223.7	36.9	-	-	-
	3,199.3	2,912.9	2,915.9	3,158.6	3,852.5
Sales Revenue by Products					
Rollforming products	1,785.8	1,517.3	1,595.2	1,594.6	1,973.9
Stamping products	1,396.5	1,383.0	1,311.3	1,548.7	1,871.9
Automation solution	17.0	12.6	9.4	15.3	6.7
	3,199.3	2,912.9	2,915.9	3,158.6	3,852.5

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



BOARD OF DIRECTOR'S MESSAGE



2018 marks the second year of our listing on the Stock Exchange of Thailand (SET), subsequent to Ingress Industrial (Thailand) Public Company Limited (INGRS) listing on 9 August 2017.

On behalf of INGRS Shareholders, Directors and Management, we would like to express our sincere gratitude and appreciation to Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET), our Financial Advisor - Maybank Kim Eng Thailand, our Auditor and Consultants for their support throughout the year.

INGRS' strong continued presence in Asian main automotive producing countries namely Thailand, Indonesia and Malaysia as well as India, comprising 10 manufacturing plants, allows INGRS to continue to serve our customers at the highest level. Continued strong partnerships with our Japanese and Korean partners has enabled INGRS to support products and tooling developments in line with all customers' requirements. INGRS' capabilities in implementing "Ingress Lean Management (ILS)" enables its continued excellence in operation management allowing INGRS to be competitive through its operations.

As of previous years, INGRS' performance has strong correlation to the economic performance of each countries. In the past years, GDP growth has been most encouraging. Thailand's GDP growth averaged at 3.8% in the last three years, whilst Malaysia and Indonesia both recorded improvements by 5.0% whilst India's GDP growth average at 7.0%. In 2018, total production of vehicles grew by 9.0%, 13.1% 10.4% and 9.8% for Thailand, Malaysia, Indonesia and India respectively.

Thailand's Domestic vehicle sales have reached 1,041,739 units which is higher by 19.5% as compared to the previous year. Meanwhile Malaysia, Indonesia and India's total domestic vehicles sales grew by 3.8%, 6.6% and 11.9% respectively. CBU exports increased by 11.3% from all the countries with the exception of Malaysia, and this is expected to further increase upon expansions of the OEMs in the regions.

Ingress Autoventures Co., Ltd. with plants in Eastern Seaboard Industrial Estate, Rayong and Hi-Tech Industrial Estate, Ayutthaya continues to be the most significant contributor in terms of profitability to the Group. Ingress Technologies Sdn. Bhd., the leading stamping and modular assembler in Malaysia on the other hand, remain as the main revenue generator to the Group.

With the full acquisition of Ingress Autoventures (India) Private Limited, the Group shall benefit fully from the huge potentials that the Indian automotive market have to offer, with 5.9 million units of vehicles assembled in 2017/18 with huge potential of growth in the upcoming years. INGRS continue to look at India as the next growth engine beyond the new plant in Manesar, Delhi.

For financial year ended on 31 January 2019, the INGRS Group's recorded sales revenue of THB 3.2 billion with net profit of THB 76.4 million. The revenue experienced an encouraging 9.8 % increase.

The Board of Directors are proposing the final dividend of THB0.026 per share, subject to shareholders' approval in May 2019 at the Annual General Meeting. With the declaration and payment of the final dividend, the dividend yield, inclusive of the interim dividend declared earlier would be 5.2% from the issued and paid up capital of 1,446,942,690 shares at Baht 1 per share.

For this reporting period of year 2018/19, we would like to extend our most sincere appreciation for the unflagging and continued co-operation and support from all our business partners, associates, customers, other stakeholders, our Board of Directors and employees. We look forward to your undivided support for the more challenging year in year 2019/20.

The Board of Directors

Ingress Industrial (Thailand) Public Company Limited



BOARD OF DIRECTORS

1

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

2

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

3

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

4

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

5

ABDUL KHUDUS BIN MOHD NAAIM
INDEPENDENT & NON-EXECUTIVE DIRECTOR

6

APICHAT SUTTISILTUM
INDEPENDENT & NON-EXECUTIVE DIRECTOR

7

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

8

SURIN WUNGCHAROEN
NON-INDEPENDENT & EXECUTIVE DIRECTOR



NUTHAVUTH CHATLERTPIPAT

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

Mr. Nuthavuth Chatlertpipat graduated with a Bachelor of Law (LLB.) and a Master of Law (LLM.) from Chulalongkorn University. He also holds a Bachelor of Business Administration (BBA) from Ramkhamhaeng University and a Certificate in English for Special Careers (Law) from Sukhothai Tammathirat University. A licensed attorney, Nutthavuth is also a Thai Barrister-at-law.

He is the Managing Partner of BKK Legal Limited. He has considerable experience in wide range of corporate and commercial areas. He started his legal practice in 1992. He had worked with various international law firms, namely J Koh & Co, DLA Piper and Watson Farley & Williams, during 2001-2012. He had been appointed as a member of the Risk Management Committee of the Botanical Garden Organization, Ministry of Natural Resources and Environment from 2012 to 2013.

He serves as an Independent Director of Ingress Industrial (Thailand) Public Company Limited ("IIT"), a member of the Audit Committee and the Chairman of the Nomination and Remuneration Committee. He has assumed the chairmanship of IIT since December 2017.



DATUK RAMELI BIN MUSA

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

Datuk Rameli Bin Musa holds a Bachelor of Engineering and a Master in Microwave Communications both from University of Sheffield, United Kingdom. He started his career as a lecturer in electronics and microwave telecommunications at University Teknologi Malaysia in 1972. He left Universiti Teknologi Malaysia in 1975 to work with Pemas NEC Telecommunications Sdn. Bhd., where he worked from 1976 to 1980 before joining Sapura Holdings Sdn. Bhd. rising to the post of Executive Vice Chairman. He is the founder of Ingress Group of Companies through the incorporation of Ingress Engineering Sdn Bhd in 1991. He is currently the Executive Vice Chairman of Ingress Corporation Berhad. He was honoured with the conferment of the Honorary Doctor of Engineering from Universiti Teknologi Malaysia on 13 October 2012.

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



HAMIDI BIN MAULOD

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

Mr. Hamidi Bin Maulod holds a Bachelor of Science in Industrial Engineering (1987) from the University of Toledo, Ohio, USA. He started his career at Mitsubishi Electric (Malaysia) Sdn. Bhd. in November 1989 until June 1994, after which he then joined Atasi Consultant as the Operation Manager until 1995.

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

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



DATO' DR. AB. WAHAB BIN ISMAIL

NON-INDEPENDENT & EXECUTIVE DIRECTOR

Dato' Dr. Ab. Wahab is an engineer by profession. He obtained his Doctor of Philosophy in Mechanical Engineering (Ph.D) from University of Leeds, United Kingdom. He started his career as a tutor in 1978 at University Kebangsaan Malaysia, Selangor and also served as lecturer in the same university from 1982 to 1984.

In 1984, Dato' Dr. Ab. Wahab left the university and joined several prominent corporate companies such as Perusahaan Otomobil Nasional Sdn. Bhd. (PROTON) and Sapura Holding Sdn. Bhd. with his last post being the Group Managing Director of Sapura Motors Berhad (presently known as Sapura Industrial Berhad). Dato' Dr. Ab. Wahab served as a Board member of Bina Darulaman Berhad from 2008 until 2013. Dato' Dr. Ab Wahab is a co-founder of Ingress Group of Companies and he is the Executive Director of Ingress Corporation Berhad and several other private limited companies.

Dato' Dr. Ab. Wahab is a member of the Nomination and Remuneration Committee and the Executive Committee.



ABDUL KHUDUS BIN MOHD NAAIM

INDEPENDENT & NON-EXECUTIVE DIRECTOR

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

His career started as an Audit Junior in Arthur Young & Co., Public Accountants, Kuala Lumpur from January 1976 to December 1976 and later served as Audit Senior at Ramoss Jassen & Partners, Chartered Accountants, London from July 1980 to December 1984. He was an Accountant at Islamic Finance House PLC, London from January to December 1985. He joined Syarikat Takaful Malaysia Berhad in January 1986 until August 1993 with his last position being the Senior Finance Manager. From September 1993 to December 1996, he was the Director of Corporate Affairs at Emile Woolf Group of Colleges, Kuala Lumpur. He later joined SKMN Associates, Chartered Accountants, Malaysia in January 1997 as a CITI Partner then with AKN Arif, Chartered Accountants since January 2000.

He served as a director and member of the audit committee for Inch Kenneth Kajang Rubber PLC, London from 2001 to 2009. He is the Chairman of the board of directors and audit committee of Concrete Engineering Products Bhd, Malaysia.

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



APICHAT SUTTISILTUM

INDEPENDENT & NON-EXECUTIVE DIRECTOR

Mr. Apichat Suttisiltum holds Bachelor of Science in Chemical Engineering from Chulalongkorn University and MBA from Thammasat University.

Mr. Apichat is an engineer by profession and has served various companies including as the Deputy Managing Director in Abico Holding PLC in 1992 to 1997, the Managing Director of Viriyah Food Industry Co. Ltd. from 2004 to 2007, Malee Sampran PLC as the Agribusiness Vice President from year 2007 to 2008 and the Group's Manufacturing Director of Tipco Food (Thailand) Public Company Limited from 2010 to 2011. In 2012, he joined 3I Energy Company Limited and served the Company as a director until present.

Mr. Apichat Suttisiltum is a member of both the Audit Committee and the Nomination and Remuneration Committee.



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

Datin Sri Farah Binti Datuk Rameli holds Bachelor in Electrical Engineering from University Teknologi Malaysia and is a holder of MBA in Engineering Management from University of Coventry, United Kingdom.

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



SURIN WUNGCHAROEN
NON-INDEPENDENT & EXECUTIVE DIRECTOR

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

He started his career in Somboon Group operation in 1983 to 1998. While in Somboon Group, he was appointed as a committee member to draft and prepare the Industrial Standard to manufacturing parts for Automotive Industry including coil spring, stabilizer bar, torsion bar, break lining and clutch disk. He was also responsible to audit the steel manufacturing industrial and had audited the steel manufacturing operations of Mitsubishi Steel Corporation in India. He joined Ingress Autoventures Co. Ltd. in 1998 and later joined Thai Auto Tools (Eastern) Co., Ltd. from 2012 until April 2017 as the Managing Director. He joined the Company as the Head of Corporate Services in 2015. He is a member of the Board of Directors since March 2017.

ORGANIZATION AND MANAGEMENT

The organization structure of Ingress Industrial (Thailand) Public Company Limited as of 31 January 2019 is as follows:



BOARD OF DIRECTORS

The Board of Directors of Ingress Industrial (Thailand) Public Company Limited consist of eight (8) qualified Directors, who have knowledge and experience in the automotive industry or other areas which are beneficial to INGRS operations. As of 31 January 2019, there were eighth (8) Directors, whose names are as follows:

No.	Name	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Executive Committee
1.	Mr. Nuthavuth Chatlertpipat	Chairman & Independent Director	Member	Chairman	-
2.	Datuk Rameli Bin Musa ¹	Executive Director	-	Member	Chairman
3.	Dato' Dr. Ab. Wahab Bin Ismail ¹	Executive Director	-	Member	Member
4.	Mr. Hamidi Bin Maulod ^{1,2}	Executive Director	-	-	Member
5.	Mr. Abdul Khudus Bin Mohd Naaim	Independent Director	Chairman	Member	-
6.	Datin Sri Farah Binti Datuk Rameli ¹	Executive Director	-	-	Member
7.	Mr. Surin Wungcharoen ¹	Executive Director	-	-	-
8.	Mr. Apichat Suttisiltum	Independent Director	Member	Member	-

Remarks:

- 1 Authorised directors (any two (2)) jointly signed together on behalf of the Company with the Company's seal affixed
- 2 Mr Hamidi Bin Maulod was appointed as the Executive Director of the Company effective from 1 September 2018.

The Board of Directors are appointed by and approved at the Shareholders Meeting to have the power and duties to appoint the Company's management, senior executives and directors and to monitor the Company's activities and performance. Roles and responsibilities between the Board of Directors and the executive management have been clearly defined and are conformed to laws, regulations, code of conducts and business ethics.

During the financial year ended 31 January 2019, the Company had organized meetings for Board of Directors, Audit Committee, Nomination & Remuneration Committee and Executive Committee as follows:

No.	Name	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Executive Committee
1.	Mr. Nuthavuth Chatlertpipat	6/6	5/5	3/3	-
2.	Datuk Rameli Bin Musa	4/6	-	2/3	9/9
3.	Dato' Dr. Ab. Wahab Bin Ismail	5/6	-	3/3	9/9
4.	Mr. Hamidi Bin Maulod ¹	2/2	-	-	5/5
5.	Mr. Abdul Khudus Bin Mohd Naaim	6/6	5/5	3/3	-
6.	Datin Sri Farah Binti Datuk Rameli	5/6	-	-	4/9
7.	Mr. Surin Wungcharoen	6/6	-	-	-
8.	Mr. Apichat Suttisiltum	6/6	5/5	3/3	-
9.	Mr. Abdul Rahim Bin Haji Hitam ²	4/4	-	-	4/4

Remarks:

- 1 Mr. Hamidi Bin Maulod was appointed as the Executive Director and Chief Executive Officer of the Company effective from 1 September 2018.
- 2 Mr. Abdul Rahim Bin Haji Hitam resigned as the Executive Director and Chief Executive Officer of the Company effective from 31 August 2018.

MANAGEMENT OF INGRESS INDUSTRIAL (THAILAND) PUBLIC COMPANY LIMITED

The Management of the Company according to the definition of Security and Exchange Commission is listed in the following table:

No.	Name	Position
1.	Mr. Hamidi Bin Maulod	Chief Executive Officer
2.	Mr. Surin Wungcharoen	Head Of Corporate Service
3.	Mr. Eddie Dzurraimin Bin Zulkipli	Group Chief Financial Officer
4.	Mr. Sarawoot Sriwannayos	Corporate Secretary and Head of Group Legal & Secretarial
5.	Mr. Supachai Meererg	Deputy General Manager, Sales & Business Development

Management Council (“MC”)

Management Council was formed to ensure that the business of the companies within the Group in Thailand, Malaysia, Indonesia and India follow the same direction. It also offered the Group’s Senior Management Officers an opportunity to meet and share ideas and experience in business, including jointly find solution if they face challenges in business environment. MC members comprise all high-ranking management of the Company and subsidiaries in Thailand, Malaysia, Indonesia and India. CEO (Mr. Hamidi Bin Maulod) serves as the Chairman of MC and the MC meeting gives high-ranking management of each company under the Group a chance to discuss and share opinions about the business conduct and the Group’s investment projects before proposing the issues considered and discussed in MC meeting to the meeting of Executive Committee and/or the Board of Directors Meeting for the approval.

As of 31 January 2019, the MC consists of the following members:

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

CORPORATE SECRETARY

The Board of Directors appointed Mr. Sarawoot Sriwannayos as Corporate Secretary for the Company, responsible for organizing the Board of Directors and its Committees’ meetings as well as preparing the notice and minutes of meeting. The Corporate Secretary is also responsible for the filling of documents as stipulated by laws, the SET and SEC Guidelines.

REMUNERATION

THE BOARD OF DIRECTORS’ REMUNERATION

The remuneration of the Board of Directors (“BOD”) was proposed by the Nomination and Remuneration Committee (“NRC”) taking into account the scope of duties, responsibilities, and performance of directors with reference to the comparison of directors’ remuneration of other listed companies engaged in the same industry having similar business size, performance and directors’ accountability and the report from the Thai Institute of Directors. Directors’ remuneration shall be considered and approved at the Annual General Meeting of Shareholders on annual basis.

The remuneration of directors for the financial year ended 31 January 2019 (“FY2018/19”) comprised annual remuneration and attendance allowance. There were no other benefits provided to directors other than the aforementioned. Details of the annual remuneration and attendance allowance are stipulated in the following table:

Annual Remuneration (person/year)	Board of Director	Audit Committee	Nomination & Remuneration Committee	Executive Committee
• Chairman	700,000			
• Member (Independent Director)	500,000			
Attendance Fee (per person/ meeting)	15,000	15,000	15,000	-

Each director is remunerated according to his/her responsibilities and attendance to meetings. The directors’ remuneration was paid only to independent directors, as the remunerations for executive directors were already included as part of the management’s compensations.

For FY2018/19, the Company paid the directors’ remuneration a total amount of Baht 2,330,000. The details of compensation paid by the Company to the Company’s directors during year FY2018/19 are as follows:

Name List	Remuneration	Allowance			Total
		BOD	AC *	NRC	
Mr. Nuthavuth Chatlertpipat	700,000	90,000	75,000	45,000	910,000
Mr. Abdul Khudus Mohd Naaim	500,000	90,000	75,000	45,000	710,000
Mr. Apichat Suttisiltum	500,000	90,000	75,000	45,000	710,000
Total	1,700,000	270,000	225,000	135,000	2,330,000

* AC : Audit Committee

DIRECTORS AND MANAGEMENT BENEFITS

During the financial year ended 31 January 2019 (“FY2018/19”) and 31 January 2018 (“FY2017/18”), the Group had employee benefit expenses payable to their directors and management as follows:

Consolidated financial statements		
	FY2018/19	FY2017/18
	(Million Baht)	(Million Baht)
Short-term employee benefits	87.7	83.4
Post-employment benefits	3.1	3.1
Total	90.8	86.5

EMPLOYEES REMUNERATION

The Company provides compensation and benefits to its employees in the form of salaries, wages, bonuses, contribution to social security and provident fund, as well as welfares and other benefits, which includes post-employment and long-term employees’ benefits. The remuneration paid to employees’ during FY2018/19 in the form of cash and cash equivalent was in a total amount of Baht 652.0 million, as compared to Baht 618.5 million in FY2017/18.

OTHER BENEFITS

PROVIDENT FUND

The Group has jointly established provident fund with its employees, where the Group and employees who are member of the funds contribute to the funds on monthly basis at the rate of 3.7% - 13% of wage of the basic salary. The fund will be paid to employees in accordance with the respective fund rules.

LONG-TERM EMPLOYEE BENEFITS

Except for Malaysian operation, Thailand, Indonesia and India operation provides compensation and severance pay to employees upon retirement and resignation in compliance with the respective country labor law.

EMPLOYEES

As of 31 January 2019 and 31 January 2018, the Group has in total 1,780 and 1,928 employees respectively, which can be classified as follow:

Location	31 January 2019	31 January 2018
Malaysia	714	815
Thailand	631	683
Indonesia	171	171
India	264	259
TOTAL	1,780	1,928

HUMAN RESOURCES DEVELOPMENT

The Company put great emphasis on human resources development and considers its employees as one of key important factors that drive the sustainable growth of the Company. The Company, therefore, has established the Group Training Department under Human Resource Department to manage trainings and development programs for employees of the Group in a systematic manner. The Company has targeted to develop the skills and abilities of employees at all levels to improve further the standard of quality and performance to the next level. The Company has encouraged employees to show their full potential and able to quickly adapt and respond to changes in technology and business needs and requirements of the industry.

The Company has set up and arranged trainings and development programs for its employees, considering the standard operational procedures, the needs of each department, and the basic skills of employees. It aims to educate employees to have knowledge and understanding of their work to be able to perform their duties safely and efficiently. Training courses are arranged according to objectives and goals and are reviewed every year, according to the following :

EMPLOYEE ORIENTATION

The employee orientation program is arranged for new employees to understand and become accustomed and conformed to the Company’s policies. This course provides information of the Company and its businesses, including vision, policies, rules and regulations, code of conduct and standard working procedures and communicates details of welfares and benefits that the Company has provided for its employees.

TECHNICAL AND PROFESSIONAL TRAININGS

The Company provides professional trainings in the areas relating to work and operations to develop and improve technical skills of employees to be able to perform their work efficiently, achieve standard of quality and under a safe environment. These technical skills training courses includes trainings related to the use of different types of machines, basic information relevant to work, working procedures and communication with customers, etc.

QUALITY, SAFETY, AND ENVIRONMENTAL TRAININGS

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

SUPERVISING SKILL TRAININGS

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

INGRS GROUP BUSINESS

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

BUSINESS UNIT		THAILAND	MALAYSIA	INDONESIA	INDIA
1. Automotive Parts Manufacturing	Roll Forming & assembly of PVC Moulding	Ingress Autoventures Co., Ltd ("IAV")	Ingress Precision Sdn Bhd ("IPSB")	PT Ingress Malindo Ventures ("PTIMV")	Ingress Autoventures (India) Private Limited ("IAIPL")
	PP/TPO Extrusion & assembly	IAV	IPSB	PTIMV	IAIPL
	Roll Forming Sash & assembly	IAV	IPSB	PTIMV	
	Stamping	Fine Component (Thailand) Co., Ltd. ("FCT")	Ingress Technologies Sdn Bhd ("ITSB")	PT Ingress Technologies Indonesia ("PTITI")	
	Fine Blanking	FCT			
	Welding & Assembly - Modular	FCT	ITSB		
	Acoustic Heat Management		IPSB	PTIMV	
	Door Hinges		ITSB		
	Collapsible Pipe	IAV			
	EGR Pipe	IAV			
	Plastic Lower Sash	IAV			
	Impact Beam		ITSB		
	Pantograph Jack Assembly		ITSB	PTIMV	
2. Design & Manufacture of Dies	Steel and Iron Press Dies	FCT			
	Fine Blanking Dies	FCT			
3. Design and Manufacturing of Industrial Automation system	"Custom made" System integration for industrial automation		Talent Synergy Sdn Bhd ("TSSB")		
4. Others	Authorized Agent of Fuji Robots from Japan		TSSB		
	Authorized Agent of Yajima for Nut Weld Feeder from Thailand and Japan		TSSB		
	Authorized Agent of Nawootec Co., Ltd from Korea for Welding gun and accessories		TSSB		
	Authorized Distributor of Neuromeka for collaborative robots ("COBOT") for ASEAN, India and Gulf countries		TSSB		
	Investment Activities	Ingress Industrial (Thailand) Public Company Limited	Ingress Industrial (Malaysia) Sdn Bhd		

MAIN BUSINESS

INGRESS INDUSTRIAL (THAILAND) PUBLIC COMPANY LIMITED [INGRS]



Ingress Industrial (Thailand) Public Company Limited or INGRS was incorporated in March 2014 as an investment holding company for the automotive component manufacturing business within Ingress Group. The establishment of INGRS enable all the automotive components manufacturing business in Thailand, Malaysia, Indonesia and India to be 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.

AUTOMOTIVE PARTS MANUFACTURING



INGRESS AUTOVENTURES CO., LTD. - IAV

IAV runs the business in the manufacturing and distributing the co-extruded mould parts, mouldings and door frames 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, AAT, 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.



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

FCT is the joint venture company with Iwamoto Co., Ltd of Japan. Operating from its plant in Banchang Rayong Province, FCT is mainly involved in the manufacturing and distributing of automotive metal parts, produced by stamping and fine blanking technology. FCT main customers are the leading Tier-1 and Tier-2 OEM suppliers of the automotive industry of Thailand such as Thai Asakawa, Bridgestone NCR, Valeo Automotive, Schott, Toyota Boshoku, AAPICO, Adient Summit

and INGRS Group. FCT also involved in design, fabrication and die maintenance services of fine blanking and stamping press die. Beside for in-house usage, FCT also supply dies to local and oversea automotive customers.



INGRESS TECHNOLOGIES SDN. BHD. – ITSB

ITSB runs the business in manufacturing and assembling of medium to high tonnage press automotive parts for sales to the OEM customers in Malaysia. With technical support from AOI Machine and Metal Tech of Japan, 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 similar Tier-1 suppliers. ITSB customers include major automotive

manufacturers in Malaysia including Perodua, Proton and Honda. ITSB operates from two plants, in Bukit Beruntung, Selangor and Kelemak, Malacca. The plants are equipped with modern technology, high speed press machines and automated assembly lines with the latest manufacturing system.



INGRESS PRECISION SDN. BHD. – IPSB

IPSB was established in 1994 involved in the manufacturing and sales of car sealing system and door frames for all the major OEM in Malaysia, including Proton, Perodua, Honda and Toyota. IPSB runs its operation in Nilai, Negeri Sembilan, in partnership and technical support from Katayama Kogyo Co., Ltd of Japan. Being ranked as a Tier-1, IPSB manufactures and sells the products directly to the OEMs and other Tier-1

suppliers. Being the pioneer in roll forming technology in Malaysia, IPSB maintains as the market leader for roll forming parts in Malaysia.



PT. INGRESS MALINDO VENTURES - PTIMV.

PTIMV was established in 2004 and operates from its factory in Jababeka, Indonesia. PTIMV, in partnership with a local company PT Tidar Adyagiri Sakti, Katayama Kogyo Co., Ltd and Yonei Co., Ltd of Japan, runs the business in manufacturing and distributing car sealing system and door frames to the main OEM customers in Indonesia, including Mitsubishi, Honda, Suzuki, Toyota and Daihatsu. PTIMV is ranked as Tier-1 supplier which manufactures and sells the products directly to the OEMs as well as to similar Tier-1 suppliers.



PT INGRESS TECHNOLOGIES INDONESIA. – PTITI

PTITI located in Jababeka, Indonesia is a wholly owned subsidiary of ITSB. PTITI is mainly involved in small parts stamping and heat shield production. PTITI manufactures and sells product as Tier-2 to Tier-1 suppliers namely PTIMV and Miyuki Indonesia.



INGRESS AUTOVENTURES (INDIA) PRIVATE LIMITED. – IAIPL

IAIPL was established in 2010 with the main parts manufactures and sells by IAIPL was roll forming products under the sealing system module, including, weatherstrip moulding, roof drip moulding and windshield moulding. IAIPL's main OEM customers in India are Maruti-Suzuki, Mahindra & Mahindra and Fiat. IAIPL also ranked as Tier-1 and Tier-2 suppliers in India. IAIPL's manufacturing plant is currently located at Gurugram,

Haryana, India and will be relocated to Manesar, which is closer to Maruti-Suzuki Manufacturing Plant in early 2019.

DESIGN AND MANUFACTURING OF INDUSTRIAL AUTOMATION



TALENT SYNERGY SDN. BHD. - TSSB

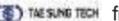
TSSB was established in 1995 and is mainly involved in the automation solution system provider for the automotive and other industry. TSSB focuses on the services of design, fabrication and installation of industrial automation system, customised to specific technical requirements of the customers. TSSB customers include INGRS Group, OEM's, other Tier-1 and other manufactures. Some of TSSB products also being

used by learning institutions and testing bodies. TSSB also provides after-sales service for the customers for the mutually agreed period of time.

INGRS MILESTONES

YEAR	MILESTONES
1991	Incorporation of Ingress Group  (Establishment of Ingress Engineering Sdn Bhd ("IESB") in Malaysia  on 7 May 1991)
1992	IESB entered into a Technical Assistance Agreement ("TAA") with Katayama Kogyo Co., Ltd ("KK")  from Japan on manufacturing of moulding parts
1993	First delivery by IPSB to PROTON  (Moulding related parts)
1994	Establishment of Ingress Precision Sdn Bhd ("IPSB") in Malaysia  on 5 January 1994, Joint Venture ("JV") with KK  for manufacturing of door sash and related automotive components
1995	Relocation of IPSB to Nilai, Negeri Sembilan. First delivery by IPSB to PROTON  (Sash related parts) Establishment of Talent Synergy Sdn Bhd ("TSSB") in Malaysia  on 13 July 1995
1996	Establishment of Ingress Autoventures Co., Ltd ("IAV") in Thailand  on 17 September 1996, JV with KK  and Yonei Co., Ltd  for manufacturing of automotive components First delivery by IESB to PERODUA  (Moulding related parts)
1997	IAV started to operate its automotive parts plant in Rayong, Thailand Establishment of Ingress Technologies Sdn Bhd ("ITSB") in Malaysia  on 3 September 1997, JV with PERODUA  for manufacturing and assembly of medium to high tonnage press automotive parts First delivery by ITSB to PERODUA  (Stamping related parts)
1998	First delivery by IAV to AAT  (Sash related parts) First delivery by IAV to MITSUBISHI  (Moulding related parts)
1999	Establishment of Ingress Corporation Sdn. Bhd. ("ICB") in Malaysia  on 9 August 1999
2000	ITSB started to operate its automotive parts plant located in Bukit Beruntung, Malaysia to produce doors-in-white for Perodua. ICB was converted into a public company (change its name to Ingress Corporation Berhad) on 2 March 2000.
2001	ICB was listed on Bursa Malaysia Stock Exchange  (2nd Board) First delivery by ITSB to PROTON  (Stamping related parts)
2002	First delivery by IAV to HONDA  (Sash and moulding related parts) First delivery by IAV to ISUZU  (Moulding related parts)
2003	Establishment of PT Ingress Malindo Ventures ("PTIMV") in Indonesia  on 19 March 2003, JV with PT Tidar Adyagiri Sakti 

YEAR	MILESTONES
2004	ICB was transferred to Main Board of Bursa Malaysia Stock Exchange  First delivery by PTIMV to MITSUBISHI  (Moulding related parts) First delivery by PTIMV to SUZUKI  (Sash related parts)
2005	First delivery by IAV to MITSUBISHI  (Sash related parts) First delivery by IPSB to PERODUA  (Sash related parts) First delivery by IPSB to TOYOTA  (Moulding related parts) First delivery by PTIMV to TOYOTA  (Sash related parts)
2006	IAV established an automotive parts plant in Rojana Industrial Park, Phra Nakhon Si Ayutthaya, Thailand, with the main purpose to manufacture and distribute automotive components to Honda  , Thailand. Acquisition of 100% shares in Fine Components (Thailand) Co., Ltd ("FCT") in Thailand  from Singaporean shareholders. First delivery by IAV to NISSAN  (Sash related parts) First delivery by ITSB to NAZA  (Stamping related parts)
2007	First delivery by PTIMV to SUZUKI  (Moulding related parts) First delivery by PTIMV to DAIHATSU  (Moulding related parts)
2008	Establishment of Ingress Autoventures (India) Pvt Ltd ("IAIPL") in India  on 24 July 2008
2010	First delivery by IAIPL to MARUTI SUZUKI  (Moulding related parts)
2011	PTIMV JV with KK  and Yonei Co., Ltd  for manufacturing of automotive components First delivery by IAV to GENERAL MOTOR  (Sash related parts) First delivery by IPSB to SUZUKI  (Moulding related parts) First delivery by PTIMV to DAIHATSU  (Sash related parts)
2012	Establishment of PT Ingress Technologies Indonesia ("PTITI") in Indonesia  on 3 October 2012. First delivery by IAV to SUZUKI  (Moulding related parts)
2013	ICB was delisted from Bursa Malaysia Stock Exchange  on 22 July 2013 First delivery by PTIMV to HONDA  (Sash related parts) First delivery by PTIMV to GENERAL MOTOR  (Sash related parts) First delivery by PTITI (through PTIMV) to TOYOTA  (Stamping related parts)
2014	Ingress Group's Restructuring started to be listed on Stock Exchange of Thailand ("SET")  Establishment of the Company, Ingress Industrial (Thailand) Co., Ltd ("INGRS") in Thailand  on 13 March 2014 with its aimed to operate as a holding company, offer shares, and be listed on the SET 

YEAR	MILESTONES
2014	Establishment of Ingress Industrial (Malaysia) Sdn Bhd (“IIM”) in Malaysia  on 21 February 2014 as a holding company of an automotive parts company in Malaysia to ensure that ITSB’s and IPSP’s permit for manufacturing operations complied with Malaysian Law
	FCT entered into JV Agreement with Iwamoto Co., Ltd (“Iwamoto”) 
	First delivery by IPSP to HONDA  (Moulding and sash related parts)
	First delivery by PTIMV to HINO  (Sash related parts)
	First delivery by PTIMV to HONDA  (Moulding related parts)
	First delivery by PTITI (through PTIMV) to HONDA  (Stamping related parts) First delivery by ITSB to HONDA  (Stamping related parts)
2015	Ingress Group’s Restructuring completed on 30 January 2015
	INGRS was converted into public company (change its name to Ingress Industrial (Thailand) Public Company Limited) on 9 December 2015
	ITSB entered into a TAA with Metaltech Limited  from Japan for the development of new project
2016	ITSB started to operate its automotive parts plant in Malacca, Malaysia for HONDA
	TSSB entered into a TAA with Tae Sung Tech Co., Ltd  from Korea for automation solution
	First delivery by ITSB to HONDA  (Stamping related parts) from Malacca Plant
2017	Acquisition of 100% shares in TSSB and 40% shares in IA IPL by IIM from ICB
	INGRS was listed on the Stock Exchange of Thailand (“SET”)  on 9 August 2017
	ITSB entered into a TAA with AOI Kikai Co., Ltd  from Japan for the development of new model
	Acquisition of the remaining 60% shares in IA IPL from Mayur Industries Pvt Ltd by IIM resulted in IA IPL become a subsidiary of IIM which was completed on 13 November 2017
	First delivery by IA IPL 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	IIM entered into TAA with Tae Sung Tech  for Hyundai Project  on 19 December 2018
	TSSB entered into Distributorship Agreement with Neuromeka  for ASEAN  , India  and Gulf countries Collaborative Robots (COBOT) distributor COBOT on 22 January 2019

BUSINESS OPERATION

INGRS business is mainly linked to automotive industry. Having operations in ASEAN countries and India with ten (10) factories, INGRS has elevated its position to become one of the “preferred Tier-1 supplier” in the region.

Thailand being the main Automotive Hub in the region, emerged as one of INGRS main revenue contributor. Since the start of Thailand Automotive Industry of more than 50 years ago, Thailand’s automotive sector has developed to be the biggest in Southeast Asia and one of the largest in the world. Thailand emerged as the key automotive base in ASEAN which are mainly due to its geographically strategic location, reliable supplier base, experienced industry expertise, larger production capacity and good infrastructure.

1. INGRESS AUTOVENTURES CO., LTD. (“IAV”)

1.1 IAV Business Strategy

Riding on the continued growth of automotive sector in Thailand, IAV emphasis in improving its manufacturing efficiencies whilst securing more business. Efforts in enhancing the “Lean” policy across the organization is in line with INGRS quest for continuous improvement and manufacturing excellence.

In IAV, best manufacturing practices has always been its main management policy. A good example is the SMPQCD management system, consisting of:

- **S – Safety** – Safety mind at all times
- **M – Morale** – An essence to becomes a dynamic and conducive organization
- **P – Productivity** – Improvement through automation concept
- **Q – Quality** – Build Quality in Process to achieve 0 ppm
- **C – Cost** – Managing cost and elimination of waste
- **D – Delivery** – 100% On Time Delivery

IAV’s quest for excellence is also testament to the IAV’s efforts on the implementation of Ingress Lean System or ILS. The ILS initiative includes “Just-In-Time” approach in maintaining reasonable stock level and eliminate waste at each stages of production. IAV is also committed in transforming the manual operations into automation processes, improving productivity, consistent product quality and higher degree of safety.

In line with the Intelligent Technology and as part of our initiative towards “Thailand Industry 4.0”, IAV has established a model line to record real time production information. The “Ingress Production On-Line System” or I-POS will be further extended to cover other production lines progressively. It is aimed that the I-POS will assist the management to make fast and accurate decision.

IAV will also continue with its Cost Awareness and Cost Reduction Program in identifying areas in the organization that can improve the overall profitability.

1.2 IAV Future Project

With the end of the first-time buyer scheme, the number of out-of-warranty passenger vehicles in Thailand is expected to exceed 14 million units by 2020, with more than five million units between the age of three and eight years, offering tremendous opportunities for automotive manufacturers in Thailand.

The OEMs such as Honda, Mitsubishi, Mazda, ISUZU and Nissan are expected to introduce new models commencing from 2019. These models are expected to continue to receive favourable market demand with new design and technologies with better fuel efficiencies.

Thailand also keen to expand its automotive manufacturing industry to produce green vehicles. The Eastern Economic Corridor (“EEC”) framework is designed to support various industries including automotive. Supporting this vision is the EEC initiative that places a great importance on bringing next generation automotive industry to Thailand, in particular, the electronic vehicle industry. This has create an added advantage for IAV as its current location in Rayong is within the three provinces of Chonburi, Rayong and Chachoengsao.

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

2.1 IPSB Business Strategy

IPSB is a joint venture between Ingress and Katayama Kogyo Co. Ltd of Japan. IPSB was established in 1994 with the core expertise is in the manufacturing and supply of:

- Roll-formed metal automotive door sash and related components.
- Roll-formed plastic co-extruded mouldings and weather-strips.
- Extrusion moulding and weather-strips.
- Heat Management system.
- Door Impact systems.

IPSB utilises unique, high-tech and high-precision manufacturing techniques which ensures the superior quality required in the production of those products for the complete assembly of car door module and sealing system.

IPSB major products are beltline moulding, weather-strip inner moulding, roof moulding and windshield moulding under the sealing system. As for door module category, IPSB’s product are door sash, rail assembly or inner sash and glass guide. Currently, IPSB is a sole supplier for door sash in Malaysia.

IPSB had been certified with IATF 16949, OHSAS 18001 and MS ISO 14001. In ensuring its position as the internationally recognized manufacturing. IPSB is also adopting best manufacturing practices in the work place with the implementation of ILS. such as 5S, morning market, kaizen and shop floor audits.

In pursuing to become a more efficient operating factory, IPSB have embarked on process automation starting with the glass guide assembly for process stability and consistency with the initial automated production line model in 2017. This initiative has expanded with the second automation line in 2018.

IPSB major customers are the key assemblers in Malaysia namely Proton, Perodua and Honda, as well as second Tier supplier to door trim manufacturers namely APM Plastic Sdn Bhd, Delloyd Industries Sdn Bhd and Azman Hamzah Plastik Sdn. Bhd.

IPSB has completed the development of Perodua new SUV in 2018 known as Perodua Aruz with the supply of both sealing system and door related products to Perodua.

2.2 IPSB Future Project

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

- New products for existing customers
- Existing products for new customers
- Non-automotive products utilising current technology

IPSB was awarded with Letter of Intend (LOI) by Honda for their new Passenger segment model that is expected to be launched in 2019. IPSB aims to penetrate one new customer in 2019 for the supply of heatshield, besides targeting new RFQ (Request for Quotation) for Honda and Perodua new models that are to be launched in 2020 and 2021 respectively.

Through Perodua’s new approach for model development for models under Daihatsu New Global Architecture (DNGA), IPSB has been shortlisted to conduct a technical study for their new model consists of moulding and door sash related products. In addition, IPSB had also been invited to participate in future new model of Perodua. Besides that, IPSB were given the opportunity to participate in another Honda new model that will be launched in 2020 and 2021.

Internal process improvement is always a major emphasis by IPSB. SAP computerization system for Procurement, Manufacturing and Logistic had been successfully commissioned in February 2018. Besides continuous efforts on operational improvement and automation program, IPSB will also embark on the introduction of Industry 4.0 mainly on the integration between SAP system and manufacturing processes.

3. PT. INGRESS MALINDO VENTURES (“PTIMV”)

3.1 PTIMV Business Strategy

In 2018, PTIMV continue to expand its business whilst sustaining the current business with major car assemblers in Indonesia by gearing up extensive efforts to secure new projects. With the competitive business environment, PTIMV has developed strategies to secure new projects by meeting customer expectation in respect of pricing and enhanced product technology. Besides that, the Quality, Cost and Delivery have been the key elements to fulfil customer satisfaction requirement.

Based on the supply volume and sales revenue in 2018, Mitsubishi, Suzuki, Honda, Toyota and Daihatsu continued to be the major customer for PTIMV. Mitsubishi is expected to maintain as PTIMV’s main revenue contributor in 2019 especially after the successful launching of their MPV Xpander into the market in September 2017.

Besides working on the new projects, PTIMV will continue its efforts in ensuring replacement of the phased-out models which will ensure continuity in its revenue stream for business survival in the future.

3.2 PTIMV Future Project

PTIMV were awarded with a new projects in 2018 and these projects are currently under development by PTIMV.

Among the secured projects are Nissan inner sash and Hino door frame. Further to this jack assembly for Suzuki model has been scheduled to be under mass production in 2019. Besides that, for Nissan/Mitsubishi project, the first sample for exhaust manifold has been submitted in 2018 for their technical evaluation.

PTIMV will continue to enhance its efforts aggressively to introduce more products for a wider range of customers in Indonesia.

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

4.1 ITSB Business strategy

Since its inception in September 1997, ITSB is one of the fastest growing company and major player for medium stamping business in Malaysia. With more than two decades of manufacturing experiences, ITSB has embarked into the business of body assembly and functional parts such as jack assembly, door hinges and brake/clutch pedal assembly. ITSB’s state-of-the-art manufacturing facilities coupled with modernization of automation assembly line has positioned ITSB ahead of its competitor. Meanwhile, stringent quality control and total implementation of manufacturing best practices such as ILS, Poka-yoke, Just-In-Time (JIT) and 5S has enabled ITSB to meet the customer’s requirement especially in Quality, Delivery and Cost. ITSB major customers are Perodua, Honda, Proton and as the Tier-2 supplier to PHN Industry Sdn Bhd that supply to OEM.

In 2015, ITSB has signed Technical Assistance Agreement (TAA) with Metaltech Ltd, a Japanese base company to strengthen its position as Tier-1 to OEMs in Malaysia. ITSB’s technical capability is further enhanced with the signing of another TAA with AOI Machine Co. Ltd., Japan in August 2017. Under these collaborations, ITSB will acquire access to technology transfer especially in production using high tensile material and higher tonnage press machine.

Realizing the importance of industry evolution, ITSB has actively participated in seminars and conference related to Industrial Revolution 4.0 (IR4.0). The Malaysian Government through its agency – Malaysia International Trade and Industry (MITI) and Malaysia Automotive, Robotics and IoT Institute (MARii) has offered assistance to companies interested to develop a model line for Industry 4.0 that very much related to robotics and IoT. In December 2018, MARii had conducted assessment on ITSB as one of the company representing the automotive vendors in Malaysia for the readiness during the development of National Policy Industry 4.0 preparation. MARii also providing programs that will help the transformation through the incentives offered by the Government. ITSB is also collaborating with University Malaysia Pahang on exploring the potential of adopting the Industry 4.0 at the production line.

4.2 ITSB Future Project

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

Perodua is preparing for future model development with the introduction of Daihatsu Global New Architecture (DGNA) which utilize common platform to all its new models. Due to new development procedure, Perodua will do the vendor selection and Simultaneous Engineering (SE) for the new model the same time with the development timing.

Honda has successfully remained its No.1 market position for Malaysian for non-national category in 2018. In order to retain its position, Honda will introduce replacement models for their existing models in the next few years. Due to encouraging market feedback, Honda will continue selling hybrid models in the future to optimize the Electric Efficient Vehicle (“EEV”) incentive introduced by Malaysian Government. The newly launched HR-V model has been gaining widespread attention and is creating much anticipation in the market. Attractive design, mobility connectivity and safety features are the key selling points of Honda models.

Proton has officially launched the Proton X70, the national carmaker’s first ever SUV in December 2018. The X70 is based on the most popular Geely Boyue, having Volvo’s DNA in this model. Proton is also expected to introduce new model to replace its current model in the near future.

ITSB aggressively exploring potential project with other OEMs in Malaysia. Expanding customers base is very important to ITSB as part of ITSB’s strategy to be less dependent to only a few existing customers.

5. PT INGRESS TECHNOLOGIES INDONESIA (“PTITI”)

5.1 PTITI Business Strategy

PTITI was established on 5 October 2012 and started its operation in November 2012 by supplying small brackets of Suzuki APV model to PTIMV. Currently the core expertise is in the manufacturing and supply of:

- Small stamping products
- Stamping of Heat Shield products

PTITI major products are small stamping parts (below 200 tonnes) and heat shield products. In order to achieve the international standard manufacturing company, PTITI had developed the quality system and had been certified with ISO 9001:2015 in October 2017. PTITI has also adopting best manufacturing practices in the work place such as ILS, 5S, and Kaizen.

PTITI major customers are PTIMV and PT Miyuki Indonesia that supply direct to the OEMs.

5.2 PTITI Future Project

PTITI had secured the supply of stamping child parts for jack assembly with PTIMV for new Suzuki replacement model.

Moving forward, a team was set up to look in the business expansion into medium stamping in Indonesia.

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

6.1 FCT Business Strategy

FCT is a joint venture company between Ingress and Iwamoto Co. Ltd of Japan. Established in 1980, FCT is the pioneer in Fine Blanking parts manufacturing in South East Asia. Since then, FCT had progressively evolved into a complete stamping manufacturer with various related core businesses:

- Fine Blanking stampers for precision automotive parts
- Normal Stamping for automotive brackets and accessories
- Die Making Services
- Die Maintenance Services

FCT utilises its expertise in precision fine blanking technology to supply components to various automotive Tier-1 and Tier-2 companies in Thailand. FCT also able to supply high precision normal stamping parts to its customers. To complement its stamping business, FCT had also embarked on die making and die maintenance with the support from its partner, Iwamoto Co., Ltd.

FCT major customers for its stamping business are Thai Asakawa, Valeo Group, Bridgestone, Topre, Siam Sera and Adient Summit.

As for the die making, FCT had supplied stamping dies for both fine blanking and normal stamping. Its current expertise and facilities enable FCT to produce dies ranging from small to large dies for both progressive and tandem die types. Currently, FCT supplying its dies to companies in Thailand, Malaysia, Indonesia and Japan like Topre, Hiruta, Ingress group, Valeo group, Thai Yashiro and others.

As part of its commitment to achieve the international standard in manufacturing management, FCT had been certified with IATF16949 and ISO 14001. For its die making & maintenance, FCT was certified with ISO9001. FCT is also adopting best manufacturing practices in the work place such as ILS, 5S, morning market, Kaizen and management shop floor visit.

In 2018, the stamping business benefited from various new products launched in Thailand and abroad which FCT has completed the development of 3 projects in 2018 for Valeo, IAV and Topre. As for die making business, FCT had completed several developments for customers in Thailand and Malaysia namely Perodua/ITSB Malaysia, IAV and Valeo.

6.2 FCT Future Project

For 2019, FCT forecasted to start mass production for both Schott’s Mitsubishi new model and IAV’s Honda new model in 4th quarter which are now under final stage of development. As a continuous efforts, focus will be given to get Request for Quotations (RFQ) and LOI from Topre, IAV, Able Sanoh, Bangkok Eagle Wing (BEW), Thai Yashiro, Aapico, Mitsui Siam Component and others for various new model’s development for Nissan, Honda and Isuzu.

The die making business is currently undertaking developments of new project for IAV, Aapico, Siam Senator, and several other re-tooling projects. FCT targeted to secure various LOIs from Thailand customers for various new models which will start development in 2019. For Malaysia market, FCT is expecting RFQ from ITSB and Ingress Katayama Technical Centre Sdn Bhd for Proton and Perodua new model developments.

To ensure that our business stay competitive, FCT will continuously upgrade its competitive advantages. In 2019, FCT will further upgrade the die making capability with additional double column machine and Coordinate Measuring Machine (CMM) Laser scanner. For stamping business, on top of implementing best practices, more automation will be introduced to improve our productivity quality and safety.

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

7.1 IAIPL Business Strategy

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

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

In line with IAIPL’s growth objectives and strategies, IAIPL will be shifting its current manufacturing facilities Gurugram to a new location by early 2019 which is located in key industrial zone of Manesar, Gurugram. This new factory offers sufficient expansion room to accommodate for additional capacities and also introducing more product segments in IAIPL.

Going forward, IAIPL aims to strengthen its presence in Maruti Suzuki supply chain through new products in new projects as currently Maruti Suzuki dominated almost 51% of market share in India. Besides that, Mahindra is the biggest Utility Vehicle OEM and fourth biggest in terms of total volumes of approximately 0.46 million vehicles in India. IAIPL started direct supplies to Mahindra from 2018.

With IAIPL’s focus on furthering product portfolio for Mahindra, IAIPL has received nomination for new Mahindra flagship projects. This breakthrough has metamorphosed IAIPL from being a single component supplier to key partner in designing and development of comprehensive sealing system components.

IAIPL aims to consolidate business with Fiat Group brands i.e. Fiat and Jeep. IAIPL is already a supplier to Fiat platforms and would start supplying components for Jeep platform from year 2019.

IAIPL successfully transitioned from TS 16949 to IATF 16949 including certification with OHSAS 18001 and ISO 14001 to ensure compliance with OEM system requirements.

On the manufacturing aspect, IAIPL is well on track to implement SAP Management Information Platform to optimize processes and reporting system and embarked into ILS to compliment best practices in the work place such as 5S, kaizen and morning market.

7.2 IAIPL Future Project

It is envisaged that India is expected to become third largest Passenger Vehicle market by year 2020 with a total volume expected to reach 6 million passenger vehicles per year with Maruti Suzuki will continue to dominate the market share in India.

To be in stream with Maruti Suzuki growth, IAIPL have quoted for two new projects and IAIPL is expected to receive more Request for Quotation (RFQ) in 2019.

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

As part of IAIPL diversification initiative, IAIPL has started supplies to Piaggio Vespa Scooter and is in final stage of developing two wheeler components for Bajaj Auto Ltd.

8. TALENT SYNERGY SDN. BHD. (“TSSB”)

8.1 TSSB Business Strategy

TSSB was established in 1995 and TSSB main activities are design, prototype development, fabrication, control system, assembly, testing, integration, installation/commissioning and after sale service.

TSSB core competencies are:

- Robotic and Programmable Logic Controller (PLC)
- System Integrator (SI)
- Simulation
- Design
- Engineering Services
- Industry 4.0

TSSB main products are:

1. Automated cell type lines for automotive and other industries
2. Specialized machineries
3. Testing equipment
4. Jigs and fixtures
5. Palletizing Robot
6. Engineering services

Since 2015, TSSB had initiated in-house self-development program and had finally supplied fully automated system for inner sash assembly lines for IPSB and IAV. TSSB also had successfully supplied and installed the press tending automation line for ITSB using the services of Korean Engineering Company.

To fulfil the Group ambition to increase automation level for productivity, quality, engineering capability and safety, TSSB has signed a Technical Assistance Agreement (“TAA”) with Tae Sung Tech Co., Ltd, Korea on 16 May 2016. The objective of the TAA with Tae Sung Tech Co., Ltd is to enhance TSSB capability to be full-fledge machineries and automation system integrator.

TSSB also has signed the agency agreement with various renowned companies to be the authorized dealer for the following products in Malaysia:

- Yajima Giken, INC Japan – Authorized dealer for various kinds of feeder system
- Fuji Yusoki Kogyo Co. Ltd, Japan – Authorized dealer for palletizing robot
- Nawootec Co. Ltd, Korea – Authorized dealer for welding equipment
- Neuromeka Co., Ltd, Korea – Authorized distributor for Collaborative Robots (COBOT)

In enhancing INGRS competitiveness, TSSB has helped the Group gradually transforming the manual to fully automated cell type production line using the above technology.

8.2 TSSB Future Project

TSSB had mostly participated in automotive automation projects in INGRS companies such as IAV, ITSB, IPSB and PT IMV.

Moving forward, TSSB will explore a vast potential automation projects outside automotive industry. In December 2017, TSSB received a letter of intent (LOI) to supply and develop a high-speed filling machine and robotized packaging lines from local company (Organic Gain Sdn Bhd - OGSB). The project is categorized under food industry.

TSSB also now working to enter furniture and beverages industry. Furthermore, initial discussion towards a win-win collaboration with renowned design house and robot integration companies is already being held.

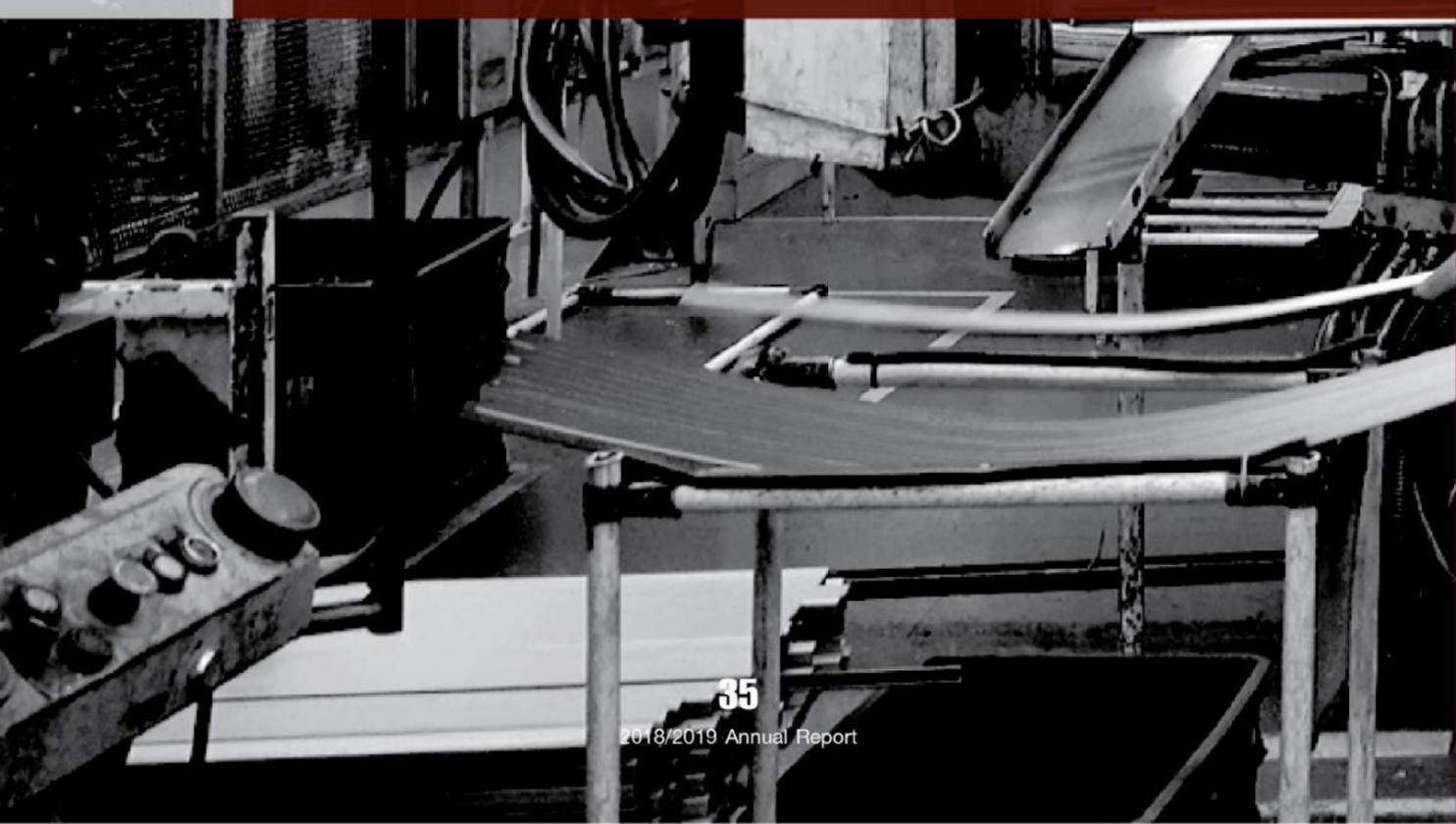
As the Government now embarks on industry 4.0 implementation in all industries, TSSB has been assigned to initiate and coordinate the implementation of the system in the Group. TSSB also has been shortlisted as one of the recipient for Industry 4.0 grant via Malaysia Automotive Institute (MAI) from MITI. This grant will further enhance TSSB core competencies to support TSSB and INGRS business vision.

Currently TSSB is studying on establishing a complete Industry 4.0 pilot projects at IPSB and IAV. With these projects, TSSB will offer customer with a “complete automated line” with linkages to SAP and Production Monitoring System (PMS) whereby information will be in real-time connected to PC and HP Managements.



INGRS PRODUCTS

INGRESS INDUSTRIAL (THAILAND) PUBLIC COMPANY LIMITED



ROLL FORMING PARTS

DOOR MODULE



Door Sash

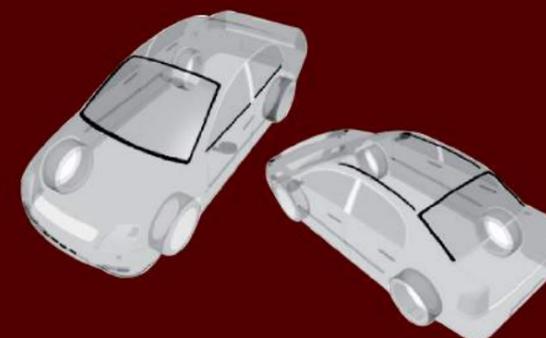


Glass Guide



Rear Centre Sash

SEALING SYSTEM



Windshield Moulding



Roof Drip Moulding



Beltline Moulding



Rear Window Moulding

EXHAUST SYSTEM



EGR Pipe



EGR Pipe



Bellows

STAMPING PARTS

MODULE ASSEMBLY

- Apron Front Fender Sub-Module Assembly
- Front End Module
- Panel Assembly A Pillar Body Inner
- Reinforcement Assembly Side Sill Outer
- Panel Assembly B Pillar Outer
- Reinforcement Assembly Tailgate Opening Upper
- Fuel Lid Assembly
- Panel Assembly B Pillar Inner

DOOR HINGES

- Door Hinge

SIDE STRUCTURE

- Stiff Comp
- Pir Comp L/R
- Sill Comp

UNDER BODY

- Frame Comp
- Sill Comp
- Sill
- Frame Comp
- Bracket, Jack Holder
- C/MBR

IMPACT BEAMS

- Impact Beam
- Tubular Impact Beam
- Trapezoidal Impact Beam
- Stamped Impact Beam

HEAT PROTECTORS

- Exhaust Manifold Heat Protector
- Protector Fuel Tank
- Insulator Front Floor Heat
- Heatshield
- Heatshield

FINE BLANKING PRODUCTS

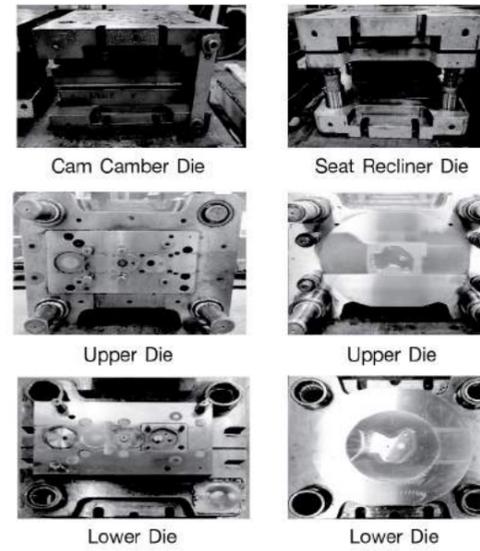


SMALL BRACKETS

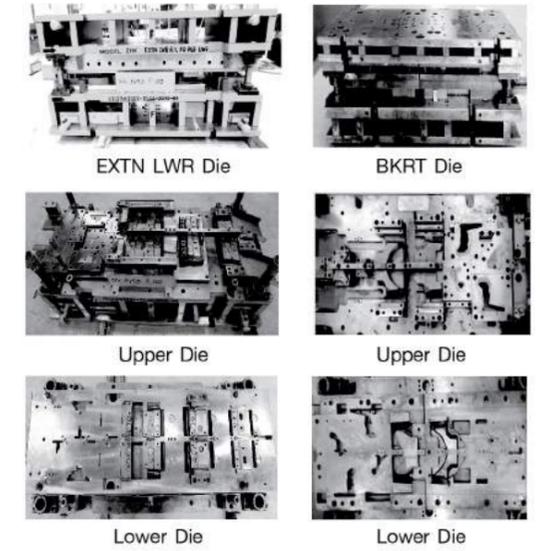


DIE MAKING PRODUCTS

FINE BLANKING DIES



NORMAL STAMPING DIES



AUTOMATION SOLUTION PROVIDER



AWARDS AND ACHIEVEMENTS

Ingress Industrial (Thailand) Public Company Limited

NEW AWARDS 2018/2019



Hino Delivery Award 2018



Hino Quality Award 2018



Daihatsu Production 2018



Toyota Quality Achievement 2018



KTB Zero PPM Quality & Delay Delivery Achievement - Jan 2019

INDUSTRIAL AWARDS



National QCC Convention CHAMPION in Manufacturing Sector in 2002



Frost & Sullivan 2010, 2009 & 2007 Automotive Component Manufacturer Of The Year : Malaysia



Champion of ICC Convention organized by Proton Holdings Berhad 2011



ASEAN Business Award Malaysia 2015



Matrade Award 2 March 2016



Industrial Excellence Award 2000 from Malaysian MITI



Winner for 5S Inter-Organization Competition 2001

CUSTOMER AWARDS



Ford Q1 Award



Mitsubishi Quality Achievement Award



TOYOTA TPS Award



AAT Excellent Cooperative Quality Supplier Award



The Best Overall Vendor in PERODUA Myvi Development



PROTON'S Vendor Award 2nd Runner-up Best Quality Performance (Non-SMI) 2008/09



Proton Awards nomination - For Best & Overall For Quality 2003



Runner up for Proton Award For Best Quality 2007



Perodua Awarded: Excellent Cost Control Vendor 2007



Certificate Of Appreciation for Best Quality, Cost & Delivery Performance (Non-SMI) 2012



Finalist for Proton vendor award 2013



Q Award for Best Quality Performance from AAT



Recognition of Good Delivery Performance (Rank A) to ADM Assembly Plant 2011



Superior Quality and Delivery Award 2012/2013



Appreciation of Mitsubishi Vehicle Production Support Achievement



Appreciation for Supporting the 2 million unit Production Achievement



Appreciation for Q.C.D Performance



Appreciation for Supporting the 4 million unit Production Achievement



The Great Support and Contribution to the succes of Mitsubishi Vehicle Production



Appreciation for Continuous Support, Cooperation and Contribution Together Achieved 100.000 units Production



Recognition of Supplier Quality Excellence Award



Recognition of Good Delivery Performance (Rank A) to ADM Assembly Plant 2013



Best Quality Award 2017



Excellent Quality Status Recognition 2017



Hino Appreciation of Quality Performance Award 2016

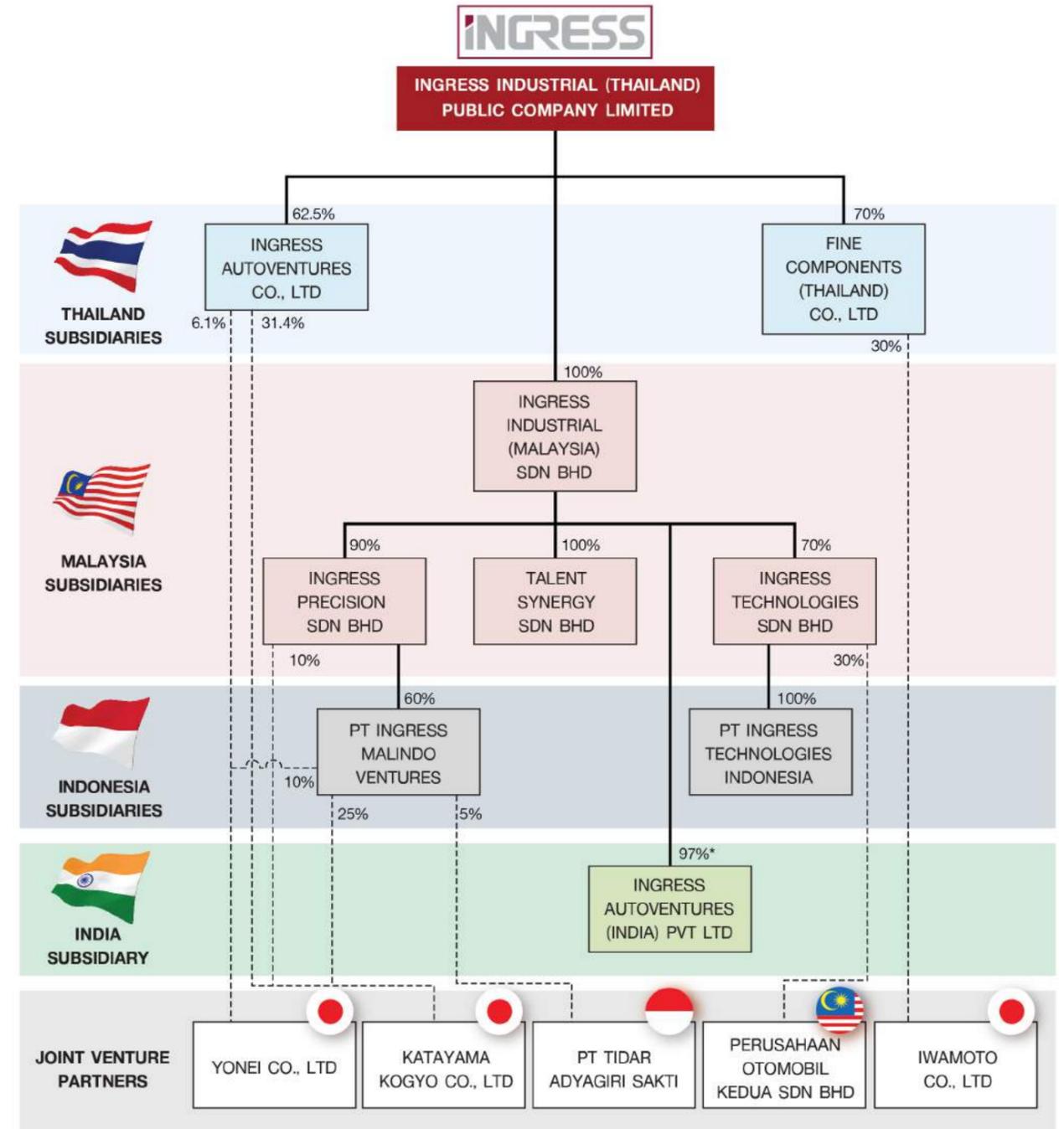


Toyota Indonesia Certificate of Appreciation for Quality Target Achievement 2017

LOCATION OF MAIN FACILITIES



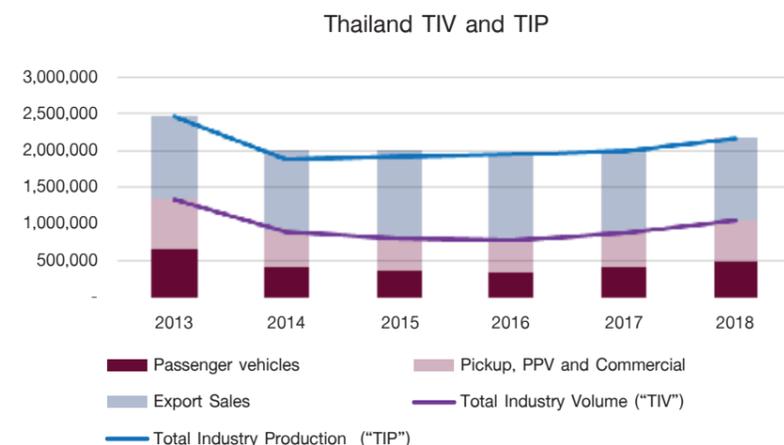
COMPANY HOLDING STRUCTURE



* The remaining 3% shares owned by individual.

COMPETITION AND INDUSTRY TREND

Overview of Thailand Market in 2018



Thailand TIV in 2018 recorded at 1,041,739 vehicles, increase by 19.5% from 2017. Strong contribution from both passenger vehicle and commercial vehicle segments resulted in the overall Thailand TIV surpass the 1 million mark, first time since 2013.

Thailand TIP in 2018 recorded at 2,167,694 vehicles, increase by 9.0% from 2017. The increase in the overall domestic demand resulted in the overall Thailand TIP surpass the 2 million mark, first time since 2013.

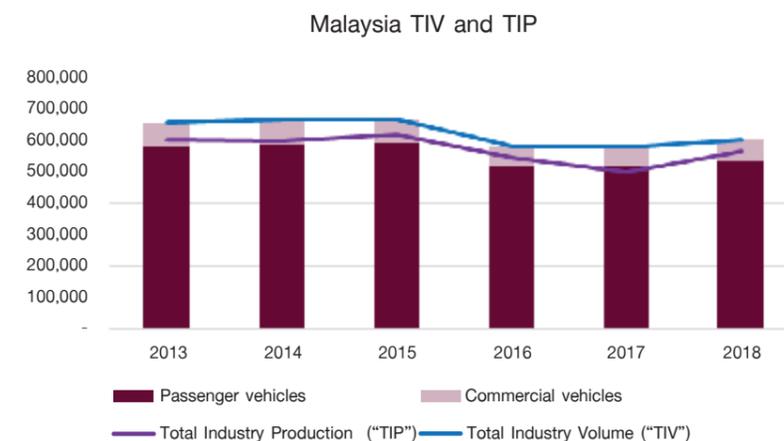
THAILAND	2013	2014	2015	2016	2017	2018
Passenger vehicles	663,746	411,402	356,063	328,053	399,681	481,646
Pickup, PPV and Commercial	666,926	470,430	443,569	440,735	471,969	560,093
Total Industry Volume ("TIV")	1,330,672	881,832	799,632	768,788	871,650	1,041,739
Export Sales	1,128,152	1,128,102	1,204,985	1,188,515	1,139,696	1,140,640
Total Industry Production ("TIP")	2,457,057	1,880,007	1,913,002	1,944,417	1,988,823	2,167,694

Source: Federation of Thai Industries ("FTI")

The increase in Thailand TIV and TIP in 2018 mainly from the growth in domestic consumption as it witnessed a strong growth in 2018 from an improving wages and subdued inflation. The launching of several new and/or facelift models such as Toyota Camry, Honda Civic, Ford Endeavour, Toyota Fortuner TRD and Mitsubishi Triton led to higher domestic sales particularly passenger vehicles alongside with the attractive promotions offered by the respective brand.

FTI forecast that TIP in Thailand are expected to decrease by 0.8% to 2.15 million units in 2019. FTI estimates the production for domestic sales to increase 2.4% to 1.05 million units while production for exports to decrease 3.7% to 1.10 million units in 2019.

Overview of Malaysia Market in 2018



Malaysia TIV in 2018 recorded at 598,714 vehicles, increase by 3.8% from 2017. The increase in domestic demand was mainly due to the Goods and Service Tax ("GST") tax holiday for three months from June 2018 to August 2018 prior to its abolishment starting from 1 September 2018 and replace with the Sales & Service Tax ("SST") which resulted in an overall vehicle price reduction during the tax holiday period. The switch from GST to SST is in line with the new

MALAYSIA	2013	2014	2015	2016	2017	2018
Passenger vehicles	576,640	588,341	591,298	514,545	514,679	533,202
Commercial vehicles	79,104	78,124	75,376	65,579	61,956	65,512
Total Industry Volume ("TIV")	655,744	666,465	666,674	580,124	576,635	598,714
Total Industry Production ("TIP")	601,407	596,418	614,664	545,253	499,639	564,971

Source: Malaysia Automotive Association ("MAA")

Government's 14th General Election ("GE14") manifesto to abolish GST. This made Malaysia the first country in the world to switch from the GST back to SST.

Malaysia TIP in 2018 recorded at 564,971 vehicles, increase by 13.1% from 2017. The increase in Malaysia TIP was in tandem with the growth in Malaysia TIV in 2018.

After taken into account the Malaysian and global economic environment factors, MAA forecast that TIV in Malaysia are expected to increase by 0.2% to 600,000 units in 2019.

Overview of Indonesia Market in 2018



INDONESIA	2013	2014	2015	2016	2017	2018
Passenger vehicles	880,032	879,464	736,797	861,987	844,224	875,325
Commercial vehicles	349,779	328,564	276,721	200,742	235,310	275,966
Total Industry Volume ("TIV")	1,229,811	1,208,028	1,013,518	1,062,729	1,079,534	1,151,291
Export Sales	170,958	202,273	207,691	194,397	231,169	264,553
Total Industry Production ("TIP")	1,208,211	1,298,532	1,098,780	1,177,797	1,216,615	1,343,714

Source: Gabungan Industri Kendaraan Bermotor Indonesia ("GAIKINDO")

Indonesia TIV in 2018 recorded at 1,151,291 vehicles, increase by 6.6% from 2017. New model launch, most notably the Mitsubishi Xpander and increased government spending supported the increase in domestic demand. It was also an indicator that the automotive market in Indonesia has shown a consistent trend of purchasing with the signal to further growth in the near future. This was supported by the steady and convincing economic growth

with rapid and massivedevelopment of infrastructure projects implemented by the Government.

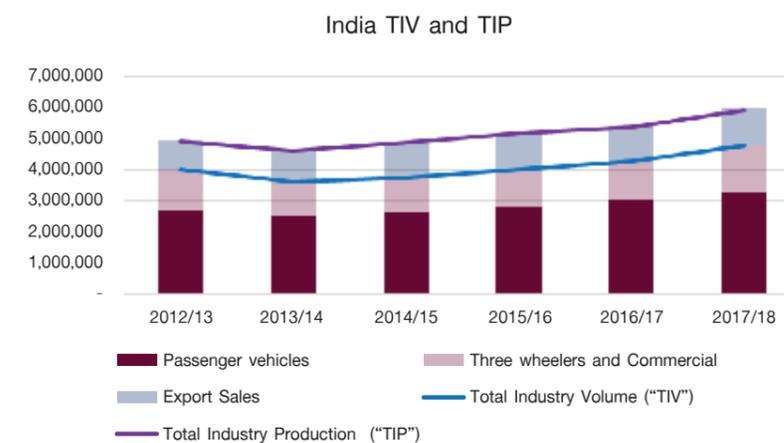
Indonesia TIP in 2018 recorded at 1,343,714 vehicles, increase by 10.4% from 2017, which was parallel with the steady growth of Indonesia TIV.

Although the relatively new low-cost green car ("LCGC") has gained popularity in Indonesia, most Indonesians still prefer to buy the multipurpose vehicle ("MPV"). Indonesians love the MPV, known as "people carriers", as these vehicles are bigger and taller than most other vehicle types. Indonesians need a big vehicle because they enjoy taking trips with the family. The MPV can typically carry up to seven passengers. Car manufacturers are aware of high MPV demand in Indonesia and therefore continue to launch new models. Manufacturers now particularly focus on improving the design of the MPV to entice Indonesian consumers.

Indonesia total export sales in 2018 recorded at 264,553 vehicles, increase by 14.4% from 2017. Indonesia's export sales have been rising steadily over the past three years and are expecting to increase in the future.

GAIKINDO forecast TIV in Indonesia are expected to maintain at 1.1million vehicles in 2019 but the country targets exports of 400,000 completely build-up ("CBU") vehicles in 2019, increase from 264,553 vehicles in 2018. Indonesia exports CBU vehicles to the Philippines, Saudi Arabia and Vietnam.

Overview of India Market in 2018



INDIA	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Passenger vehicles	2,665,015	2,503,509	2,601,236	2,789,208	3,047,582	3,287,965
Three wheelers and Commercial	1,331,501	1,112,936	1,147,574	1,223,912	1,225,961	1,492,151
Total Industry Volume ("TIV")	3,996,516	3,616,445	3,748,810	4,013,120	4,273,543	4,780,116
Export Sales	942,529	1,026,584	1,115,880	1,160,618	1,138,892	1,225,156
Total Industry Production ("TIP")	4,903,455	4,617,116	4,868,736	5,185,841	5,395,644	5,926,835

Source: Societv of Indian Automobile Manufacturers ("SIAM")

Note: Yearly period from April to March

India TIV in 2017/18 recorded at 4,780,116 vehicles, increase by 11.9% from 2016/17. Strong contribution from passenger vehicles, three wheelers and commercial vehicles segment resulted in the overall India TIV maintaining the 4 million mark for the third year in a row.

India TIP in 2017/18 recorded at 5,926,835 vehicles, increase by 9.8% from 2016/17.

The automobile industry in India is world's fourth largest,

with the country currently being the world's 4th largest manufacturer of vehicles and 7th largest manufacturer of commercial vehicles in 2017.

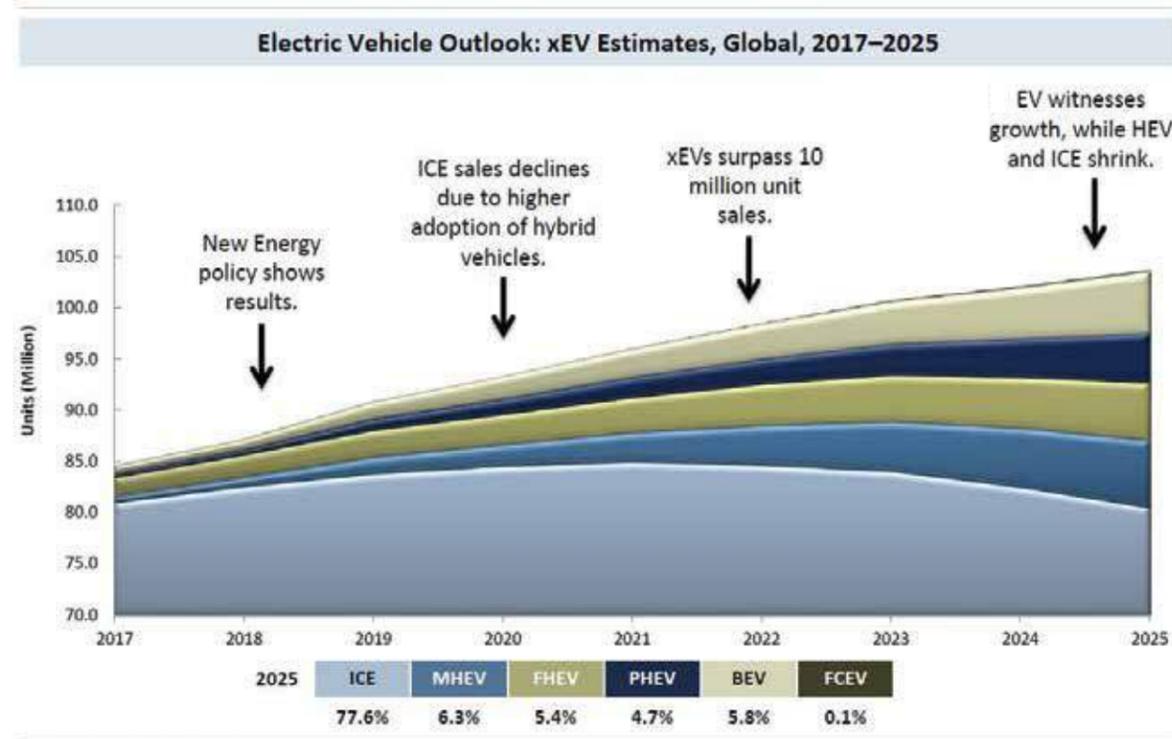
The Indian Government aims to develop India as a global manufacturing as well as a research and development ("R&D") hub. It has set up National Automotive Testing and R&D Infrastructure Project ("NATRiP") centers as well as a National Automotive Board to act as facilitator between the Government and the industry. Under NATRIP, five testing and research centers have been established in India since 2015.

The Indian Government has also set up an ambitious target of having only electric vehicles being sold in India. Indian automotive industry is expected to see 8-12 percent increase in its hiring during 2018/19. The Ministry of Heavy Industries, Government of India has shortlisted 11 cities in India for the introduction of electric vehicles (EVs) in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme. The first phase of the scheme has been extended to March 2019 while a second phase is expected soon.

Electric Vehicles (“xEV”) Outlook

GLOBAL TRENDS

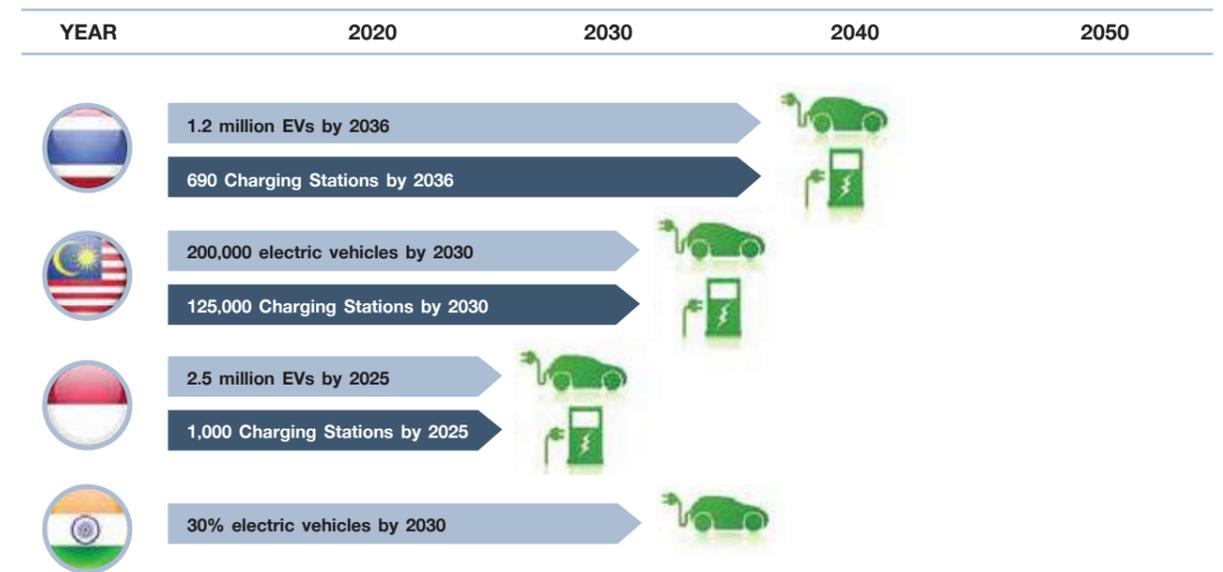
More than 23 million xEVs is expected to be sold by 2025, accounting for 22% of the passenger vehicle demand.



Remarks

ICE	Internal Combustion Engine	FHEV	Full Hybrid Electric Vehicle	BEV	Battery Electric Vehicles
MHEV	Mild Hybrid Electric Vehicle	PHEV	Plug - In Hybrid Electric Vehicles	FCEV	Fuel Cell Electric Vehicles

NATIONAL LEVEL GOALS ON EVs



PROCESS OF ROLLING OUT POLICIES TO SUPPORT EV DEVELOPMENT

- Thailand has released incentive programs to attract investment, aiming to be the global hub for EV manufacturing, even integrating economic zone development with EV Development.
- Malaysia’s approach is ‘technology neutral’, not limited to EVs only. The National Automotive Policy focuses on Energy Efficient Vehicles (EEVs), now complemented by the Low Carbon Mobility blueprint.
- Indonesia intends to release Presidential Regulation to accelerate EV development, focusing on pushing adoption at all levels.
- Indian Government is shaping up policies with a thrust on clean mobility and to encourage mass adoption of vehicles having zero effect on the environment.

RISK FACTORS

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries (“ the Group”) remains committed in meeting its vision and strategic objectives. In order to achieve this effectively, it is critical for the Company to possess the capability of managing risks to an acceptable level for the achievement of strategic objectives in line with its vision. The Board of Directors has a stewardship responsibility to understand these risks, provide guidance on dealing with these risks and to ensure risks are managed proactively, in a structured and consistent manner.

The Group Risk Management unit has been assigned to embark into Enterprise Risk Management (“ERM”) framework where it will be used as a tool to manage the Group’s key risks on a continuous basis. ERM risk policy was developed, which has been communicated and implemented throughout the organization. ERM process covers all activities in a systematic and productive way to reduce the magnitude of impact and likelihood of occurrence of an event that causes a company to not achieve its objectives and goals.

For the financial year ended 31 January 2019, together with the Management, the Group Risk Management unit has reviewed and assessed the Group’s key risk factors which can be categorized and described as follows:

1. STRATEGIC RISKS

1.1 Changes in government’s policies & regulations

As a result of political or socio-economic instability of any foreign country, where Thailand had experienced several upheavals in the past, any changes to the government’s policies or regulations would have an impact to the growth of domestic economy and automotive industry in terms of product demand and production volume. This will generally affect the automotive components manufacturing business and directly to the Company’s business strategy and direction. Management’s key strategy to address this risk is by building closer relationship with the local authorities.

1.2 Investment-related risk

Investment model failure could have significant financial impact towards the Group on the investment amount spent and finance cost incurred from bank borrowings. It may also affect the Group’s long-term sustainability. Therefore, the Group has managed this by enhancing its investment evaluation and monitoring processes.

Continuous monitoring is important in ensuring the performance and quality of the investment is able to meet the expected return of investment. Ineffective investment monitoring where current investment performance data is not generated may affect decision making processes and lead to possible investment failures. Key strategy in addressing this risk is by improving the procedures of investment monitoring within the Group.

2. FINANCIAL RISKS

2.1 Forex risk

The Group is exposed to forex risk in its overseas business operations and procurement dealings, especially in raw material purchases. Moreover, the Group also faces exchange rate risks in consolidating the financial results from its foreign subsidiaries. Unfavorable changes in the exchange rate between Thai Baht and the relevant foreign currencies could result in adverse financial impact to the Group. To mitigate this, the Management has a system in place to closely monitor exchange rate movements between its base currencies, Thai baht against all other currencies transacted.

The Group protects itself from the risk by keeping up closely with the movement of raw material prices and by using central purchasing systems or CPS to source the primary production materials. Under CPS, OEMs determine the type of material to be used as primary raw materials for automotive components manufacturing, primary raw material supplier and trading price of the primary raw materials. The duty of the Group is to purchase primary production materials based on the order and requirements of OEMs. The Group will negotiate with OEMs for the possibility to appropriately adjust the price of automotive components to correspond with cost and price fluctuation of primary production materials. That agreement can, at certain level, reduce the impact of price fluctuation of the primary production materials that can have on the Group’s business performance.

2.2 Risks of interest rate fluctuation

A significant portion of the Group’s overall outstanding loans are conditioned with floating interest rates. The floating rates pose a risk to the Group as when the reference rate fluctuates upward, the financing cost of the Group will be affected.

The Group has a risk mitigation measures by tracking closely the interest rate movements. The Group also 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. The Group will consider many alternatives other than commercial banks that can offer more acceptable financing cost.

2.3 Risks of insufficient insurance coverage for the Group

Although the Group attempts to mitigate the risk of losses and/or damage to the major assets as well as its employees by purchasing insurance in the amount believed to be sufficient and at the same standard as other operators in the same industry. However, there is still a risk to the Group as the coverage of losses and/or damages or impact caused by the damage may not be completely compensated, or the actual damage cost exceeds the sum insured, such as insurance against flooding in Thailand. This may have an effect on the financial condition and operating results of the Group. The Group also faces a risk of not getting coverage, partially or in whole, for the losses or damages regarded as cases for exclusions.

The Group's policy is to follow the industry practice in obtaining the insurance that can cover the sufficient and acceptable amount of potential losses resulting from the business operations.

The Group has taken a preventive action for the risk of damages causing to its operating assets due to controllable or preventive accidents or events. The Group continuously follow the best practice and safety standards in running the plant in accordance with related laws of all the countries the Group is operating in. This can control the risk from events or accident that may cause material damage to the operating assets of the Group.

3. COMPLIANCE RISKS

3.1 Non-compliance with regulatory requirements

Failure to comply with regulatory and/or statutory provisions or requirements (such as Stock Exchange of Thailand, Securities and Exchange Commission of Thailand, Thailand Civil and Commercial Code B.E. 2468 (1925), Public Limited Company Act B.E. 2535 (1992), Securities and Exchange Act B.E. 2535 (1992), Thailand's Factory Act, B.E. 2535 (1992) and Enhancement and Conservation of National Environmental Quality Act, B.E. 2535 (1992), Malaysia's Environmental Quality Act 1974, and Indonesia's Law No. 32 of 2009 on Environmental Protection and Management) may cause regulatory bodies to initiate legal actions towards the Group, which in turn could affect the Group's reputation.

Among the key strategies to address this risk is to allocate specific resources to ensure that any regulatory requirements are well monitored and submitted on a timely manner. Enhancement to the procedures of compliance management was also deployed on top of providing more training and education to the relevant personnel in the Group.

4. OPERATIONAL RISKS

4.1 Customer-related risk

Dependence on a handful of customers for a significant portion of revenue may impair the Group's business profitability. The Group's vulnerability in losing any of these customers within the Group would pose a negative impact towards its growth strategies. Poor customer relationship management or inability to meet customers' expectations may result in customers discontinuing their supply-relationship with any of the subsidiaries.

Among the established action plans to mitigate this risk revolve around applying customer retention strategies and internal resources management in the areas of close monitoring of customer's satisfaction survey results.

Continuously securing new business or customers is crucial for the long-term sustainability of a company apart as an avenue to fund its new investment or project. The inability to secure new business would disrupt the Group in achieving its targeted revenue and possibly loss of market share and its brand recognition.

The Management's action plans in order to minimize the probability of this risk occurring was to carry out situational analysis and response planning by performing a detailed benchmarking against customers' requirements and technological gap analysis between existing capabilities and future demands. In addition to that, it was deemed that the marketing and customer relationship management should also be improved.

4.2 Quality issues

Product quality is the key success factor for automotive industry because the defects or low quality product is unacceptable; they can cause serious accident and consequent effects. The Group is at risk of losing customers and its reputation and may be sued by the end consumers for the damages caused by below-standard product.

The Group aims at controlling product quality through a continuous improvement on production process and procedures as well as product's quality control. Such measures give an assurance to a certain level that there is low risk for product quality. The Group and its partners from Japan have taken necessary actions to control and improve the product quality continuously in order to earn acceptance from various OEMs.

4.3 Management risks

Loss of key management staff and inability to fill the vacancy via a proper succession planning may disrupt the Group to achieve its desired results. In lieu of this, the Group has taken risk measures by adopting a succession planning framework for critical positions across the companies within the Group.

SHAREHOLDING STRUCTURE

As at 31 January 2019, Ingress Industrial (Thailand) Public Company Limited (“the Company”) has a registered and paid-up capital of Baht 1,446,942,690, all of which are ordinary shares at par value of Baht 1 each. As at todate, the Company does not have any other securities with terms and conditions different from ordinary shares.

TOP 10 SHAREHOLDERS OF THE COMPANY

No.	Name	Number of Shares	Holding %
1.	Ingress Corporation Berhad (“ICB”)	868,499,770	60.023
2.	Mr. Kiattisak Tritruengtassana	57,292,700	3.960
3.	Thai NVDR Co., Ltd.	20,929,900	1.446
4.	Mr. Vasin Phatikulset	15,180,000	1.049
5.	Mr. Wutthiphol Pariyakanok	14,000,000	0.968
6.	Ms.Thanyarat Sopajitwattana	11,674,300	0.807
7.	Mr. Pichai Vichakphan	11,000,000	0.760
8.	Mrs. Oraphin Chupanichsakul	8,452,900	0.584
9.	Mr. Suthep Ratchatasomboon	8,045,000	0.556
10.	Mr. Sakchai Yodvanich	8,000,000	0.553
	Others	423,868,120	29.294
TOTAL		1,446,942,690	100.000

Source: Thailand Depository (Thailand) Co., Ltd. (Information at the closing of share register book on 18 April 2019)

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.

DIVIDEND POLICY FOR THE COMPANY

It is the Company’s policy to pay dividend at the minimum rate of 40% of net profit attributable to Equity holders of the Company on consolidated financial statement and after fund has been reserved as required by Law. The dividend payment will depend on investment plan, conditions and restrictions by the loan agreement or related agreements (if any), financial condition and operating results and other related factors of the Group. The Board may occasionally review and revise the dividend policy to align with the future growth plan of the Group, demand for capital fund and working capital as well as other factors deemed appropriate.

As the Company is a holding company, its major asset is the investment in the subsidiaries. The dividend payment ability of the Company, thus, depends mainly on the operating results and the receipt of dividend from its subsidiaries.

DIVIDEND POLICY FOR SUBSIDIARY COMPANY

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

CORPORATE GOVERNANCE

Principles of Good Corporate Governance of Ingress Industrial (Thailand) Public Company Limited

Ingress Industrial (Thailand) Public Company Limited (“the Company”) endeavors to manage its business by adhering to principles of good corporate governance, as it recognizes the benefits and importance of good corporate governance, which contributes to the management of work and business operations in a transparent manner and takes into consideration the best interests of all interested parties in all respects, as well as maintaining verifiability. In order to increase its competitiveness and the shareholders’ equity in the long term, the Company has, therefore, established a corporate governance policy in writing, the details of which are set out below:

SECTION 1: RIGHTS OF SHAREHOLDERS

The Company has given importance to equal rights of all shareholders in obtaining accurate, sufficient and timely information concerning its operation so that they can make sound investment decisions. The Board of Directors thus has formulated the following policies:

1.1 Corporate governance policy with respect to basic rights of shareholders

The Company has the duty to protect and respect basic rights of shareholders, which include the right to purchase, sell or transfer shares, the right to be allocated profits derived from business operations, the right to adequately receive news and information with respect to the businesses of the Company and its subsidiaries, the right to attend and cast their votes in shareholders’ meeting in order to appoint or to remove directors, to appoint an auditor, to allocate dividends, to make amendments to the articles of association or memorandum of association, to reduce or increase capital and to approve special transactions which relevant laws require them to be considered and approved by meeting of shareholders.

The Company also encourages its shareholders to exercise their basic rights in the Annual General Meeting of shareholders, such as the right to propose meeting agendas to be included in the Shareholders’ Meetings in advance, the right to nominate person(s) for election as director(s) in advance, the right to send questions prior to the Shareholders’ Meeting and the right to express their opinions and to raise questions in the Shareholders’ Meeting, amongst others.

The Company refrains itself from undertaking any acts deemed to be a violation or limitation or deprivation of rights of shareholders to review and study information which the Company is required to disclose in compliance with regulatory requirements prior to Shareholders’ Meeting and rights to attend Shareholders’ Meeting; for example, additional documents containing material information shall not be presented unannounced and meeting agenda items shall not be added or material information shall not be changed without prior notice being given to shareholders.

The Company has a duty to facilitate all shareholders in attending Shareholders’ Meeting and exercising their basic rights in terms of appropriate meeting place and time.

1.2 Corporate Governance Policy with respect to Rights of Shareholders to Attend Meeting of Shareholders

The Company has a policy to provide all shareholders in advance with details regarding date, time, venue and agendas to be considered and approved in the meeting of shareholders. The Company will provide shareholders with vital and sufficient data which would allow shareholders to cast their votes in each agenda reasonably and appropriately. The Company will send all data and documents which is required by law to its shareholders prior to the Shareholders’ Meeting so that they have sufficient time to review and study such data and documents.

Minutes of Shareholders’ Meeting shall be prepared with completeness, accuracy and transparency. They shall include details regarding issues and questions raised by shareholders as well as opinion they expressed during the meeting for future reference or verification. The Company shall post minutes of Shareholders’ Meeting on its website and send them to the Stock Exchange of Thailand within 14 days from the date of meeting.

1.3 Corporate Governance Policy with respect to Conducting Meetings of Shareholders

The Company has a policy is to facilitate, to the fullest extent as possible, its shareholders in attending and casting their votes in the Shareholders’ Meeting. The Company will not undertake any acts that would deprive shareholders’ opportunities to attend and to cast their votes in such meeting.

The Company will notify its shareholders of the rules, regulations, steps and procedures with respect to conducting Shareholders’ Meeting in invitation to shareholders’ meeting as well as at the meeting. The person chairing the meeting shall notify shareholders attending the meeting of the rules, regulations, steps and procedures for conducting the meeting as well as voting procedures for each agenda. Such details shall be recorded in minutes of Shareholders’ Meeting. In addition, the Company has a policy to give its shareholders opportunity to submit questions relevant to the matters to be discussed and voted at Shareholders’ Meeting prior to the date of meeting.

The Company ensures that all shareholders will be given an opportunity to raise questions or issues relevant to meeting’s agenda items and to express their opinion during the meeting. All questions and comments of shareholders as well as clarifications given by directors and/or executives shall be recorded in all minutes of Shareholders’ Meeting for future reference and verification.

The Company has given importance to convening of Shareholders’ Meetings and encouraged all shareholders to attend them. Shareholders could not cast their votes in any agenda in which they have interest.

The Company and its subsidiaries convene their Shareholders' Meeting to consider, acknowledge or approve important matters in relation to their operations. Quorum and procedures in convening their respective Shareholders' Meetings are subject to securities rules and regulations, public and private company law of each country they have operated in as well as provisions under their respective Articles of Association as well as Joint Venture Agreements.

Shareholders' Meetings of the Company and its Thai subsidiaries shall be physically convened. Shareholders' Meetings of Malaysian, Indonesian and Indian subsidiaries may be either physically held or held using circular resolution, subject to relevant regulatory requirements of Malaysia or Indonesia or India as the case may be.

For every meeting of shareholders of all subsidiaries that is physically held, the Company will send its director or executive which is appointed in the Board of Directors Meeting to attend and cast its votes in the meeting. Quorum and procedures in convening their respective Shareholders' Meetings are subject to securities rules and regulations, public and private company law of each country they have operated in as well as provisions under their respective Articles of Association as well as Joint Venture Agreements.

For every meeting of shareholders of all subsidiaries that is held using circular resolution, the Company will exercise its voting right to ensure its votes reflect its actual stake and interest in each subsidiary.

Quorum and procedures in convening their respective Shareholders' Meetings are subject to securities rules and regulations, public and private company law of each country they have operated in as well as provisions under their respective Articles of Association as well as Joint Venture Agreements.

For meeting of shareholders of Malaysian subsidiaries, that of Indonesian subsidiaries as well as Indian subsidiary and that of subsidiaries in any other jurisdictions (if any in the future) in which local laws allow voting by hands, the Company, as the major shareholder of each subsidiary, will exercise its right (via its director or executive who is appointed in of Board of Directors Meeting to attend and cast its votes in the meeting of shareholders of each subsidiary) to arrange such that voting by poll applies in the meeting.

In the meetings of shareholders of the Company and its subsidiaries, one-share-one-vote rule applies. Unless otherwise required under relevant rules and regulations, Articles of Association of the Company and its subsidiaries or Joint Venture Agreements the Group entered into with its partners, a majority of votes of the shareholders present and voting at the meeting is required, provided that in the case of an equality of votes, the person presiding over the meeting shall have an additional vote as a casting vote.

In casting its votes in the meeting of shareholders of each subsidiary, the Board of Directors of the Company shall take into account relevant factors in deciding whether to vote for, to vote against or to abstain from

vote casting in each agenda item. In this regard, the Board of Directors shall monitor to ensure that its director or executive who is appointed to attend the meeting will cast its votes in each agenda item in accordance with resolution of the meeting of the Board of Directors.

SECTION 2: EQUITABLE TREATMENT OF SHAREHOLDERS

The Company recognizes that all shareholders must be treated equally and has thus established the following important policies:

2.1 Proposing additional matters to be discussed and approved at the shareholders' meeting

The Company's policy is to facilitate minor shareholders in proposing additional meeting agenda items prior to the date of the Shareholders' Meeting. In this regard, all additional agenda items to be proposed for discussion at the meeting by the shareholders and consideration thereof shall be in accordance with relevant rules and regulations.

The major shareholders who hold executive/director positions shall not add additional meeting agenda items without giving advance notice thereof unless in the case of necessity, particularly important agenda items which require the shareholders to take time to study the information before making a decision.

In the meeting of the Board of Directors, interested directors could not cast their votes in the meeting. In the meeting of shareholders, interested shareholders could not cast their votes in the meeting.

2.2 Nomination of candidates for directorship

The Company's policy is to facilitate its minor shareholders in nominating candidates for the position of directors. In this regard, all nominations by the shareholders and consideration thereof shall be in compliance with relevant rules and regulations.

2.3 Encouraging shareholders to use proxy form in the case that they are unable to attend the meeting in person

The Company encourages the shareholders to use proxy form which allows the shareholders to indicate their vote. At least 1 independent director shall be nominated as their proxy, and the Company will attach the aforementioned proxy form to the invitation to the meeting.

2.4 Encouraging shareholders to use voting ballot

The Company encourages the use of voting ballots for important meeting agenda items, such as the entering into connected transactions, acquisition or disposal of material assets, etc. to maintain transparency and verifiability in the event of disagreement at a later date.

2.5 Giving shareholders the opportunity to exercise the right to appoint individual directors

The Company encourages the shareholders to exercise their right to appoint directors on an individual basis.

2.6 Preventive measures against the use of inside information to seek unlawful benefits

The Company has established measures in its Code of Conduct to prevent its directors, executives and employees and those of their subsidiaries from unlawfully using inside information or any confidential information of the Company and its subsidiaries for their own benefits or those of others, for securities trading or for undertaking any acts that may give rise to conflict of interest. Such measures are stipulated in the Code of Conduct.

Furthermore, the Corporate Secretary has also been assigned as the person responsible for conveying the regulations with respect to disclosure of information and monitoring and ensuring that the Board of Directors and the executives report their securities holding in compliance with the law, including disclosing information regarding the interests of and related transactions and requiring that all directors and executives who have the duty to report their interests, as provided by the law, notify the Company thereof.

SECTION 3: ROLES OF INTERESTED PARTIES / STAKEHOLDERS

The Company recognizes and gives importance to the rights of all groups of interested parties, and not only those which it is required to take into consideration in compliance with the law. The Company has identified groups deemed as interested parties and established policies and measures for acting in the interests of the interested parties. The interested parties of the Company can be categorized as follows:

3.1 Employees and their families

The Company treats all employees politely and pay respect to their individualism. The Company will compensate employees based on the consideration of their works in a fair manner and in a way that is quantifiable under relevant laws. It also aims to continuously promote and develop knowledge and working skills of its personnel, such as by means of organizing training sessions and seminars for its executives and employees. The Company ensures that it treats all of its employees fairly and equally, for example, with respect to employee evaluations, confidentiality regarding employment history and the exercise of the various rights of the employees. The Company places paramount consideration in ascertaining the employment environment is safe, healthy and effectively facilitates work. Henceforth, the Company will make sure that it strictly complies with all relevant labor laws.

3.2 Shareholders

The Company has long realized that shareholders are its owners. It thus has duty to create long-term value added to all shareholders. The Company thus requires all directors, executives and employees to adhere with the following guidelines:

- 3.2.1 They shall act based on principles of fiduciary duties with professionalism to ensure all shareholders are fairly treated and their best interests are well protected;

- 3.2.2 They shall present accurate and sufficient data regarding the Company's financial status and performance as well as its other important information on a timely basis;

- 3.2.3 They shall inform all shareholders the Company's future trends using accurate and sufficient data;

- 3.2.4 They shall not abuse the Company's confidential information that has yet to be publicly released in the way that may give rise to conflict of interest, whether for their own or others' benefits; and

- 3.2.5 They have duty not to act in the ways that may deprive or violate rights of shareholders such as failure to send shareholders important documents or information prior to Shareholders' Meeting or substantial change of information without providing them prior notice.

3.3 Customers

The Company has a duty to maintain good relations and to cooperate with customers in the long term, based on the principles of honesty, reliability and mutual trust. It has a duty to satisfy its customers to the extent possible by means of taking responsibility for, acting in the interests of and considering the issues and needs of the customers as its priority, whereby all executives and employees shall comply with the measures pursuant to this policy. The Company will perform work based on the principles of ethics and will not solicit, receive or pay dishonest benefits to the customers and creditors. Furthermore, the Company is not only committed to deliver products and services of high standard which meet the needs of the customers but also striving to adhere to the various conditions as agreed upon with the customers to the best of its abilities.

3.4 Creditors

The Company treats its creditors based on the principles of mutual benefits and fair rewards by avoiding potential conflict of interest. Problem solving is based on the principle of long-term business relation. Accordingly, the Company will not solicit, receive or pay any illegal benefits to its customers and creditors and will always fully comply with all conditions as agreed with its creditors. Should the Company unable to comply with any of such conditions, it will inform its creditors in advance so that they can look for proper solutions.

3.5 Competitors

The Company has a policy to treat its competitors on a fair and appropriate basis. It will not use any inappropriate or illegal ways to solicit competitors' data. To make sure that this is observed, the Company will act based on the principle of fair competition, will not use any inappropriate or illegal ways to solicit competitors' data and will not defame its competitors using inappropriate ways. Currently, the Company has a policy to promote and encourage fair and free competition.

3.6 Suppliers

The Company will make certain that it will create and maintain good long-term relation with all of its suppliers and provide equal opportunities to all suppliers in presenting and proposing their goods and services. In deciding whether to select or not to select any suppliers, the Company will take into account their products quality as well as proposed trading terms and conditions so that its best interests are taken care of.

3.7 Regulatory Agencies

The Company will fully conform to all applicable rules and regulations. Therefore, the Company has a policy to provide necessary support to state activities.

3.8 Communities local to each company's place of business

The Company and its employees are committed to behaving and conducting themselves as good citizens and in ways that benefit society and community. The Company has a duty to treat the communities local to each company's place of business amicably and to give assistance to and promote the livelihood of the communities, as well as to be responsible for remedying any situation arising as a consequence of the Company's business operations, in a fair and equitable manner.

The Company also has a duty to oversee and support activities which are beneficial to society and to willingly cooperate with governmental and non-governmental organizations and to make sacrifices for the better good.

3.9 Surrounding Environment

The Company and its employees are committed to behave and conduct themselves as good citizens and in ways that benefit society and community.

SECTION 4: DISCLOSURE OF INFORMATION AND TRANSPARENCY

The Company has a policy to disclose information regarding the Company, including financial information and other information in relation to its operations, in an accurate, complete, timely, and transparent manner, via easily-accessible channels, and in a fair and reliable manner.

4.1 Internal control and entering into transactions with potential conflicts of interest

At all times, the Company will use its best endeavor to prevent and eliminate any potential conflicts of interest by prescribing that asset acquisition/disposition transactions, connected transactions and transactions with potential conflicts of interest are in compliance with relevant regulations/guidelines as prescribed by the SEC and the SET. To achieve this, the Company will undertake necessary acts to ensure that its directors and/or executives and/or major shareholders, as the case may be, do not operate or engage in any businesses that are similar to or compete with that of the Company and its subsidiaries, or that

may cause an adverse impact to the Company's and its subsidiaries' competitiveness, or enter into related transactions whereby the other benefits resulting thereof may be in conflict with the best interests of the Company or its subsidiaries.

The directors and/or executives and/or major shareholders of the Company, as the case may be, shall inform the Company if they hold shares in companies whose business operations are similar to or compete with that of the Company or its subsidiaries in order for the Company and the Audit Committee to consider whether or not such shareholding is in conflict with the best interests of the Company and its subsidiaries.

4.2 Disclosure of Information

The Company warrants that preparation and disclosures of Company's information are compliance with relevant laws or regulations via the SET's and the Company's websites. The Company will proceed as necessary to ensure disclosed information is accurate, not misleading in nature and sufficient. In addition to the disclosure of Annual Registration Statement form (56-1 form), Annual Report (56-2) and other data that are required to disclose via SET channel, the Company prepares and disseminates its important data in both Thai and English via its website. Information disclosure will be continuously made and updated so that investors would get access to up-to-date data. The report of changes in the holding of Company's shares of directors and executives have been disclosed and reported to the SEC in a timely manner.

The Board of Directors has given importance to accurate, reliable, sufficient and reasonable financial reports. Thus, the Company's financial reports are prepared based on generally accepted accounting principles. Management has adopted proper accounting policies and they will continuously, strictly and appropriately be applied. The Company's financial reports are prepared with due care, with sufficient and accurate data being disclosed in the notes to financial statements. The Board of Directors has also arranged for effective and efficient internal control system to reasonably ensure that the Company's and its subsidiaries' accounting and financial data are appropriately recorded, their asset custody is in good shape and potential fraudulent activities are timely detected.

The changes in the holding of the Company's securities by directors and executives are summarized as follows:

No.	Name	Position	Number of shares		
			At book closing on 17 April 2018	Increase/ (decrease)	At book closing on 18 April 2019
1.	Mr. Nuthavuth Chatlertpipat	Chairman [^]	800,000	-	800,000
2.	Datuk Rameli Bin Musa	Deputy Chairman ^{^^}	1,447,010	-	1,447,010
3.	Dato' Dr. Ab Wahab Bin Ismail	Director ^{^^}	1,447,010	-	1,447,010
4.	Mr. Apichat Suttisiltum	Director [^]	447,000	(447,000)	-
5.	Datin Sri Farah Binti Datuk Rameli	Director ^{^^}	914,000	-	914,000
6.	Mr. Sarawoot Sriwannayos	Corporate Secretary	750,000	-	750,000

Remarks:

[^] Independent & Non-Executive Directors

^{^^} Non-Independent & Executive Directors

4.3 Report on the responsibilities of the Board of Directors with respect to the financial reports

The Company requires that there be a report on the responsibilities of the Board of Directors with respect to the financial reports, which shall be presented along with the auditor's report in its Annual Report. The aforementioned report shall bear the signatures of the Chairman and the CEO.

4.4 Disclosure of the roles and duties of the Board of Directors and sub-committees

The Company prepares and discloses the roles and duties of the Board of Directors and sub-committees, the number of meetings of the Board of Directors held and the number of meetings each board member attends in the previous financial year, as well as comments in relation to the performance of their duties in the Annual Report.

SECTION 5: RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Company recognizes the importance of selecting directors who demonstrate leadership, are visionaries, and who have experience, knowledge and ability and demonstrate independence in making decisions in the best interests of the Company and the shareholders overall. The Company also recognizes the importance of clearly separating the roles and duties of the Board of Directors and the Management and overseeing the work system to ensure that its various activities are in compliance with the laws and ethical standards. The Company has established its corporate governance policy while taking into consideration various factors including the responsibilities of the directors, whereby the important policies relevant to this matter are as follows:

5.1 Structure of the Board of Directors

The Company values transparency and verifiability in its work operations, and, therefore, the Chairman is not the person holding the position of the Chief Executive Officer. The Company has three (3) Independent & Non-Executives Directors which exceed one-third of its total directors. All of them are also members of the Audit Committee and Nomination & Remuneration Committee. All Independent & Non-Executives Directors have possessed qualifications in line with requirements as prescribed by relevant regulatory agencies.

The Company has a policy to appoint at least three (3) persons with Thai nationalities who are Thai residents which have possessed knowledge, capabilities, experience and qualifications in line with SEC requirements to act as the Company's directors. At least one (1) of them must also act as audit member. At present, three (3) of the Company's directors are those with Thai nationalities and Thai residents and two (2) are also audit members.

For Malaysian, Indonesian and Indian subsidiaries as well as those to be incorporated in any other countries in the future (if any), the Company has a policy to send at least one (1) of its director who is a Thai resident to hold directorship in such subsidiaries. For Indonesian subsidiaries, the Company's director (s) who is a Thai resident which represents the Company shall be appointed to be a director in the Board of Commissioners. At present, the Company has sent a director who is a Thai resident to hold directorship in Malaysian and Indian subsidiaries including IIM, ITSB, IPSB, TSSB and IAIPL and to hold directorship in the Board of Commissioners of Indonesian subsidiaries including PTIMV and PTITI.

The Company has specified clear policies and procedures which are in accordance with applicable laws to recruit and select persons to be nominated as its directors and executives as well as those to be nominated as directors and executives of the subsidiaries which represent it. In recruiting and selecting persons to be nominated as directors and executives of the Company and those of the subsidiaries which represent it, the Company, through its Nomination and Remuneration Committee, will take into account relevant factors such as their work experience, educational background, professional capabilities and skills and etc. Persons to be nominated as directors and executives of the Company as well as those of the subsidiaries that represent it shall possess required characteristics and qualifications and not have any prohibited characteristics as prescribed under relevant SEC regulations as well as those under other relevant regulatory requirements.

At present, the Board of Directors of the Company consists of eight (8) members, three (3) of whom are Independent & Non-Executive Directors and the remaining five (5) are Non-Independent & Executive Directors. This composition complies with the requirement that at least one-third of the total number of directors are Independent & Non-Executive Directors.

5.2 Roles, Duties and Responsibilities of the Board of Directors

Roles, duties and responsibilities of the Board of Directors are clearly distinguished from that of the Management. These include (but not limited) to the following:-

5.2.1 To consider and approve material issues with respect to operations of the Company, as well as to oversee that Management has run business in line with the prescribed policies and plans, including the annual budget and business plan, in an efficient and effective manner.

5.2.2 To exercise due prudence in considering conflicts of interest, as well as connected transactions with potential conflicts of interest with those of the Company whereby the interests of the shareholders are deemed as the priority.

5.2.3 To jointly consider the annual and quarterly financial statements and financial information in the Annual Report and to jointly evaluate the adequacy of the internal control system of the Company.

5.3 Board of Directors' Meeting

The Board of Directors will meet at least four (4) times annually. Additional meetings may be convened as deemed appropriate. Such meetings shall be conducted in accordance with the Company's Articles of Association and relevant laws. After each meeting, the Corporate Secretary will prepare minutes of meeting for future reference and verification.

The Company requires that the Management to prepare and submit a report on the operating results to the Board of Directors for acknowledgment on a quarterly basis as this will enable the Board members to continuously and promptly supervise, control and oversee the Management's performance. The Board of Directors may also provide recommendations to the Management so that the overall business activities of the Company and its subsidiaries can be improved.

The Board of Directors may invite executives or employees of the Company to attend the Board of Directors' meeting to give additional information on the matters discussed. In convening each Board meeting, the Corporate Secretary will send meeting invitations to all directors for consideration in advance as well as supporting documents and information. All directors will be given equal opportunity to discuss the material issues and the Corporate Secretary will record the minutes thereof including various questions and suggestions of the directors to ensure that the matters discussed can be monitored and verified by directors and executives.

All Board meetings of the Company and its Thai subsidiaries will be physically convened. Meetings of Board of Directors of Malaysian, Indonesian and Indian subsidiaries may be convened using circular resolution, subject to regulatory requirements of Malaysia, Indonesia and India as the case may be.

5.4 Remuneration of directors and executives

Remuneration of directors is clearly determined. It must be considered and approved by the Company's annual general meeting of shareholders. For any directors who are assigned for additional tasks and have additional responsibilities, they will earn additional compensation in commensurate with their higher responsibilities. Management compensation is subject to the Company's annual performance and work performance of each executive.

The Company established the Nomination and Remuneration Committee which is responsible for formulating both monetary and non-monetary compensation for the Chief Executive Officer and top executives. Their compensation will be proposed for consideration and approval by the Board of Directors.

5.5 Continuous development of directors and executives

The Company encourages its directors, top executives and Corporate Secretary to continuous learn about good corporate governance practices. Necessary in-house trainings are provided to them. They are also encouraged to take relevant classes as arranged by Institute of Thai Directors (IOD).

5.6 Corporate Secretary

The Corporate Secretary acts as the central source of guidance and advice to the Board on good corporate governance and its duties and responsibilities. The Corporate Secretary also assists in arranging the annual Board meeting plan, agenda and other Board related matters. The Board also has unrestricted access to the advice and services of the Corporate Secretary on Board related matters as well as on new statutory and regulatory requirements or any amendments or changes to the statutory and regulatory requirements relating to their duties and responsibilities.

Currently, the legal and secretarial matters of the Group are managed by the Corporate Secretary. This is to ensure that the regulatory requirements different jurisdictions namely Thailand, Malaysia, Indonesia and India are complied with.

SECTION 6: COMMITTEES

To ensure that duties and responsibilities are properly and efficiently discharged, the Board has delegated some of its functions and/or authorities to the Committees. These Committees operate within their clearly defined Terms of References and consist of selected Board members who are empowered to deliberate and examine issues. Updates will then be tabled in the Board meeting with appropriate recommendations (if any). Currently, the Company has established Audit Committee, Nomination & Remuneration Committee and Executive Committee ("EXCO").

6.1 AUDIT COMMITTEE

The Audit Committee of the Company was formed on 28 October 2014 and consist of three (3) qualified Independent & Non-Executive Directors according to the definition and requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The particulars of the Audit Committee members are as follows:

No.	Name	Designation
1.	Mr. Abdul Khudus Bin Mohd Naaim	Chairman
2.	Mr. Nuthavuth Chatlertpipat	Member
3.	Mr. Apichat Suttisiltum	Member

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

1. To review the financial statements, the significant accounting and reporting issues including complex or unusual transactions and highly judgmental areas including to discuss with the Company’s Management and external auditor regarding audit results, relevant risks and management action to decrease the identified risks and to review the effectiveness of internal control over the financial reporting process.
2. To review the effectiveness and adequacy of internal control system including control over the information technology system and the implementation of the recommendations on internal control from internal and external auditors.
3. To review and approve the internal audit charter, annual audit plan, staffing and resources required for the internal audit and to review the effectiveness of the internal audit that complies with the Professional Practices of Internal Auditing.
4. To review and approve the compliance charter, annual plan, staffing and resources required of compliance and control function including to review the non-compliance issues raised by regulatory agencies and the rectification of those issues.
5. To review the adequacy of the Company’s risk management process and policies and the effectiveness of the implementation of the Company’s risk management systems; and
6. To ensure that the code of conduct and conflict of interest policy is in writing and arrangements are made for all management and employees to be aware of it and promote the compliance with the code of conduct and conflicts of interest policy.

6.2 NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (“NRC”) was established on 28 October 2014. Currently, the NRC comprises five (5) members, three (3) of whom are Independent & Non-Executive Directors and the remaining two (2) are Non-Independent & Executive Directors. The particulars of the NRC members are as follows:

No.	Name	Designation
*1.	Mr. Nuthavuth Chatlertpipat	Chairman
^2.	Datuk Rameli Bin Musa	Deputy Chairman
*3.	Mr. Abdul Khudus Bin Mohd Naaim	Member
*4.	Mr. Apichat Suttisiltum	Member
^5.	Dato’ Dr. Ab Wahab Bin Ismail	Member

Remarks:

*Independent & Non-Executive Directors

^Non-Independent & Executive Directors

Similar to the formation of the Audit Committee and the Executive Committee (EXCO), the Board has approved specific Terms of Reference for the NRC whereby it outlines the scope of duties, responsibilities and limits of authority.

Overall Duties and Responsibilities

Generally, the NRC is tasked to:-

1. Assist the Board of Directors of the Company (“the Board”) in respect of the recruitment and selection process of the nomination of directors and senior management;
2. Recommend qualified candidates to the Board for consideration prior to nomination proposal at the Shareholders’ Meeting for further approval and appointment; and
3. Review the compensation package of directors including the Chief Executive Officer (“the CEO”) for further recommendation to the Board.

Specifically, the NRC is entrusted to:-

1. Review the Company’s business organization, the required mix of skills, experience and qualifications of its directors and CEO in accordance with the Company’s business requirements as directed or necessitated by the decision of the Board;
2. Propose and recommend candidates to be member of the Board with proper qualifications for the Board to submit for appointment in the Shareholders’ Meeting of the Company;

3. Make recommendations to the Board for the successor of the CEO;
4. Ensure that the Company's remuneration packages are competitive in view of industry practices; and
5. Perform any other activities, roles and responsibilities as approved, assigned and directed by the Board.

Authority

In discharging the roles and responsibilities, the NRC shall have the right to:-

1. Full and unrestricted access to information and consult any employee of the Company in order to conduct any investigation and to obtain any information pertaining to the Group;
2. Invite any employee or other individual to attend the NRC meeting; and
3. Obtain independent professional or other advice to assist the NRC in the performance of its responsibilities and duties.

6.3 EXECUTIVE COMMITTEE

The Company formed an Executive Committee ("EXCO") comprises four (4) Non-Independent & Executive Directors and three (3) Management Representatives. The members of the EXCO are as follows:

No.	Name	Designation
^ 1.	Datuk Rameli Bin Musa	Chairman
^ 2.	Dato' Dr. Ab Wahab Bin Ismail	Deputy Chairman
^ 3.	Mr. Hamidi Bin Maulod*	Member
^ 4.	Datin Sri Farah Binti Datuk Rameli	Member
5.	Mr. Affandi Bin Mokhtar	Member
6.	Mr. Mohd Safri Bin Sabtu*	Member
7.	Mr. Nosri Bin Hamzah*	Member

Remarks:

* Appointed as the EXCO Member effective from 1 September 2018.

^ Non - Independent & Executive Directors.

The EXCO was set up on 28 October 2014 by the Board with clear and well-defined objectives namely to support the Board's roles and duties by providing organizational directions on behalf of the Board, ensure that business decisions or directions can be made in timely manner and most importantly, to provide advice to the Board on decisions and business matters ranging from strategy planning, policy, investment and risk. In determining that the EXCO meets its objectives, the Board further approved a definite Terms of Reference governing the process and conduct of the EXCO.



INGRS SOCIAL RESPONSIBILITY



Incorporating CSR into our annual programs has always been an on-going practice within the INGRS Group. The INGRS Group believes the improvement in the conditions surrounding our stakeholders, employees, society and the environment is vital to the growth of the INGRS Group. Our corporate social responsibility covers the following key areas: -



Planting trees and cleaning up the Industrial Estate at Hi-Tech Industrial, Ayutthaya, Thailand.

ENVIRONMENT PRESERVATION

INGRS Group emphasizes compliance with environmental laws governing plant operations, maintenance and improvement in areas relating to environment and emission standards, energy conservations, housekeeping and storage methods, noise level management and treatment of plant effluents and waste water at all our factories operations in Thailand, Malaysia, Indonesia and India.



EMPLOYEE WELFARE AND DEVELOPMENT

As of January 2019, INGRS Group has 1,780 employees spread throughout Thailand, Malaysia, Indonesia and India. Training and development is provided to the employees based on the training need analysis carried out at end of each year comprises both technical and soft-skills. Employees are also provided with medical and healthcare insurance, adequate leave and compensation program which commensurate with their rank and level of employments.

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

COMMUNITY WELFARE

INGRS Group is also active within its concern for the welfare of the community by supporting social objective in the communities. During the financial year, donations contributions were given to the under privileged communities In Thailand, Malaysia and Indonesia as well as the donations channeled to various non-profitable institutions, charity organizations and welfare societies.

1. Welfare to Community

1.1 Contribution to Society



Contribution of additional ablution area at Religious School in Bukit Beruntung, Malaysia.



Contribution of daily supplies for the poor in Bandar Baru Bangi, Malaysia



Visiting and contributing donations to the families of our staff involved in accidents as well as those who have passed away.

CSR

In July 2018, a 6.9 magnitude earthquake struck the Island of Lombok, Indonesia and its neighboring Island resulting in widespread damage to properties as well as loss of lives. INGRS Indonesia has come forward to donate much needed food and supplies to those affected by the tragedy.

2. Natural Disasters

2.1 Earthquakes at Lombok Island, Indonesia



3. Blood Donation



Annual blood donation has been made an annual event throughout all INGRS subsidiaries.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors emphasizes on the effective and adequate internal control and risk management in compliance with good corporate governance principle, and thereby assign the Executive Committee (“EXCO”) to consider and assess the adequacy of the Group’s internal control system. The Group employs Internal Auditors to manage, plan, audit and review internal control systems of its operations and work processes in key risk areas according to the annual audit plan. Internal Auditor discusses their findings and recommendations with Management and reports to the Audit Committee on a quarterly basis.

The Audit Committee considers the report from the Internal Auditors, which summarize the compliance of key activities according to established control and relevant laws and regulations and the follow up of corrective actions. The Audit Committee reviews and concludes that the Group’s internal control system is sufficient and adequate, as follows:

1. CONTROL ENVIRONMENT

The Board of Directors and the Company’s Management set policies for the Group according to good corporate governance principles to provide guidelines for effective, ethical and transparent working processes. The Company clearly communicates to employees of the Group on the Company’s policies and business ethics at employee orientation. Employees shall comply with the rules and regulations, any offence or violation of any regulations will be penalized according to the severity of such actions.

The Company sets up its organizational structure in a way that allows the Board of Directors to independently supervise management performance for the best benefits of shareholders. The segregation of duties and responsibilities of the Board of Directors, the sub-committees, the Management and employees are clearly defined. Working procedures are also reviewed by external auditors to ensure the effectiveness of its operations.

The Company believes in a good internal control system which includes control of operations, skills, and discipline of employees. The Group’s manufacturing processes have been accredited with the Quality Management System Standard (ISO/IATF 16949) and Environmental Management Standard (ISO14001). The Group continuously provides and manage training activities for employees’ continuous development.

2. RISK ASSESSMENT

The Board of Directors assigns the Group Risk Management Department to assess risk factors that may affect the Company’s ability to achieve its objectives. The risk officer will evaluate opportunities and

impact of the risk both in terms of operational and financial perspectives. The risk assessment is based on past events and their impacts in order to put in place appropriate measures to reduce the impact to an acceptable level. In arriving at the identified risk, the Management of each of the Company’s subsidiaries also actively involves in gathering the best possible countermeasure to ensure the risks are satisfactorily mitigated.

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

3. CONTROL ACTIVITIES

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

The Company formulates work instructions for all key functions, which are Production, Purchasing, Sales And Marketing, Engineering And Design, Finance And Accounting and Human Resources. Appropriate controls are design to prevent any possible assets misappropriation, misconduct or corruption issues. The Company assigns the Group Internal Audit to monitors its operations to ensure that employees operate according to Group Policies and Procedures, Limit of Authority, Quality Work Procedures, Work Instructions. The Group Internal Audit Department to perform audit according to the approved annual audit plan and report to the Audit Committee on a quarterly basis.

The Company defines the scope of duties, responsibilities, and approval authority of executives in each level. Details Organization Chart established able to facilitate better segregation over the duties and responsibilities of staffs, employees, supervisors, managers, and executives are clearly defined in each job descriptions. Access to the database and the operating system is systematically organized and monitored on regular basis, particularly those responsible for authorization, record transaction, and custody of assets.

The Group has strict control over the use of assets. Transactions that may lead to a conflict of interest are carefully considered and approved at arm’s length basis based on normal business practices. Major contracts and agreements with the Group including those involving major shareholders, executives, and related parties must be duly considered and approved with consideration of independent directors who have no vested interest in the matter. These type transactions have been regularly reviewed during the Audit Committee Meeting in details on a quarterly basis.

4. INFORMATION AND COMMUNICATION

The Company organizes systematic communication within the organization and uses information technology to enhance effective communication with employees. Employees receive news and information via internal department meetings, the Company's bulletin board, intranet and email. The Board of Directors receives notices of meeting and related documents via email at least 7 days prior to the meeting day so that the directors have sufficient time to study the agenda before the board meeting. After the meeting, the Corporate Secretary prepares a minute of meeting and discloses important resolutions to the public according to the disclosure requirements of SET.

The Company discloses information to the public and its stakeholders via various channels, being the Company's website at www.ingress.co.th, SET portal and other media channel on a quarterly basis. The Company emphasizes the role of Investor Relations as the primary contact for inquiries and information distribution and welcomes company visit and meeting request from shareholders, investors, and analysts.

The Company has established Whistle Blower Policy which provides a clear communication channel for complaints or reports of suspicion of wrongdoings which may lead to corruptions, assets misappropriation, misconducts, or violation of laws that affect the Company's operations. Employees or any third party can raise their genuine concerns and report to the Audit Committee directly via email at auditcomm@ingress.co.th. The Company is fully committed to fight corruption and commits for the protection of any whistleblower that no one would suffer from detrimental treatments as a result of reporting their suspicion of wrongdoings.

5. MONITORING ACTIVITIES

The Company monitors the performance of its operations and subsidiaries on a regular basis. Each operating unit is scheduled to report its operating performance to the Company's Management on a quarterly basis. The Board of Directors joins the Management to review each subsidiaries' performance to supervise and monitor the Management's performance.

In respect of continuous assessment over the internal control system, the Group Internal Audit Department sets up an annual audit plan covering each of key functional areas across Group-wide which are Production, Purchasing, Sales and Marketing, Engineering and Design, Finance and Accounting and Human Resources. Internal Auditor performs audits whether operations are in compliance with work instructions, policies and procedures, local rules and regulations and report their findings and follow up of corrective actions to the Audit Committee during quarterly meetings. For issues requiring immediate attention, Internal Auditors quickly reverts their concerns and questions to the Management to discuss and confirm the issues of which the Audit Committee will be informed.

Internally, each of the subsidiaries set up its own compliance unit which objectives to evaluate and follow up the compliance with policies, regulations and work instructions. The Group also employs external certified agents to audit and certifies that each subsidiary is operating in accordance with the standards. In additions, each of the Subsidiaries also passes the multiple customers' audit that its operations are carried out according to agreed procedures and that no changes are made in the process without prior notification.

INTERNAL CONTROL SYSTEM

The Company recognizes the importance of an effective internal control system. In this regard, extensive internal controls and procedures, including those set out in the Group Policies and Procedures, are fully established at all levels in the organization.

The internal control system, including compliance with policies and procedures, is formally assessed by the Group Internal Auditor in every financial year. This includes a review of the effectiveness of all financial, operational and related controls.

INTERNAL AUDIT FUNCTION

The internal audit staff independently assesses compliance with policies and procedures and evaluates the effectiveness of all control systems Group-wide. In arriving at the scope of the audit, all identified risks to the key functional areas have been considered to ensure optimum audit coverage.

Management of each subsidiary is obligated to consider all internal audit findings and recommendations, and immediate remedies are expected to ensure no recurrence of a similar issue. Current practices, all business units under the Group will be audited at least once in each financial year to ensure the highest level of transparency and sound Internal Control practises among the employees.

The plan and results of internal audits are reviewed by the Audit Committee.

RELATED TRANSACTIONS

During the financial year ended 31 January 2019 (“FY2018/19”) and 31 January 2018 (“FY2017/18”), the Company and its subsidiaries (“the Group”) had significant transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and related parties.

Persons who may have a conflict of interests

Corporate shareholders of subsidiaries

	Related party and nature of business	Relationship with the Group
1.	Katayama Kogyo Co., Ltd (“KK”) Established in Japan and engaging in the business of manufacturing and sales of various automotive parts, agricultural machinery and construction related parts.	<ul style="list-style-type: none"> • KK is holding 31.43 percent of shares in IAV and has designated two delegates to act as directors in IAV, consisting of (1) Mr. Itsuro Maeno and (2) Ms. Michiko Akamatsu. • KK is holding 10.00 percent of shares in IPSB and has designated one delegate to act as a director in IPSB, who is Ms. Michiko Akamatsu. • KK is holding 25.00 percent of shares in PTIMV and has designated two delegates to act as directors in PTIMV directors in IPSB, consisting of (1) Ms. Michiko Akamatsu (Board of Commissioners) and (2) Mr. Tetsuji Tamura (Board of Directors).
2.	Yonei & Co., Ltd (“Yonei”) Established in Japan and engaging in general trading business with over 200 bases of operations in approximately 80 countries worldwide.	<ul style="list-style-type: none"> • Yonei is holding 6.07 percent of shares in IAV and has designated one delegate to act as a director in IAV, who is Mr. Hiroshi Miyazeki. • Yonei is holding 10.00 percent of shares in PTIMV and has designated one delegate to act as a director in PTIMV, who is Mr. Hiroshi Miyazeki (Board of Commissioners).
3.	Iwamoto Co., Ltd (“Iwamoto”) Established in Japan and engaging in design, development, fabrication and sales of tooling for stamping.	Iwamoto is holding 30.00 percent of all voting shares of FCT and has designated one delegate to act as a director in FCT, who is Mr. Noboru Iwasaki.

Subsidiaries of a corporate shareholder of a subsidiary

	Related party and nature of business	Relationship with the Group
1.	Perodua Manufacturing Sdn Bhd (“PMSB”) Established in Malaysia and engaging in the business of manufacturing and assembly of Perodua vehicles.	PMSB is a subsidiary of Perusahaan Otomobil Kedua Sdn Bhd (“Perodua”), which is holding 30.00 percent of shares in ITSB. Perodua has designated two delegates to act as directors, consisting of (1) Mr. Zainal Abidin Bin Ahmad and (2) Ms. Noor Zakiyah Binti Hasan.
2.	Perodua Sales Sdn Bhd (“PSSB”) Established in Malaysia and engaging in the business of sales, marketing and distribution of all Perodua vehicles as well as after sales and spare parts operations.	PSSB is a subsidiary of Perodua, which is holding 30.00 percent of shares in ITSB. Perodua has designated two delegates to act as directors in ITSB, consisting of (1) Mr. Zainal Abidin Bin Ahmad and (2) Ms. Noor Zakiyah Binti Hasan.
3.	Perodua Global Manufacturing Sdn Bhd (“PGSB”) Established in Malaysia and engaging in the business of manufacturing and assembly of Perodua vehicles.	PGSB is a subsidiary of Perodua, which is holding 30.00 percent of shares in ITSB. Perodua has designated two delegates to act as directors in ITSB, consisting of (1) Mr. Zainal Abidin Bin Ahmad and (2) Ms. Noor Zakiyah Binti Hasan.

Parent company

	Related party and nature of business	Relationship with the Group
1.	Ingress Corporation Berhad (“ICB”) Established in Malaysia and engaging as the investment holding company. Currently, ICB has subsidiaries engaged in ACM business, automobile dealership, as well as engineering services for energy and railway industries.	ICB is the major shareholder and the controlling person of the Company.

Related companies

	Related party and nature of business	Relationship with the Group
1.	Ingress Katayama Sdn Bhd (“IKT”) Established in Malaysia and engaging in design and manufacture of roll-forming and extrusion tools, jigs and dies for the automotive components manufacturing.	IKT is a subsidiary of ICB which is holding 60.00 percent of shares in IKT and the remaining 40 percent of shares of IKT is being held by KK.
2.	Organic Gain Sdn Bhd (“OGSB”) Established in Malaysia and engaging in manufacturing and trading Agro-based product and Halal food product	OGSB is 98.9% owned by the Company director, Dato’ Dr. Ab. Wahab Bin Ismail of which he is also a director in OGSB.

The significant business transactions with related parties for FY2018/19 and FY2017/18 are as follows:

	Transaction Value (Million Baht)		Transfer pricing policy
	FY2018/19	FY2017/18	
Transactions with parent company			
Dividend paid	75.24	132.45	As announcement
Transactions with corporate shareholders of subsidiaries			
Sale of goods	0.50	0.31	As agreed
Purchase of raw materials and supplies	11.83	20.62	As agreed
Purchase of machinery and equipment	8.11	8.11	As agreed
Advance payment for mold	4.83	-	As agreed
Royalty fee	18.02	19.85	Contract price
Technical assistance fee	5.95	7.90	Contract price
Dividend paid	28.13	71.49	As announcement
Transactions with subsidiaries of a corporate shareholder of a subsidiary			
Sale of goods	1,015.05	1,124.38	As agreed
Transactions with related companies			
Sale of goods	1.56	2.38	As agreed
Rental income	2.06	2.04	Contract price
Purchase of machinery and equipment	21.65	33.98	As agreed
Purchase of supplies	0.47	0.29	As agreed

For FY2018/19 and FY2017/18, the balance of accounts between the Group and those related parties are as follows:

	Transaction Value (Million Baht)	
	FY2018/19	FY2017/18
<u>Trade and other receivables – related parties</u>		
Trade receivables – related parties		
Subsidiaries of a corporate shareholder of a subsidiary	101.94	106.37
Corporate shareholders of subsidiaries	0.03	-
Related companies	0.19	1.18
Total trade receivables – related parties	102.16	107.55
Other receivables – related parties		
Parent company	3.94	3.07
Subsidiaries of a corporate shareholder of a subsidiary	4.66	9.76
Related companies	13.27	15.34
Total other receivables – related parties	21.87	28.17
Total trade and other receivables – related parties	124.03	135.72
<u>Trade and other payables – related parties</u>		
Trade payables – related parties		
Corporate shareholders of subsidiaries	1.73	1.58
Related companies	-	1.37
Total trade payables – related parties	1.73	2.95
Other payables – related parties		
Parent company	16.30	16.23
Corporate shareholders of subsidiaries	25.55	11.75
Related companies	4.38	9.98
Total other receivables – related parties	46.23	37.96
Total trade and other receivables – related parties	47.96	40.91
<u>Dividend payables to related party</u>		
Corporate shareholders of subsidiary	17.19	9.06
Total dividend payables to related party	17.19	9.06

The Group's borrowing guarantee by ICB

The Group's borrowing with financial institution which ICB as corporate guarantees as at 31 January 2019 and 31 January 2018 are as follows:

No.	Borrower	Consolidated Financial Statements				Description of asset for security/mortgage
		31 January 2019		31 January 2018		
		Type	Amount (Million Baht)	Type	Amount (Million Baht)	
1.	Ingress Industrial (Malaysia) Sdn Bhd	TL	181.63	TL	222.66	Corporate guarantee by ICB
2.	Ingress Precision Sdn Bhd	TL	148.24	TL	220.24	Corporate guarantee by ICB
		BA	10.57	BA	19.85	
		RC	76.40	RC	80.51	
3.	Ingress Technologies Sdn Bhd	TL	234.78	TL	304.04	Corporate guarantee by ICB
		BA	78.96	BA	80.65	
		RC	105.26	RC	110.95	
4.	PT Ingress Malindo Ventures	RC	44.5	RC	-	Corporate guarantee by ICB

Remarks : OD = Overdraft; PN = Promissory note; LC = Letter of credit; BA = Banker's acceptance; BG = Bank guarantee; RC = Revolving credit; TL = Term loan

The corporate guarantees provided by ICB were conducted on the borrowing secured from financial institutions. For such guarantees, ICB did not charge any compensation from the Group, so the Group did not lose any benefit from such transactions.

Necessity and reasonableness of related party transactions

The Audit Committee considered that the Group's related party transaction entered into with the related parties during the financial year ended 31 January 2019 and 31 January 2018 were normal business transactions and within the normal practice in the automotive industry and were conducted fairly and at the arm's length basis and did not cause the Group to lose any benefits entering into the transactions.

Policies or trends relating to future related party transactions

The connected transactions or related party transactions of the Group with parties that may have a conflict of interests, may hold a stake, or may have a conflict of interests in the future will comply with effective rules provided by the relevant rules of the Securities and Exchange Commission (SEC) and/or the Stock Exchange of Thailand (SET). If the Group wishes to conduct connected transactions or related party transactions with a party that may have a conflict of interests, may hold a stake, or may have a conflict of interests in the future, the Group will strictly comply with the policies and procedures. The Audit Committee has provided the guidelines for the consideration, which include the consideration of the necessity of transactions for the Group's business operations, comparison of prices with those offered by the third parties (if any), and consideration of the essence of the transaction size.

If the related party transactions exist, the Company will designate the Audit Committee to provide opinions about the appropriateness of these transactions. In the event that the Audit Committee has no expertise in considering the related party transactions, the Company will provide an expert, such as an auditor or an independent appraiser, to provide opinions about these related party transactions. The opinions from the Audit Committee or the expert will be used for assisting the decision-making of the Board of Directors or shareholders, as the case may be. This aims is to ensure that such transactions takes into account the utmost benefits of all shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Basis for analysis of the operating results and financial position of the Group

Ingress Industrial (Thailand) Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is an investment holdings whose subsidiaries are principally engaged in the manufacturing and distribution of automotive components. The registered office of the Company is 9/141, 14th Floor, Unit A1, UM Tower Building, Ramkhamhaeng Road, Suanluang, Bangkok, 10250 Thailand. The Group's factories and facilities are located in four countries, namely Thailand, Malaysia, Indonesia and India.

The analysis for the Group's business performance, financial position and cash flow is based on the Company's consolidated financial statements for the financial year ended 31 January 2019.

2. Overall operating results

For the financial year ended 31 January 2019 ("FY2018/19") and 31 January 2018 (FY2017/18"), the Group's registered sales revenue of Baht 3,199.3 million and Baht 2,912.9 million respectively, an increase by Baht 286.4 million or 9.83% from FY2017/18. The increase in sales revenue was mainly contributed by the inclusion of Indian subsidiary, Ingress Autoventures (India) Pvt Ltd starting from 13 November 2017 which contributed higher sales revenue by Baht 186.9 million during FY2018/19 apart from the overall increase in sales revenue recorded by Thailand and Indonesia operation by Baht 57.1 million and Baht 49.2 million respectively. Malaysian operation however registered lower sales revenue by Baht 6.8 million in comparison to FY2017/18.

Despite higher sales revenue recorded for FY2018/19, the Group's recorded lower gross profit margin of 19.8% as compared to 22.1% recorded in FY2017/18.

The Group registered profit after taxation and minority interest ("PATMI") of Baht 54.1 million in FY2018/19 as compared to Baht 97.1 million in FY2017/18 which represents a decrease of Baht 43.0 million or 44.4%. The decrease were mainly due to the following:

a) Lower profits recorded by Malaysian operation on a lower sales revenue recorded in FY2018/19 in comparison to FY2017/18; and

b) Recognition of income tax expense of Baht 23.2 million during FY2018/19 as compared to income tax revenue of Baht 4.4 million during FY2017/18.

For FY2018/19, the Group PATMI margin was 1.7% as compared to 3.3% in FY2017/18.

3. Analysis of the operating results

3.1 Sales revenue

The Group was principally engaged in the sales of two major types of automotive components manufacturing of roll forming products and stamping products. Most of the subsidiaries in each country manufactured and sold their products to local Original Equipment Manufacturers ("OEMs") in local currencies (unless advised by the OEM).

The sales revenue structure of the Group by countries and products are as follows:

	Financial Year Ended			
	31 January 2019		31 January 2018	
	Million Baht	Percent	Million Baht	Percent
Sales Revenue by Country				
Thailand	1,194.7	37.3	1,137.6	39.0
Malaysia	1,542.5	48.2	1,549.3	53.2
Indonesia	238.3	7.5	189.1	6.5
India	223.8	7.0	36.9	1.3
Total Sales Revenue	3,199.3	100.0	2,912.9	100.0
Sales Revenue by Products				
Roll Forming Products	1,785.8	55.8	1,517.3	52.1
Stamping Products	1,396.5	43.7	1,383.0	47.5
Automation Solution Provider	17.0	0.5	12.6	0.4
Total Sales Revenue	3,199.3	100.0	2,912.9	100.0

Based on the above table, Malaysia was the main contributor for the sales revenue for FY2018/19, accounted for 48.2% from the total Group's sales revenue followed by Thailand, Indonesia and India operation with the contribution of 37.3%, 7.5% and 7% respectively.

The roll forming products was the main contributor of the sales revenue for FY2018/19 to the Group, accounted for 55.8% from the total Group's sales revenue while stamping products and automation solution provider contributes sales revenue of 43.7% and 0.5% respectively.

3.2 Other income

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

	Financial Year Ended			
	31 January 2019		31 January 2018	
	Million Baht	Percent	Million Baht	Percent
Exchange gain	11.2	12.2	-	-
Scrap sales	68.4	74.3	39.7	60.5
Gain on change in fair value of investment property	5.6	6.1	-	-
Gain from acquisition of share from non-controlling interest	-	-	14.3	21.8
Miscellaneous income	6.9	7.4	11.6	17.7
Total other income	92.1	100.00	65.6	100.00

For FY2018/19 and FY2017/18, the total other income of the Group were Baht 92.1 million and Baht 65.6 million respectively accounted for 2.9% and 2.2% respectively of the Group's total revenues. From the above table, it can be seen that some of the other income of the Group's were non-normal business transactions such as foreign exchange gains, gain on change in fair value of investment property and gain from acquisition of share from non-controlling interest.

The Group recognized the foreign exchange gain of Baht 11.2 million in FY2018/19 mainly due to the gain recorded on the elimination of intercompany balances within the Group on the exchange rate fluctuation between local and foreign currency at the end of the financial year as compared to the transaction date. In addition to foreign exchange gains, the Group also recognized other revenues related to the business such as the revenues from scrap from the production of automotive parts, interest income that the Group obtained from short-term investment, gain on change in fair value of IPSB's investment property in Malaysia, etc.

For FY2017/18, the Group recognised gain from acquisition of share from non-controlling interest in relation to the acquisition of the additional 60% shares in IA IPL. The amount recognized in FY2017/18 amounting to Baht 14.3 million was derived from the difference of the carrying amount of investment in associated company as at the date of acquisition of shares incomparison to 40% of the value determined by the independent valuer upon the acquisition of the additional 60% shares in IA IPL.

3.3 Cost of sales

The cost of sales comprises mainly the following:

1. Direct variable costs – materials, purchase parts, indirect materials, sub-contractor costs, consumables, factory sales and distribution, royalty fees, direct labour and factory utility expenses;
2. Fixed overhead costs – indirect labour factory, factory maintenance, factory rental, insurance and factory expenses; and
3. Depreciation and amortisation for factory, plant and machinery.

The components of the Group's cost of sales are as follows:

	Financial Year Ended			
	31 January 2019		31 January 2018	
	Million Baht	Percent	Million Baht	Percent
Direct variable costs	2,021.0	78.7	1,730.9	76.3
Fixed overhead costs	273.6	10.7	268.8	11.8
Depreciation and amortisation	271.7	10.6	268.9	11.9
Total Cost of Sales	2,566.3	100.0	2,268.6	100.0

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

	Financial Year Ended			
	31 January 2019		31 January 2018	
	Million Baht	Percent	Million Baht	Percent
Cost of Sales by Country				
Thailand	893.4	34.8	845.9	37.3
Malaysia	1,329.0	51.8	1,254.0	55.3
Indonesia	187.9	7.3	146.4	6.4
India	156.0	6.1	22.3	1.0
Total Cost of Sales	2,566.3	100.0	2,268.6	100.0

Over the years, the Group continued to have a strict cost and operating expenses control policy to achieve the earning target as well as to adapt with a challenging business environment and the demand by the OEMs to be competitive. In terms of the production cost management, the Group negotiated with manufacturers and distributors of raw materials including some OEMs to change the type of raw materials but maintained same product qualities in accordance with Value Added Value Engineering ("VAVE") which resulted in the reduction on the production costs benefiting the Group apart from the customers obtained automotive components in more reasonable price. The Group also managed to increase the efficient production processes and reduce overall production costs.

3.4 Gross profit and gross profit margin

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

	Financial Year Ended			
	31 January 2019		31 January 2018	
	Gross Profit Million Baht	Profit Margin Percent	Gross Profit Million Baht	Profit Margin Percent
Gross Profit/Margin by Country				
Thailand	301.4	25.2	291.7	25.6
Malaysia	213.5	13.8	295.3	19.1
Indonesia	50.4	21.1	42.7	22.6
India	67.7	30.3	14.6	39.6
Group Gross Profit/Margin	633.0	19.8	644.3	22.1

For FY2018/19 and FY2017/18, the Group's gross profits were Baht 633.0 million Baht 644.3 million respectively, which represented a margin of 19.8% and 22.1% respectively.

3.5 Selling expenses

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

	Financial Year Ended			
	31 January 2019		31 January 2018	
	Million Baht	Percent	Million Baht	Percent
Distribution costs	37.5	71.9	26.4	59.3
Staff costs	11.3	21.6	13.0	29.2
Other expenses	3.4	6.5	5.1	11.5
Total Selling Expenses	52.2	100.0	44.5	100.0

3.6 Share of Profit from Associate Company

On 13 November 2017, the Group via Ingress Industrial (Malaysia) Sdn Bhd ("IIM") has completed the acquisition of the additional 60% shares from the existing shareholder, Mayur Industries Pvt Ltd. The completion resulted in a change of status from associate company to a subsidiary of IIM.

During FY2017/18 (up to 13 November 2017) the Group recognized the amount of Baht 4.0 million as share of profit from associate company.

3.7 Administrative Expenses

The Group's administrative expenses consist of staff, depreciation & amortization of office assets and general administrative expenses, such as consulting fees, office expenses, office rental and office maintenance fees. Most of the administrative expenses are personnel expenses. The table below shows the Group's administrative expenses classified by type of expenses.

	Financial Year Ended			
	31 January 2019		31 January 2018	
	Million Baht	Percent	Million Baht	Percent
Staff costs	321.6	62.7	274.0	60.6
General administrative expenses	158.2	30.9	137.1	30.3
Depreciation and amortization of office assets	32.8	6.4	41.2	9.1
Total Administrative Expenses	512.6	100.0	452.3	100.0

Higher administrative expenses by Baht 60.3 million in FY2018/19 were mainly due to the following:

- Full year administrative expenses of IA IPL (change of status from associate company to subsidiary effective from 13 November 2017) resulted in a higher administrative expenses by Baht 38.7 million; and
- Additional allowance for doubtful debts provided during FY2018/19 on trade receivables amounting to Baht 7.5 million.

3.8 Finance cost

The Group's financial expenses consist of interests from overdrafts and short-term loans from financial institutions, interest from hire purchase, financial lease and long-term loans from both financial institutions. For FY2018/19 and FY2017/18, the Group's financial expenses were Baht 60.75 million and Baht 72.9 million respectively.

3.9 Income Tax Expenses/(Income)

For FY2018/19 and FY2017/18, the income tax expense/(income) of the Group were Baht 23.2 million and Baht (4.4) million respectively. The income tax expense shown in the statement of comprehensive income was different from the profit before tax multiplied by the applicable tax rate due to the improvements related to the tax calculation, which comprised of the following:

- Adjustment of corporate income tax expense of the previous year;
- Utilization of business tax losses and tax allowances in the current year;
- Difference in income tax rate which was not equal in the Group;

- d) IAV was granted promotional privileges by the Board of Investment (BOI) for the manufacture of auto parts under the promotional certificates with the exemption from corporate income tax for promoted businesses for a period of 8 years commencing from the first earning operating income and obtained a 50% reduction in corporate income tax for the promoted business of 5 years from the exemption date;
- e) Adjustment on the non-allowable expenses and tax exempt income;
- f) Deferred tax recognition on unabsorbed business tax losses and unused reinvestment allowances and capital allowances;
- g) Deferred tax adjustment item of the previous year;
- h) Deferred tax effects on tax rate change; and
- i) Other items.

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

	Financial Year Ended			
	31 January 2019		31 January 2018	
	Million Baht	Percent	Million Baht	Percent
Current income tax				
Current income tax charge	33.5	99.4	19.6	103.7
Adjustment in respect of tax/(income) expenses of previous year	0.2	0.6	(0.7)	(3.7)
Total current income tax	33.7	100.0	18.9	100.0
Deferred tax				
Relating to origination and reversal of temporary differences	3.2	(30.5)	(3.2)	13.7
Adjustment in respect of deferred tax of previous year	(13.7)	130.5	(20.1)	86.3
Total deferred tax	(10.5)	100.0	(23.3)	100.0
Tax expense/(income) reported in the statement of comprehensive income	23.2	100.0	(4.4)	100.0

Notes:

- Items considered for tax purposes of the Group were mainly related to Capital Allowance ("CA") and Reinvestment Tax Allowance ("RA") which are tax deductions related to capital expenditure in accordance with Malaysian Law.
- Companies in Malaysia that used the CA deductions would need to invest in capital expenditures for business purposes. The type of fixed assets that a Malaysian company had invested in and would receive a CA tax benefit must be the assets that complied with the qualifying capital expenditure according to Malaysian Qualifying Law by which tax deduction from CA was subject to the relevant laws of Malaysia and CA that had not been used for unutilized CA purposes would be recognized as deferred tax assets on the statement of financial position since the unutilized CA could reduce the tax liabilities of its subsidiary in Malaysia in the future. This was in accordance with the terms and conditions of using the CA of Malaysian Tax Law.
- RA was an additional tax relief in addition to the Malaysian CA for a Malaysian company investing in a qualifying capital expenditure with the purpose to expand the existing production capacity, diversification of business into related products or increase the capacity of modernization or automation of the production facilities. The primary objective in providing RA was to promote the business of the manufacturing sectors in Malaysia. However, the Malaysian authorities also considered RA for agricultural business operators in said countries. The calculation and usage of tax deductions from RA shall be in accordance with the relevant laws of Malaysia and RA that had not been used for unutilized RA purposes, were recognized as deferred tax assets on statement of financial position as well as unutilized CA.

3.10 Net Profit and Net Profit Margin

Unit: Million Baht	Financial Year Ended		Increase/(decrease)	
	31 January 2019	31 January 2018	Million Baht	Percent
	Net profit for the financial year	76.4		
Non-controlling interests	22.3	50.1	(27.8)	(55.5)
Net profit attributable to equity holders of the Company	54.1	97.1	(43.0)	(44.3)
Earning per share (Baht)	0.04	0.07	(0.03)	(42.9)

For FY2018/19 and FY2017/18, the Group registered net profit for the financial year of Baht 76.4 million and Baht 147.2 million respectively, decreased by Baht 70.8 million or 48.1%. The decrease in net profit were mainly due to the following:

- c) Lower profits recorded by Malaysian operation on a lower sales revenue recorded in FY2018/19 in comparison to FY2017/18; and
- d) Recognition of income tax expense of Baht 23.2 million during FY2018/19 as compared to income tax revenue of Baht 4.4 million during FY2017/18.

4. Financial position analysis

As at 31 January 2019, the Group has total assets of Baht 4,242.0 million, total liabilities of Baht 1,673.9 and total shareholders' equity of Baht 2,568.1 million.

4.1 Assets

Unit: Million Baht	Financial Year Ended		Increase/(decrease)	
	31 January 2019	31 January 2018	Million Baht	Percent
	Trade and other receivables	599.6		
Inventories	274.6	272.2	2.4	0.9
Cash and cash equivalents	229.3	288.2	(58.9)	(20.4)
Property, plant and equipment	2,648.2	2,734.7	(86.5)	(3.2)
Deferred tax assets	285.5	352.2	(66.7)	(18.9)
Other assets	204.8	182.8	22.0	12.0
Total assets	4,242.0	4,481.2	(239.2)	(5.3)

As at 31 January 2019, the total assets decreased by Baht 239.2 million or 5.3% in comparison to total assets as at 31 January 2018.

4.2 Liabilities

Unit: Million Baht	Financial Year Ended		Increase/(decrease)	
	31 January 2019	31 January 2018	Million Baht	Percent
Trade and other payables	450.9	455.6	(4.7)	(1.0)
Bank overdrafts and short-term loans from financial institution	366.9	445.6	(78.7)	(17.7)
Long-term loans	566.2	753.8	(187.6)	(24.9)
Deferred tax liabilities	157.7	160.3	(2.6)	(1.6)
Other liabilities	132.2	121.0	11.2	9.3
Total liabilities	1,673.9	1,936.3	(262.4)	(13.6)

As at 31 January 2019, the total liabilities decreased by Baht 262.4 million or 13.6% in comparison to total liabilities as at 31 January 2018 mainly due to the decrease in bank overdrafts and short-term loans from financial institution and long term loans amounting to Baht 78.7 million and Baht 187.6 million respectively.

4.3 Shareholders' equity

Total shareholders' equity increased by Baht 23.2 million, from Baht 2,544.9 million as at 31 January 2018 to Baht 2,568.1 million as at 31 January 2019. The increase was mainly due to the increase in surplus on revaluation of land and buildings amounting to Baht 94.1 million as a result of a revaluation carried out on the land and building of the Group by the Independent Property Valuer in FY2018/19.

5. Key financial performance

5.1 Profitability ratio

	FY2018/19	FY2017/18	Increase/(decrease)
Return on assets ("ROA") (%)	1.3%	2.2%	(0.9%)
Return on equity ("ROE") (%)	2.1%	3.8%	(1.7%)

Due to lower profits recorded for FY2017/18, the ROA and ROE decreased by 1.5% and 3.7% respectively in comparison to FY2016/17.

5.2 Liquidity ratio

	FY2018/19	FY2017/18	Increase/(decrease)
Accounts receivable days	63.3	69.9	(6.6)
Inventory days	38.5	43.2	(4.7)
Accounts payable days	51.9	63.7	(11.8)
Cash conversion cycle (days)	49.9	49.4	0.5

The average collection period and inventory holding period improved in FY2018/19 by 6.6 days and 4.7 days respectively. The improvement also shown in the average accounts payables in FY2018/19 by 11.8 days which resulted in the overall cash conversion cycle to prolong for 0.5 days in comparison to FY2017/18.

5.3 Leverage ratio

	FY2018/19	FY2017/18	Increase/(decrease)
Debt to Equity ratio (times)	0.65	0.76	(0.11)
Current ratio (times)	1.16	1.09	0.07

The interest-bearing debt to equity ratio has continuously decreased to 0.65 times as at 31 January 2019 from 0.76 times as at 31 January 2018, maintaining the Group's target of long-term funding structure below 1.0 times. The current ratio has also improved to 1.16 times, indicating that the Group's liquidity fund was sufficient to match current obligations.

6. Cash flow analysis

Unit: Million Baht	Financial Year Ended		Increase/(decrease)	
	31 January 2019	31 January 2018	Million Baht	Percent
Net cash flows from operating activities	362.0	214.9	147.1	68.5
Net cash flows used in investing activities	(49.6)	(218.9)	(169.3)	(77.3)
Net cash flows used in financing activities	(355.3)	(140.1)	215.2	153.6
Translation adjustments	(13.1)	16.3	29.4	180.4
Net decrease in cash and cash equivalents	(56.0)	(127.8)	(71.8)	(56.2)
Cash and cash equivalents at beginning of the financial year	270.6	398.4	(127.8)	(32.1)
Cash and cash equivalents at end of the financial year	214.6	270.6	(56.0)	(20.7)

The balance of cash and cash equivalents as at 31 January 2019 decreased by Baht 56.0 million as compared to FY2017/18 to Baht 214.6 million.

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

The Group's performance is greatly dependent to the development of the automotive industry and economy in the country that we operate namely Thailand, Malaysia, Indonesia and India. The vehicle production volume is an important driver for the manufacture of automotive parts business in Thailand, Malaysia, Indonesia and India, where the Group's revenue tends to move in the same trend as the industry's performance. Apart from the industry's performance, the other factors that would affect the performance of the Group are as follows:

7.1 Exchange rate

Although the Group's policy for subsidiaries in Thailand, Malaysia, Indonesia and India was to manufacture and distribute to local OEMs in local currency, subsidiaries in the Group might have intercompany transactions occurred during the period. The Group's income statement over the past years had been

recognized on foreign exchange gain and loss mainly due to the elimination of intercompany transactions in local currency and foreign currency at the end of the period as compared to the transaction date in the future. If the exchange rate fluctuated, net profit of the Group might be affected by the recognition of foreign exchange gains or losses arising from the exchange rate when eliminating of intercompany transactions. In some cases, the Group might need to buy raw materials and equipment for manufacturing from other country which would have affected the Group by exchange rate changes as well.

7.2 Rate of interest

As at 31 January 2019, the Group had long-term loans from financial institutions amounting to Baht 566.2 million. Some loan agreements included floating interest rates of MLR - 1.50, COF + 1.25% and COF + 1.75. %. Then if interest rates in financial markets had changed significantly, it would also significantly affect business performance of the Group.

In view of the volatility and increased uncertainties in the economy globally, the Group will continue its close monitoring of the development of the automotive industry in key major markets. In preparation of the challenges ahead, the Group continued to focus on controlling cost activities and cost reduction measures, as well as improving efficiency and efficient use of resources across the organization. At the same time, the Group is exploring new opportunities and new markets to grow. The Group will also continue to emphasis on quality, cost, delivery, morale and safety to meet customers' high standard requirements and continuous improvement across the organization.

REPORT OF AUDIT COMMITTEE

The Audit Committee of the Company was formed on 28 October 2014 and is comprised of three (3) qualified Independent & Non-Executive Directors according to the definition and requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The particulars of the Audit Committee members are as follows:

NO.	Name	Designation
1.	Mr. Abdul Khudus Bin Mohd Naa'im	Chairman
2.	Mr. Nuthavuth Chatlertpipat	Member
3.	Mr. Apichat Suttiilsiltum	Member

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

1. Review the financial statements, the significant accounting and reporting issues including complex or unusual transactions and highly judgmental areas including to discuss with the Company's Management and external auditor regarding audit results, relevant risks and management action to decrease the identified risks and to review the effectiveness of internal control over the financial reporting process.
2. Review the effectiveness and adequacy of internal control system including control over the information technology system and the implementation of the recommendations on internal control from internal and external auditors.
3. Review and approve the internal audit charter, annual audit plan, staffing and resources required for the internal audit and to review the effectiveness of the internal audit that complies with the Professional Practices of Internal Auditing.
4. Review and approve the compliance charter, annual plan, staffing and resources required of compliance and control function including to review the non-compliance issues raised by regulatory agencies and the rectification of those issues.
5. Review the adequacy of the Company's risk management process, policies and the effectiveness of the implementation of the Company's risk management systems; and
6. Ensure that the code of conduct and conflict of interest policy is in writing and arrangements are made for all management and employees to be aware of it and promote the compliance with the code of conduct and conflicts of interest policy.

The Audit Committee meets at least four (4) times annually, or more, whenever necessary. Meetings will normally be attended by the Group Chief Financial Officer, the Head of the Internal Audit Department and a representative of the external auditor (if required). Heads of operation units or other Board members may also be called upon to attend the meetings.

In FY2018/19 the Audit Committee convened six (6) meetings and had expressed their opinion, which can be summarized as follows.

1. The review of quarterly and annual financial statements

The financial reports, disclosure of notes to financial statements, the accounting policy and significant provisions and compliance with financial reporting standards and regulatory requirements were reviewed by the Audit Committee and matters were highlighted to the Management. The Audit Committee also held a meeting with external auditor in absence of the Management to discuss the auditors' independence and their comments, as well as the auditor's report and concerned issues of the audit and review of financial statements. After the review, the Audit Committee considered that the financial statements for FY2018/19 were prepared in accordance with the Thai Financial Reporting Standards (TFRS) and contained sufficient disclosure in the notes to financial statements, and thereby approved the financial statements which external auditor reviewed and audited without reservation.

2. The review of the effectiveness and adequacy of internal control system and internal audit

The Audit Committee conducted quarterly meeting with internal auditor and the Management to review and assess internal control system and performance of each company within the Group. The Audit Committee considered the report from internal auditor to ensure the appropriate and sufficient adequate internal control system. Upon reviewing, the Audit Committee has concluded that the Group's internal control system is at good level without any significant deficiencies.

3. The review of risk management

The Audit Committee identified that the Company has in place the risk management executives who assess the Company's risk factors and evaluate risk management measures to reduce impact to an acceptable level and report to the Audit Committee on quarterly basis. The Audit Committee also noted that Company has the annual review of risk factors with consideration of the business nature and changes of business environment locally and globally and has appropriate and adequate risk management measures where impact is mitigated within acceptable level.

4. The appointment of external auditor

The Audit Committee noted that the appointment of external auditor is based on knowledge, experience, ability, adequacy of resources, as well as level of independence and quality of their services. The remuneration of auditor is considered on the scope of duties and responsibilities. Based on the satisfactory results and their widely recognized audit standard and experience, the Audit Committee recommended the reappointment of the auditor from EY Office Limited as the Company's external auditor for the financial year ending 31 January 2020 for another term which was concurred by the Board for submission to the Annual General Meeting of shareholders for approval.

5. The review of the compliance with relevant laws and regulations

The Audit Committee presented that the Company's operations and reporting are in compliance with the SEC and SET requirements and regulations relating to the Company's business. The Company has conducted its business according to good governance practices, business ethics, the anti-corruption policy and other policies according to the guidance of the Board. There was no reporting of any misconduct in FY2018/19.

6. The review of related transactions and transactions of potential conflict of interest

The Audit Committee satisfied that these transactions arose in the ordinary course of business for the benefit of the Company and were reasonable, transparent, and has been properly disclosed in compliance with regulatory requirements and good corporate governance principles.

The Audit Committee has performed its duties prudently and independently and issued its opinion for the benefit of the Company without any restriction in obtaining information, resources, and with cooperation from management. The Audit Committee has assessed its performance of duties and responsibilities in the past year was effective, efficient and achieve the objectives assigned by the Board.

On behalf of the Committee



Mr. Abdul Khudus Bin Mohd Naaim
Chairman of Audit Committee

REPORT OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (“NRC”) was established on 28 October 2014. Currently, the NRC comprises five (5) members, three (3) of whom are Independent & Non-Executive Directors and the remaining two (2) are Non-Independent & Executive Directors. The particulars of the NRC members are as follows:

NO.	Name	Designation
*1.	Mr. Nuthavuth Chatlertpipat	Chairman
^2.	Datuk Rameli Bin Musa	Deputy Chairman
*3.	Mr. Abdul Khudus Bin Mohd Naaim	Member
*4.	Mr. Apichat Suttisiltum	Member
^5.	Dato’ Dr. Ab Wahab Bin Ismail	Member

Remarks:

*Independent & Non-Executive Directors.

^Non-Independent & Executive Directors.

In FY2018/19 the NRC convened four (4) meetings and reported its meetings and performances to the Board.

Similar to the formation of the Audit Committee and the Executive Committee, the Board has approved specific Terms of Reference for the NRC whereby it outlines the scope of duties, responsibilities and limits of authority.

1. Overall Duties and Responsibilities

Generally, the NRC is tasked to:-

1.1 Assist the Board of Directors of the Company (“the Board”) in respect of the recruitment and selection process of the nomination of directors and senior management;

1.2 Recommend qualified candidates to the Board for consideration prior to nomination proposal at the Shareholders’ Meeting for further approval and appointment; and

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

Specifically, the NRC is entrusted to:-

1.4 Review the Company’s business organization, the required mix of skills, experience and qualifications of its directors and CEO in accordance with the Company’s business requirements as directed or necessitated by the decision of the Board;

1.5 Propose and recommend candidates to be member of the Board with proper qualifications for the Board to submit for appointment in the Shareholders’ meeting of the Company;

1.6 Make recommendations to the Board for the successor of the CEO;

1.7 Ensure that the Company’s remuneration packages are competitive in view of industry practices; and

1.8 Perform any other activities, roles and responsibilities as approved, assigned and directed by the Board.

2. Authority

In discharging the roles and responsibilities, the NRC shall have the right to:-

2.1 Full and unrestricted access to information and consult any employee of the Company in order to conduct any investigation and to obtain any information pertaining to the Group;

2.2 Invite any employee or other individual to attend the NRC meeting; and

2.3 Obtain independent professional or other advice to assist the NRC in the performance of its responsibilities and duties.

The Nomination and Remuneration Committee has performed its duties prudently for the benefit of the Company. The committee is assured that its performance in the past year was effective, efficient and achieves the objectives assigned by the Board of Directors. The committee also has disclosed the remunerations and benefits of directors of the Company in the Annual Report and Form 56-1 for transparency purpose.

On behalf of the Committee



Mr. Nuthavuth Chatlertpipat

Chairman of the Nomination and Remuneration Committee

REPORT OF EXECUTIVE COMMITTEE

The Company formed an Executive Committee (“EXCO”) comprising four (4) Non-Independent & Executive Directors and three (3) Management Representatives. The members of the EXCO are as follows:

NO.	Name	Designation
^ 1.	Datuk Rameli Bin Musa	Chairman
^ 2.	Dato’ Dr. Ab Wahab Bin Ismail	Deputy Chairman
^ 3.	Mr. Hamidi Bin Maulod*	Member
^ 4.	Datin Sri Farah Binti Datuk Rameli	Member
5.	Mr. Affandi Bin Mokhtar	Member
6.	Mr. Mohd Safri Bin Sabtu*	Member
7.	Mr. Nosri Bin Hamzah*	Member

Remarks:

* Appointed as the EXCO Member effective from 1 September 2018.

^ Non - Independent & Executive Directors.

The EXCO was set up on 28 October 2014 by the Board with clear and well-defined objectives namely to support the Board’s roles and duties by providing organizational directions on behalf of the Board, ensure that business decisions or directions can be made in timely manner and most importantly, to provide advice to the Board on decisions and business matters ranging from strategy planning, policy, investment and risk. In determining that the EXCO meets its objectives, the Board further approved a definite Terms of Reference governing the process and conduct of the EXCO.

In FY2018/19, the EXCO convened ten (10) meetings, most of which were project related. For every new project where the subsidiary companies intend to participate in any projects that require new investment, detailed feasibility study will have to be prepared and presented to the EXCO prior to the tabling of the same at the respective board meetings of the subsidiary companies for approval. EXCO meeting is the platform for the Company to evaluate, deliberate, identify the relevant risks and challenge the proposal submitted by the subsidiary companies. With these processes, not only the subsidiary companies are able to provide a competitive offer but also interest of the same is safeguarded.

The Board is of the view that throughout FY2018/19, the EXCO has performed its duties and obligations diligently and prudently within its authorities and limits as provided in its Terms of Reference. The Board further concludes that the EXCO has met its objectives as assigned and expected by the Board.

On behalf of the EXCO



Datuk Rameli Bin Musa
Chairman of the EXCO

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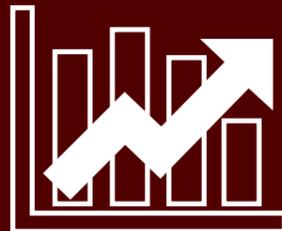
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Ingress Industrial (Thailand) Public Company Limited
and its subsidiaries



REPORT AND CONSOLIDATED FINANCIAL STATEMENT

31 January 2019

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Ingress Industrial (Thailand) Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Ingress Industrial (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 January 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Ingress Industrial (Thailand) Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ingress Industrial (Thailand) Public Company Limited and its subsidiaries and of Ingress Industrial (Thailand) Public Company Limited as at 31 January 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 11 to the financial statements regarding the acquisition of investment in Ingress Autoventures (India) Private Limited, the fair value measurement of the identifiable assets acquired and the liabilities assumed at the acquisition date, and the measurement of goodwill have been completed during the fourth quarter of the year 2018. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The Group is principally engaged in the manufacture and distribution of automotive components. The Group's revenue was mainly derived from sales of automotive components, which were significant in terms of volume and value, accounting for approximately 97 percent of total revenues. As this revenue had a direct impact on the Group's operating performance, I focused on the recognition of revenue from sales of automotive components, especially the timing of such recognition.

I have assessed and tested the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed key controls. In addition, on a sampling basis, I examined supporting documents for sales transactions occurring during the year and near the end of the accounting period, reviewed credit notes issued after the period-end and performed analytical procedures on revenue from sales accounts.

Business combination

As discussed in the emphasis of matter and Notes 11 to the financial statements regarding the acquisition of investment in Ingress Autoventures (India) Private Limited in the year 2017, the fair value measurement of the identifiable assets acquired and the liabilities assumed as the acquisition date, and the measurement of goodwill were completed during the fourth quarter of the year 2018. Accordingly, the Group has restated the values of the identifiable assets acquired and the liabilities assumed, and has recorded goodwill in the financial statements for year ended 31 January 2018. I have focused on this business acquisition since it is material to the financial statements as a whole, and the management was required to exercise substantial judgment when appraising the fair value of the assets acquired and liabilities assumed. Therefore, there is a risk with respect to the recognition and the measurement of the assets acquired and liabilities assumed, including initial difference on the acquisition.

I reviewed the terms and conditions of the agreements and inquired with management as to the nature and objectives of the acquisitions in order to assess whether the acquisitions met the definition of a business combination under Thai Financial Reporting Standard No.3 (Revised 2017) Business combinations. I checked the value of the acquisitions against supporting documents and related payments to assess whether they reflected the fair value of the consideration transferred and did not include acquisition-related costs,

taking into account the method and significant assumptions used in measurement of fair value. I also, tested the calculations and considered the reason for the goodwill and the initial differences arising from the acquisitions recognised by the Group, and reviewed the disclosures related to the acquisitions in the notes to financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Supanee Triyanantakul

Certified Public Accountant (Thailand) No. 4498

EY Office Limited

Bangkok: 28 March 2019

FINANCIAL STATEMENT

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries
Statement of financial position
As at 31 January 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	229,265,797	288,172,524	13,672,778	15,071,139
Current investment		789,379	-	-	-
Trade and other receivables	8	599,645,193	651,153,807	181,485,219	378,073,565
Inventories	9	274,601,415	272,241,095	-	-
Other current assets	10	69,535,322	47,797,279	2,111,307	1,111,350
Total current assets		1,173,837,106	1,259,364,705	197,269,304	394,256,054
Non-current assets					
Restricted bank deposits		17,323,957	14,037,847	-	-
Investments in subsidiaries	11	-	-	1,881,160,230	1,881,160,230
Investment properties	12	45,838,200	42,672,420	-	-
Property, plant and equipment	13	2,648,229,350	2,734,709,964	734,816	1,398,832
Intangible assets	14	22,132,353	26,396,135	17,531	33,332
Goodwill	11	34,267,222	34,267,222	-	-
Deferred tax assets	24	285,495,849	352,162,780	1,788,943	4,820,490
Other non-current assets		14,936,779	17,545,990	758,797	551,797
Total non-current assets		3,068,223,710	3,221,792,358	1,884,460,317	1,887,964,681
Total assets		4,242,060,816	4,481,157,063	2,081,729,621	2,282,220,735

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 January 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	15	366,919,464	445,641,575	-	-
Trade and other payables	16	450,861,846	455,622,678	317,304,987	668,613,402
Short-term loans from related party	6	-	-	149,000,000	-
Current portion of liabilities under hire-purchase and finance lease agreements	17	9,727,248	11,642,867	-	-
Current portion of long-term loans	18	127,961,283	197,487,786	-	-
Income tax payable		19,846,340	16,973,533	-	-
Dividend payables		17,250,033	9,127,939	60,708	70,114
Other current liabilities		22,360,799	19,046,398	4,134,067	4,181,074
Total current liabilities		1,014,927,013	1,155,542,776	470,499,762	672,864,590
Non-current liabilities					
Liabilities under hire-purchase and finance lease agreements, net of current portion	17	20,324,679	28,648,986	-	-
Long-term loans, net of current portion	18	438,209,949	556,267,287	-	-
Provision for long-term employee benefits	19	42,767,175	35,509,676	38,774	831,123
Deferred tax liabilities	24	157,738,385	160,292,948	-	-
Total non-current liabilities		659,040,188	780,718,897	38,774	831,123
Total liabilities		1,673,967,201	1,936,261,673	470,538,536	673,695,713

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 January 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
Shareholders' equity					
Share capital					
Registered					
1,446,942,690 ordinary shares of Baht 1 each		1,446,942,690	1,446,942,690	1,446,942,690	1,446,942,690
Issued and fully paid					
1,446,942,690 ordinary shares of Baht 1 each	20	1,446,942,690	1,446,942,690	1,446,942,690	1,446,942,690
Share premium	20	80,749,575	80,749,575	80,749,575	80,749,575
Deficit from the change in the ownership interests in subsidiary	11	(8,748,287)	(6,399,560)	-	-
Deficit from business combinations under common control		(114,092,533)	(114,092,533)	-	-
Retained earnings					
Appropriated - statutory reserve	22	21,000,000	17,000,000	21,000,000	17,000,000
Unappropriated		172,165,783	178,223,885	62,498,820	63,832,757
Other components of shareholders' equity		160,373,128	137,110,182	-	-
Equity attributable to owners of the Company		1,758,390,356	1,739,534,239	1,611,191,085	1,608,525,022
Non-controlling interests of the subsidiaries		809,703,259	805,361,151	-	-
Total shareholders' equity		2,568,093,615	2,544,895,390	1,611,191,085	1,608,525,022
Total liabilities and shareholders' equity		4,242,060,816	4,481,157,063	2,081,729,621	2,282,220,735

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

Directors

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 January 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
Profit or loss:					
Revenues					
Sales		3,199,321,507	2,912,920,922	-	-
Other income					
Dividend income	11	-	-	67,078,488	136,460,740
Management fee income		-	-	38,591,793	37,525,865
Scrap sales		68,355,116	39,655,728	-	-
Gains on exchange rate		11,225,951	-	18,613,775	-
Gain on change in fair value of investment property	12	5,563,670	-	-	-
Gain from acquisition of share from non-controlling interest	11	-	14,332,258	-	-
Others		6,941,537	11,568,969	64,109	422,459
Total revenues		3,291,407,781	2,978,477,877	124,348,165	174,409,064
Expenses					
Cost of sales		2,566,281,091	2,268,589,513	-	-
Selling and distribution expenses		52,207,391	44,475,644	-	-
Administrative expenses		512,628,143	452,288,272	42,754,804	53,466,896
Losses on exchange rate		-	1,384,604	-	7,919,236
Total expenses		3,131,116,625	2,766,738,033	42,754,804	61,386,132
Profit before share of gain from investments in associated company, finance cost and tax income (expenses)					
Share of gain from investments in associated company	12	-	4,002,210	-	-
Profit before finance cost and tax income (expenses)		160,291,156	215,742,054	81,593,361	113,022,932
Finance cost		(60,747,616)	(72,960,168)	(1,158,654)	-
Profit before tax income (expenses)		99,543,540	142,781,886	80,434,707	113,022,932
Tax income (expenses)	24	(23,180,531)	4,416,127	(2,930,762)	3,062,608
Profit for the year		76,363,009	147,198,013	77,503,945	116,085,540

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 January 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2019	2018	2019	2018
			(Restated)		
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		(91,329,206)	(4,040,849)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(91,329,206)	(4,040,849)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Change in revaluation of property and plant - net of income tax		162,124,464	-	-	-
Actuarial gains (loss) - net of income tax		(4,173,061)	(4,918,512)	403,138	(48,150)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		157,951,403	(4,918,512)	403,138	(48,150)
Other comprehensive income for the year		66,622,197	(8,959,361)	403,138	(48,150)
Total comprehensive income for the year		142,985,206	138,238,652	77,907,083	116,037,390
Profit attributable to:					
Equity holders of the Company		54,050,792	97,139,318	77,503,945	116,085,540
Non-controlling interests of the subsidiaries		22,312,217	50,058,695		
		<u>76,363,009</u>	<u>147,198,013</u>		
Comprehensive income attributable to:					
Equity holders of the Company		96,445,864	91,733,690	77,907,083	116,037,390
Non-controlling interests of the subsidiaries		46,539,342	46,504,962		
		<u>142,985,206</u>	<u>138,238,652</u>		
Earnings per share					
Basic earnings per share					
Profit attributable to equity holders of the Company	26	<u>0.04</u>	<u>0.07</u>	<u>0.05</u>	<u>0.09</u>

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 January 2019

	Consolidated financial statements										(Unit: Baht)
	Equity attributable to owners of the Company					Other components of equity					
	Issued and fully paid-up share capital	share premium	Deficit from the change in the ownership interests in subsidiaries	Deficit from business combinations under common control	Retained earnings	Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on property and plant of subsidiaries	Total other comprehensive income	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	
Balance as at 1 February 2017	1,165,380,190	-	-	(114,092,533)	11,000,000	(162,163,073)	321,312,957	159,149,884	1,444,338,958	820,865,467	2,265,204,425
Profit for the year - as restated	-	-	-	-	97,139,318	-	-	-	97,139,318	50,058,695	147,198,013
Other comprehensive income for the year - as restated	-	-	-	-	(2,966,030)	(2,439,598)	(8,959,361)	(2,439,598)	(5,405,628)	(3,553,733)	(8,959,361)
Total comprehensive income for the year - as restated	-	-	-	-	94,173,288	(2,439,598)	(8,959,361)	(2,439,598)	91,733,690	46,504,962	138,238,652
Increase in share capital	20	261,562,500	80,749,575	-	-	-	-	-	342,312,075	-	342,312,075
Cash received in payment for additional shares of a subsidiary	11	-	-	-	-	-	-	-	-	-	-
Change in the ownership interest in subsidiary	11	-	-	(6,399,560)	-	-	-	-	(6,399,560)	-	12,200,000
Transfer revaluation surplus in the same amount of depreciation of revalued building to retained earnings - net of income tax	21	-	-	-	19,600,104	(19,600,104)	-	(19,600,104)	-	-	-
Transfer unappropriated retained earnings to statutory reserve	22	-	-	-	6,000,000	-	-	-	-	-	-
Dividend paid	27	-	-	-	(132,450,924)	-	-	-	(132,450,924)	-	(132,450,924)
Dividend paid to non-controlling interests of the subsidiaries	6	-	-	-	-	-	-	-	-	-	-
Balance as at 31 January 2018 - as restated		1,446,942,690	80,749,575	(114,092,533)	17,000,000	(164,602,671)	301,712,853	137,110,182	1,739,534,239	(80,608,838)	2,544,895,390

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 January 2019

(Unit: Baht)

	Shareholder Consolidated financial statements										
	Equity attributable to shareholders of the Company					Other comprehensive income					
	Issued and fully paid share capital	Share premium	Deficit from the change in the ownership interests in subsidiaries	Deficit from business combinations under common control	Retained earnings - Appropriated - statutory reserve	Exchange differences		Surplus on revaluation of land and buildings of subsidiaries		Total other comprehensive income	Total equity attributable to shareholders of the Company
						on translation of financial statements in foreign currency	in foreign currency	on translation of financial statements in foreign currency	in foreign currency		
Note											
Balance as at 31 January 2018 - as previously reported	1,446,942,690	80,749,575	(6,399,560)	(114,092,533)	17,000,000	(161,827,322)	301,712,853	139,885,531	1,742,972,975	805,361,151	2,548,334,126
Fair value adjustment of assets acquired and liabilities assumed of subsidiary	-	-	-	-	(663,387)	(2,775,349)	-	(2,775,349)	(3,438,736)	-	(3,438,736)
Balance as at 31 January 2018 - as restated	1,446,942,690	80,749,575	(6,399,560)	(114,092,533)	17,000,000	(164,602,671)	301,712,853	137,110,182	1,739,534,239	805,361,151	2,544,895,390
Profit for the period	-	-	-	-	54,050,792	-	-	-	54,050,792	22,312,217	76,363,009
Other comprehensive income for the period	-	-	-	-	(2,621,889)	(70,815,900)	115,832,861	45,016,961	42,395,072	24,227,125	66,622,197
Total comprehensive income for the period	-	-	-	-	51,428,903	(70,815,900)	115,832,861	45,016,961	96,445,864	46,539,342	142,985,206
Issuance of share capital of a subsidiary	-	-	-	-	-	-	-	-	-	1,308,252	1,308,252
Change in the ownership interest in subsidiary	-	-	(2,348,727)	-	-	-	-	-	(2,348,727)	2,348,727	-
Transfer revaluation surplus in the same amount of depreciation of revalued buildings to retained earning - net of income tax	-	-	-	-	21,754,015	-	(21,754,015)	(21,754,015)	-	-	-
Transfer unappropriated retained earnings to statutory reserve	-	-	-	-	4,000,000	-	-	-	-	-	-
Dividend paid	-	-	-	-	(75,241,020)	-	-	-	(75,241,020)	-	(75,241,020)
Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	(45,854,213)	(45,854,213)
Balance as at 31 January 2019	1,446,942,690	80,749,575	(6,748,287)	(114,092,533)	21,000,000	(235,418,571)	395,791,699	160,373,128	1,738,390,356	899,703,259	2,568,093,615

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 January 2019

(Unit: Baht)

	Note	Separate financial statements				
		Issued and fully paid share capital	share premium	Retained earnings		Total shareholder's equity
				statutory reserve	Unappropriated	
Balance as at 1 February 2017		1,185,380,190	-	11,000,000	86,246,291	1,282,626,481
Profit for the year		-	-	-	116,085,540	116,085,540
Total other comprehensive income for the year		-	-	-	(48,150)	(48,150)
Total comprehensive income for the year		-	-	-	116,037,390	116,037,390
Increase share capital	20	261,562,500	80,749,575	-	-	342,312,075
Transfer of unappropriated retained earnings to statutory reserve	22	-	-	6,000,000	(6,000,000)	-
Dividend paid	27	-	-	-	(132,450,924)	(132,450,924)
Balance as at 31 January 2018		1,446,942,690	80,749,575	17,000,000	63,832,757	1,608,525,022
Balance as at 1 February 2018		1,446,942,690	80,749,575	17,000,000	63,832,757	1,608,525,022
Profit for the year		-	-	-	77,503,945	77,503,945
Total other comprehensive income for the year		-	-	-	403,138	403,138
Total comprehensive income for the year		-	-	-	77,907,083	77,907,083
Transfer of unappropriated retained earnings to statutory reserve	22	-	-	4,000,000	(4,000,000)	-
Dividend paid	27	-	-	-	(75,241,020)	(75,241,020)
Balance as at 31 January 2019		1,446,942,690	80,749,575	21,000,000	62,498,820	1,611,191,085

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 January 2019

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
Cash flows from operating activities				
Profit before tax	99,543,540	142,781,886	80,434,707	113,022,932
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	304,512,627	300,343,290	771,573	754,653
Increase in allowance for doubtful debts (Reversal)	7,477,144	(60,725)	-	-
Reduction of inventory to net realisable value (Reversal)	6,445,491	(4,129,924)	-	-
Dividend income from subsidiaries	-	-	(67,078,488)	(136,460,740)
Gain on changes in fair value of investment properties	(5,563,670)	-	-	-
Losses on disposal/write-off of equipment and computer software	17,288,768	2,918,211	-	-
Unrealised exchange (gains) losses	(1,511,134)	1,465,144	(11,751,857)	(4,371,993)
Gain from acquisition of share from non-controlling interest	-	(14,332,258)	-	-
Share of gain from investment in associated company	-	(4,002,210)	-	-
Increase in provision for long-term employee benefits	5,940,807	4,364,550	126,308	123,627
Interest income	(1,327,320)	(454,782)	(64,109)	-
Interest expenses	60,747,616	72,960,168	1,158,654	-
Profit (loss) from operating activities before changes in operating assets and liabilities	493,553,869	501,853,350	3,596,788	(26,931,521)
Operating assets (increase) decrease				
Trade and other receivables	45,358,030	77,493,699	189,626,494	(273,138,951)
Inventories	(52,031,554)	(54,259,033)	-	-
Other current assets	(18,289,650)	(14,025,009)	(31,954)	452,814
Other non-current assets	2,609,211	(5,953,321)	(207,000)	(56,525)
Operating liabilities increase (decrease)				
Trade and other payables	(14,638,464)	(193,945,360)	(243,721,255)	(30,219,148)
Other current liabilities	3,314,401	9,138,863	(47,005)	(124,137)
Provision for long-term employee benefits	(2,879,951)	(393,946)	(414,735)	-
Other non-current liabilities	-	(4,969,657)	-	-
Cash flows from (used in) operating activities	456,995,892	314,939,586	(51,198,667)	(330,017,468)
Cash paid for interest expenses	(60,747,616)	(72,960,168)	(1,032,105)	-
Cash paid for income tax	(34,292,518)	(27,128,807)	(968,003)	(7,840,989)
Net cash flows from (used in) operating activities	361,955,758	214,850,611	(53,198,775)	(337,858,457)

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

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 January 2019

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
Cash flows from investing activities				
Increase in restricted bank deposits	(3,286,111)	(10,271,355)	-	-
Increase in current investment	(789,379)	-	-	-
Cash received from dividend paid from subsidiaries	-	-	67,078,488	136,460,740
Cash paid for acquisition of investment in subsidiary	-	(81,554,929)	-	-
Acquisition of machinery and equipment	(89,088,544)	(126,271,478)	(91,757)	(101,500)
Proceeds from sales of equipment	44,597,972	4,505,640	-	-
Acquisition of intangible assets	(2,350,373)	(4,968,768)	-	-
Cash received from interest income	1,301,313	(296,865)	64,109	-
Net cash flows from (used in) investing activities	(49,615,122)	(218,857,755)	67,050,840	136,359,240
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(75,877,382)	46,237,805	-	-
Repayment of liabilities under hire-purchase and financial lease agreements	(11,836,205)	(10,240,303)	-	-
Cash received from short-term loans from related party	-	-	60,000,000	-
Cash received from long-term loans	9,621,812	58,092,199	-	-
Repayment of long-term loans	(165,524,419)	(383,412,815)	-	-
Cash received in payment for additional shares of subsidiary	1,308,252	12,200,000	-	-
Cash received from issuance ordinary shares	-	347,878,125	-	347,878,125
Cash paid for direct cost related to the share offering	-	(6,957,563)	-	(6,957,563)
Dividend paid	(75,250,426)	(132,380,810)	(75,250,426)	(132,380,810)
Dividends paid by the subsidiaries to non-controlling interests	(37,722,713)	(71,551,013)	-	-
Net cash flows from (used in) financing activities	(355,281,081)	(140,134,375)	(15,250,426)	208,539,752
Decrease (increase) in translation adjustment	(13,121,553)	16,349,585	-	-
Net increase (decrease) in cash and cash equivalents	(56,061,998)	(127,791,934)	(1,398,361)	7,040,535
Cash and cash equivalents at beginning of year	270,637,521	398,429,455	15,071,139	8,030,604
Cash and cash equivalents at end of year (Note 7)	214,575,523	270,637,521	13,672,778	15,071,139

Supplemental cash flows information:

Non-cash transactions				
Purchase of machinery and equipment for which no cash has been paid	21,750,258	10,257,545	-	-
Purchase of assets under hire-purchase and finance lease agreements	2,302,510	19,293,166	-	-
Transfer of inventory to equipment	43,254,597	-	-	-
Dividend payable	17,250,033	9,127,939	60,708	70,114
Transfer of other receivable to short-term loans from related party	-	-	89,000,000	-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Ingress Industrial (Thailand) Public Company Limited and its subsidiaries

For the year ended 31 January 2019

1. Corporate information

Ingress Industrial (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Ingress Corporation Berhad, incorporated in Malaysia and its parent company of the group is Ramdawi Sdn. Bhd., incorporated in Malaysia. The Company is principally engaged in the investment holdings. The subsidiaries are principally engaged in the manufacture and distribution of automotive components. The registered office of the Company is 9/141, 14th floor, Unit A, UM Tower Building, Ramkhamhaeng Road, Suanluang, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Ingress Industrial (Thailand) Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019 Percent	2018 Percent
Subsidiaries held directly by the Company				
Ingress Industrial (Malaysia) Sdn. Bhd.	Investment holding	Malaysia	100.0	100.0
Ingress Autoventures Company Limited	Manufacture and distribution of automotive components	Thailand	62.5	62.5
Fine Components (Thailand) Company Limited	Manufacture and distribution of automotive components	Thailand	85.0	85.0
Subsidiaries held through Ingress Industrial (Malaysia) Sdn. Bhd.				
Ingress Precision Sdn. Bhd.	Manufacture and distribution of automotive components	Malaysia	90.0	90.0
Ingress Technologies Sdn. Bhd.	Manufacture and distribution of automotive components	Malaysia	70.0	70.0
Talent Synergy Sdn. Bhd.	Provision of engineering and automatic production system design services	Malaysia	100.0	100.0
Ingress Autoventures (India) Private Limited	Manufacture and distribution of automotive components	India	97.06	100.0
Subsidiary held through Ingress Precision Sdn. Bhd.				
PT Ingress Malindo Ventures	Manufacture and distribution of automotive components	Indonesia	60.0	60.0
Subsidiary held through Ingress Technologies Sdn. Bhd.				
PT Ingress Technologies Indonesia	Manufacture and distribution of automotive components	Indonesia	100.0	100.0

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.

f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

h) The difference between the net proceeds paid or received from the change in the percentage of shareholding in the Company's subsidiaries and the interest of the non-controlling interests of the subsidiaries in the net book value of the subsidiaries as of the date of such change it is included in the consolidated statement of changes in shareholders' equity under caption of "Deficit from the change in the ownership interests in subsidiary".

2.3 The separate financial statements, which present investments in subsidiaries, under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

IFRS 15 Revenue from Contracts with Customers	
IFRS 15 supersedes the following accounting standards together with related Interpretations.	
TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of IFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:	
IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
Accounting standard:	
TAS 32	Financial Instruments: Presentation
Financial Reporting Standard Interpretations:	
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable is stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

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

4.5 Investments

a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

b) Investments in associated company are accounted for in the consolidated financial statements using the equity method.

c) Investments in subsidiaries and associated company are accounted for in the separate financial statements using the cost method. The Company performs impairment reviews in respect of the investments whenever there is an indication that it may be impaired.

4.6 Investment properties

Its subsidiary's investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

Land is stated at revalued amount less allowance for loss on impairment of assets (if any). Buildings and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

The Company and its subsidiaries' land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional valuer to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the assets of the Company and its subsidiaries, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus on property and plant". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.

- When an asset's carrying amount is decreased as a result of a revaluation of the assets of the Company and its subsidiaries, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on property and plant" in respect of the same asset

The Company and its subsidiaries plan to have these assets revalued every 3 years.

The assets acquired under finance leases are depreciated over the useful life of the assets or the lease terms, whichever is lower, provided there is no reasonable uncertainty that the Company and its subsidiaries will own the assets at the end of the lease terms.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives with the exception of molds used for specific goods, for which depreciation is calculated based on units of production. The estimated useful lives using the straight-line method are as follows:

Long-term leasehold land	-	20 and 99 years
Buildings and buildings improvement	-	5 - 50 years
Long-term leasehold buildings and buildings improvement	-	20 years
Machinery and equipment	-	5 - 10 years
Furniture, fixtures and office equipment	-	3 - 6.7 years
Motor vehicles	-	5 - 6.7 years

Depreciation is included in determining income. The surplus on plant is amortised to retained earnings on a straight-line basis over the remaining lives of the related assets.

No depreciation is provided on land and assets under construction and installation.

The revaluation surplus on land and buildings can neither be offset against deficits nor used for dividend payment.

The Company and its subsidiaries' property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

	Useful lives
Customer relationships	10 years
Computer software	5 and 10 years

4.10 Goodwill

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

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

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

4.11 Related party transactions

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

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

4.12 Long-term leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the shorter the useful life of the asset and the lease period.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However in cases where property, plant and equipment was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment loss may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised

for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligations under the defined benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.16 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholder's equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Net realisable value of inventories

The management uses judgment to estimate the net realisable value of inventories based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of reporting date. In addition, the management makes judgement and estimates expected loss from stock obsolescence based upon past sales history and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company and its subsidiaries measure land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the depreciation replacement cost approach for buildings. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Goodwill

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

Post-employment benefits under defined benefit plans

The obligations under the defined benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

The significant business transactions with related parties, for the years ended 31 January 2019 and 2018 are as follows:

	(Unit: Thousand Baht)				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2019	2018	2019	2018	
Transactions with parent company					
Dividend paid	75,241	132,451	75,241	132,451	As announcement
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Management fee income	-	-	38,592	37,526	Contract price
Dividend income	-	-	67,078	136,461	As announcement
Transactions with corporate shareholders of subsidiaries					
Sale of goods	502	305	-	-	As agreed
Purchase of raw materials and supplies	11,830	20,617	-	-	As agreed
Purchase of machinery and equipment	8,106	8,117	-	-	As agreed
Advance payment for mold	4,828	-	-	-	As agreed
Royalty fee	18,022	19,850	-	-	Contract price
Technical assistance fee	5,952	7,902	-	-	Contract price
Dividend paid	28,125	71,497	-	-	As announcement
Transactions with subsidiaries of a corporate shareholders of a subsidiary					
Sale of goods	1,015,047	1,124,377	-	-	As agreed
Transactions with related companies					
Sale of goods	1,559	2,380	-	-	As agreed
Rental income	2,060	2,040	-	-	Contract price
Purchase of machinery and equipment	21,645	33,976	-	-	As agreed
Purchase of supplies	473	288	-	-	As agreed

As at 31 January 2019 and 2018, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade and other receivables - related parties				
Trade receivables - related parties (Note 8)				
Subsidiaries of corporate shareholders of subsidiaries	101,936	106,373	-	-
Corporate shareholders of subsidiaries	27	-	-	-
Related companies	192	1,181	-	-
Total trade receivables - related parties	102,155	107,554	-	-
Other receivables - related parties (Note 8)				
Parent company	3,937	3,073	-	-
Subsidiaries	-	-	181,335	378,074
Subsidiaries of corporate shareholders of subsidiaries	4,656	9,760	-	-
Related companies	13,274	15,340	18	-
Total other receivables - related parties	21,867	28,173	181,353	378,074
Total trade and other receivables - related parties	124,022	135,727	181,353	378,074
Trade and other payables - related parties				
Trade payables - related parties (Note 16)				
Corporate shareholders of subsidiaries	1,731	1,579	-	-
Related companies	-	1,373	-	-
Total trade payables - related parties	1,731	2,952	-	-
Other payables - related parties (Note 16)				
Parent company	16,302	16,232	58	58
Corporate shareholders of subsidiaries	25,549	11,746	-	-
Subsidiaries	-	-	311,429	663,004
Related companies	4,378	9,978	-	-
Total other payables - related parties	46,229	37,956	311,487	663,062
Total trade and other payables - related parties	47,960	40,908	311,487	663,062
Dividend payables to related party				
Corporate shareholder of subsidiary	17,189	9,058	-	-
Total dividend payables to related party	17,189	9,058	-	-

Short-term loans from related party

As at 31 January 2019 and 2018, the balances of short-term loans from related parties between the Company and its subsidiary and the movement of those loans are as

(Unit: Thousand Baht)

	Related by	Separate financial statements			
		Balance as at 31 January 2018	Increase during the year	Decrease during the year	Balance as at 31 January 2019
Loans from related party					
Ingress Autoventures Company					
Limited	subsidiary	-	149,000	-	149,000
Total		-	149,000	-	149,000

These loans are repayable on demand and unsecured, and carry interest at the rate of 1 percent per annum

Directors and management's benefits

During the year ended 31 January 2019 and 2018, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	87,695	83,403	12,312	15,004
Post-employment benefits	3,120	3,121	-	907
Total	90,815	86,524	12,312	15,911

7. Cash and cash equivalents

The balances of cash and cash equivalents as at 31 January 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	273	301	2	12
Bank deposits	228,993	287,872	13,671	15,059
Total	229,266	288,173	13,673	15,071

As at 31 January 2019, bank deposits in saving accounts and fixed deposits carried interests between 0.10 to 1.10 percent per annum (2018: between 0.10 to 1.10 percent per annum) (the Company only: 1.10 percent per annum (2018: 1.10 percent per annum)).

Cash and cash equivalents as at 31 January 2019 and 2018 presented in the cash flow statements consist of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Cash	273	301	2	12
Bank deposits	228,993	287,872	13,671	15,059
Total cash and bank deposits	229,266	288,173	13,673	15,071
Less: Bank overdrafts (Note 15)	(14,690)	(17,535)	-	-
Total	<u>214,576</u>	<u>270,638</u>	<u>13,673</u>	<u>15,071</u>

8. Trade and other receivables

The balances of trade and other receivables as at 31 January 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	58,614	77,493	-	-
Past due				
Up to 3 months	77	4,293	-	-
3 - 6 months	43,313	25,467	-	-
Over 12 months	151	301	-	-
Total trade receivables - related parties	<u>102,155</u>	<u>107,554</u>	<u>-</u>	<u>-</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	296,322	315,532	-	-
Past due				
Up to 3 months	121,156	104,325	-	-
3 - 6 months	1,253	35,362	-	-
6 - 12 months	4,512	1,141	-	-
Over 12 months	11,880	4,313	-	-
Total trade receivables - unrelated parties	<u>435,123</u>	<u>460,673</u>	<u>-</u>	<u>-</u>
Less: Allowance for doubtful debts	<u>(9,694)</u>	<u>(2,677)</u>	<u>-</u>	<u>-</u>
Total trade receivables - unrelated parties, net	<u>425,429</u>	<u>457,996</u>	<u>-</u>	<u>-</u>
Total trade receivables - net	<u>527,584</u>	<u>565,550</u>	<u>-</u>	<u>-</u>
<u>Other receivables</u>				
Other receivables - related parties	21,867	28,173	181,353	378,074
Other receivables - unrelated parties	67,716	75,897	132	-
Total other receivables	89,583	104,070	181,485	378,074
Less: Allowance for doubtful debts	<u>(17,522)</u>	<u>(18,466)</u>	<u>-</u>	<u>-</u>
Total other receivables - net	<u>72,061</u>	<u>85,604</u>	<u>181,485</u>	<u>378,074</u>
Total trade and other receivables - net	<u>599,645</u>	<u>651,154</u>	<u>181,485</u>	<u>378,074</u>

9. Inventories

The balance of inventories as at 31 January 2019 and 2018 are as follows:

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	58,144	43,236	(3,618)	(1,459)	54,526	41,777
Work in process	45,418	44,409	(1,303)	(777)	44,115	43,632
Raw materials	170,884	174,996	(5,270)	(1,538)	165,614	173,458
Spare parts and factory supplies	9,687	12,131	-	-	9,687	12,131
Goods in transit	659	1,243	-	-	659	1,243
Total	<u>284,792</u>	<u>276,015</u>	<u>(10,191)</u>	<u>(3,774)</u>	<u>274,601</u>	<u>272,241</u>

During the current year, the subsidiaries reduced cost of inventories by Baht 6.4 million, to reflect the net realisable value. This was included in cost of sales. (2018: the subsidiaries reversed the write-down of cost of inventories by Baht 4.1 million, and reduced the amount of inventories recognised as expenses during the year.)

10. Other current assets

The balance of other current assets as at 31 January 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Prepaid expenses	21,200	13,583	-	-
Advance payment for mold	20,030	21,319	-	-
Tax Recoverable	14,010	10,561	1,992	1,024
Advance payment for long-term loan	10,761	-	-	-
Others	3,534	2,334	119	87
Total	<u>69,535</u>	<u>47,797</u>	<u>2,111</u>	<u>1,111</u>

11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Registered capital		Paid-up capital		Shareholding percentage		Cost		Dividends received during the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Ingress Industrial (Malaysia) Sdn. Bhd.	118 Million Ringgit	118 Million Ringgit	118 Million Ringgit	118 Million Ringgit	100.0	100.0	1,114,334	1,114,334	20,203	61,461
Ingress Autoventures Company Limited	300 Million Baht	300 Million Baht	300 Million Baht	300 Million Baht	62.5	62.5	685,883	685,883	46,875	75,000
Fine Components (Thailand) Company Limited	267 Million Baht	267 Million Baht	220 Million Baht	220 Million Baht	85.0	85.0	80,943	80,943	-	-
Total							1,881,160	1,881,160	67,078	136,461

Joint venture agreement and shareholding in FCT

On 15 April 2014, Ingress Corporation Berhad ("ICB"), the parent company, entered into a joint venture agreement with Iwamoto Co., Ltd. ("Iwamoto"), a business partner from Japan, with respect to investment in Fine Components (Thailand) Co., Ltd. ("FCT"), under which Iwamoto was to provide FCT with operational support relating to the manufacturing and maintenance of molds, and customer acquisition.

Under the agreement, Iwamoto was to invest in 801,000 new ordinary shares of FCT (representing a stake of 30 percent) within two years from the date of the joint venture agreement. If Iwamoto was unable to fully invest in the shares of FCT as specified in the agreement within such period, the two investors were to negotiate to find a reasonable solution.

From July to December 2014, Iwamoto invested in 208,000 new ordinary shares of FCT with a par value of Baht 100 each, amounting to Baht 21 million, representing a 10 percent shareholding in the paid-up capital of Baht 208 million.

On 1 June 2015, the Company entered into an agreement granting rights under the above a joint venture agreement with ICB and Iwamoto, whereby the rights and obligations under the joint venture agreement would be transferred to the Company by ICB, effective from 1 February 2015.

During the first quarter of the year 2016, the Company and Iwamoto made an additional agreement to extend the period for investment in the remaining 593,000 ordinary shares of FCT to be made by Iwamoto to be within 15 April 2017.

During the first quarter of the year 2017, the Company and Iwamoto entered into additional agreements as follows:

- (1) An agreement to make payment for 122,000 shares with a par value of Baht 100 each, amounting to Baht 12 million.
- (2) An agreement to make payment for the remaining 471,000 shares with a par value of Baht 100 each, amounting to Baht 47 million, within 15 April 2018.

On 26 May 2017, Fine Components (Thailand) Co., Ltd., a subsidiary, received full payment for 122,000 shares with a par value of Baht 100 each, amounting to Baht 12 million. As a result, the Company's shareholding in this subsidiary decreased from 90 percent to 85 percent. The Company recorded the difference of Baht 6 million between the cost and the book value of the Company's equity interest in the subsidiary that resulted from the change in shareholding under the caption of "Deficit from the change in the ownership interests in subsidiaries" This is presented as a separate item in shareholders' equity in the consolidated statements of financial position.

Subsequently, on 2 March 2018, Iwamoto sent a letter expressing its intention not to make payment for the remaining 471,000 shares with a par value of Baht 100 each, amounting to Baht 47 million.

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

Acquisition of investment in Ingress Autoventures (India) Private Limited

On 14 September 2017, the Board of Directors' meeting of the Company approved a resolution requiring a wholly owned subsidiary (Ingress Industrial (Malaysia) Sdn. Bhd. ("IIM")) to enter into a Shares Sales Agreement with Mayur Industries Private Limited ("MIPL"), whereby IIM is to acquire from MIPL 5.3 million ordinary shares of Ingress Autoventures (India) Private Limited ("IAIPL") at a par value of INR 10 per share, representing a 60 percent shareholding in IAIPL, for a total consideration of INR 159.0 million (equivalent to approximately Baht 82.6 million). As a result of the acquisition, IAIPL's shareholding of IIM would increase from 40 percent to 100 percent. Subsequently, on 11 October 2017, IIM paid INR 15.9 million (equivalent to approximately Baht 8.8 million), representing 10 percent of the total consideration. On 13 November 2017, IIM paid the remaining consideration, amounting to INR 143.1 million (equivalent to approximately Baht 73.8 million). As a result of the acquisition, IIM has control over IAIPL. The Group, therefore, classified IAIPL as a subsidiary and has included the financial statements of such subsidiary in the consolidated financial statements from 13 November 2017 (share acquisition date).

Based on an assessment of the above transactions, the management of the Company believes that the investment is a business combination because the assets acquired and liabilities assumed constitute a business, and the Group has control over that business, in accordance with the definition specified in TFRS 3 (revised 2017) Business Combinations.

Details of the acquisition are as follows:

	Thousand INR	Thousand Baht
Investment in subsidiary - at cost	252,380	130,467
Less: Acquisition costs	(159,000)	(82,600)
Net book value of investment at the equity method - at acquisition date	93,380	47,867
Net assets in the portion held by the Company	(65,420)	(33,535)
Gain from acquisition of shares from non-controlling interest of the subsidiary	27,960	14,332
Acquisition cost	159,000	82,600
Net book value of investment at the equity method - at acquisition date	93,380	47,867
Investment in subsidiary - at cost	252,380	130,467
Proportionate share of net assets acquired	(183,209)	(96,200)
Goodwill	69,171	34,267

The Group has had the fair value of the identifiable assets acquired and liabilities assumed assessed as at the acquisition date, which was 13 November 2017. This fair value measurement was completed in fourth quarter of the year 2018. Within the measurement period, the Group received additional information about the fair value of the assets and liabilities and so has restated the consolidated statements of financial position as at 31 January 2018, and the related consolidated statements of changes in shareholders' equity for the year then ended, presented herein as comparative information.

Fair value and the estimated carrying amounts of net assets acquired as at 13 November 2017 are as follows:

	(Unit: Thousand INR)	
	Fair value	Estimated carrying amounts
Assets		
Cash and cash equivalents	2,039	2,039
Trade and other receivables	70,099	70,099
Inventories	44,821	41,519
Other current assets	18,759	18,759
Restricted deposits	2,718	2,718
Intangible assets	29,840	38
Plant and equipment	127,735	131,849
Deferred tax assets	1,071	1,071
Other non-current assets	227	227
Total assets	297,309	268,319
Liabilities		
Short-term loans from financial institutions	968	968
Trade and other payables	74,273	74,273
Other current liabilities	15,612	15,612
Provision for long-term employee benefits	2,136	2,136
Deferred tax liabilities	18,976	9,645
Other non-current liabilities	2,135	2,135
Total liabilities	114,100	104,769
Proportionate share of net assets acquired	183,209	163,550
Net assets in the portion held by the Company		65,420

The amounts of adjustments affecting the consolidated statement of financial position as at 31 January 2018 were summarised below.

(Unit: Thousand Baht)

Increase (decrease) in consolidated statement of financial position

Plant and equipment	(2,253)
Intangible assets (Note 14)	14,570
Goodwill	34,267
Deferred tax liabilities	(3,392)
Retained earning	(664)
Other components of shareholders' equity	(2,775)

The adjustments do not affect the consolidated statement of financial position as at 1 February 2018 because the Group assumed control over IAIPL on 13 November 2017.

The amounts of adjustments affecting the consolidated statements of comprehensive income for the year ended 31 January 2018 were summarised below.

(Unit: Thousand Baht)

Increase (decrease) in consolidated statements of comprehensive income

Cost of sales	(1,831)
Income tax	1,167
Loss for the year	(664)
Exchange differences on translation of financial statements in foreign currency	(2,775)
Other comprehensive income for the year	(2,775)
Total comprehensive income for the year	(3,439)
Basic loss per share (Baht)	(0.0005)

Increase in share capital of Ingress Autoventures (India) Private Limited

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

the difference of Baht 2 million between the cost and the book value of the Company's equity interest in the subsidiary that resulted from the change in shareholding under the caption of "Deficit from the change in ownership interests in subsidiaries". This is presented as a separate item in shareholders' equity in the consolidated statements of financial position.

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

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the year		Other comprehensive income allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Percent	Percent								
Ingress Autoventures Company Limited	37.5	37.5	416	406	29	27	9	(1)	28	45
Ingress Technologies Sdn. Bhd.	30.0	30.0	321	342	(1)	21	(2)	2	18	36

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

Summarised information about financial position

(Unit: Million Baht)

	Ingress Autoventures Company Limited		Ingress Technologies Sdn. Bhd.	
	As at 31 January		As at 31 January	
	2019	2018	2019	2018
Current assets	629	672	885	999
Non-current assets	654	677	1,049	1,098
Current liabilities	114	223	535	564
Non-Current liabilities	60	44	331	393

Summarised information about comprehensive income

(Unit: Million Baht)

	Ingress Autoventures Company Limited		Ingress Technologies Sdn. Bhd.	
	For the year ended 31 January		For the year ended 31 January	
	2019	2018	2019	2018
Revenue	1,032	982	1,256	1,237
Profit	78	71	(3)	71
Other comprehensive income	25	(1)	(7)	7
Total comprehensive income	103	70	(10)	79

Summarised information about cash flow

(Unit: Million Baht)

	Ingress Autoventures Company Limited		Ingress Technologies Sdn. Bhd.	
	For the year ended 31 January		For the year ended 31 January	
	2019	2018	2019	2018
Cash flow from operating activities	157	137	133	230
Cash flow used in investing activities	(3)	(121)	(61)	(100)
Cash flow used in financing activities	(175)	(140)	(93)	(113)
(Increase) decrease in translation adjustment	-	-	4	(2)
Net increase (decrease) in cash and cash equivalents	(21)	(124)	(17)	15

12. Investment properties

A reconciliation of the net book value of investment properties for the years ended 31 January 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Net book value at beginning of year	42,672	42,153
Gain on change in fair value of investment properties	5,564	-
Translation adjustment	(2,398)	519
Net book value at ending of year	45,838	42,672

A subsidiary (Ingress Precision Sdn. Bhd) leased land to a related company (Ingress Katayama Technical Centre Sdn. Bhd.) under a long-term lease agreement for land and buildings on the plot. The subsidiary presented these investment properties at fair value as appraised by an independent appraiser.

During the current year, such company received rental income from investment properties of Baht 2 million (2018: Baht 2 million).

The subsidiary has used the investment properties as collateral for loans granted by financial institutions, as described in notes to the financial statements No.15 and 18.

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements								
	Revaluation basis			Cost basis					
	Land	Long-term leasehold land	Buildings and buildings improvement	Long-term leasehold buildings and buildings improvement	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total	
Cost/Revalued amount:									
As at 1 February 2017	322,671	274,922	872,173	226,218	6,081,212	137,956	32,623	50,765	7,998,540
Additions	-	-	793	194	25,584	2,537	8,643	166,499	204,250
Increase from acquisition of subsidiary - restated	-	-	-	-	136,988	3,720	6,305	-	147,013
Disposals/Written-off	-	-	-	-	(67,496)	(3,734)	(4,952)	(3,883)	(80,065)
Transfers	-	-	23	-	118,034	-	-	(118,057)	-
Translation adjustment - restated	1,323	(14,594)	(13,354)	(7,378)	(2,227)	(60)	(145)	662	(35,773)
As at 31 January 2018 - restated	323,994	260,328	859,635	219,034	6,292,095	140,419	42,474	95,986	8,233,965
Additions	-	-	4,033	1,483	66,473	2,644	3,409	68,095	146,137
Increase in revaluation	70,703	81,981	107,057	37,496	-	-	-	-	297,237
Disposals/Written-off	-	-	-	-	(13,725)	(919)	(6,703)	(61,180)	(82,527)
Transfers	-	-	(271)	-	42,471	-	-	(42,200)	-
Translation adjustment	(6,594)	(15,551)	(16,447)	(10,830)	(178,558)	(2,919)	(1,685)	(1,812)	(234,396)
As at 31 January 2019	388,103	326,758	954,007	247,183	6,208,756	139,225	37,495	58,889	8,360,416

Consolidated financial statements

	Revaluation basis				Cost basis				Total
	Land	Long-term leasehold land	Buildings and buildings improvement	buildings and buildings improvement	Long-term leasehold buildings and buildings improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	
Accumulated depreciation:									
As at 1 February 2017	-	56,930	305,245	47,482	4,654,539	128,032	25,253	-	5,217,481
Depreciation for the year - restated	-	9,639	34,762	6,266	239,254	4,387	3,035	-	297,343
Increase from acquisition of subsidiary - restated	-	-	-	-	72,212	2,158	2,224	-	76,594
Depreciation on disposals/written-off	-	-	-	-	(64,433)	(3,726)	(4,484)	-	(72,643)
Translation adjustment - restated	-	(5,797)	(17,097)	(1,936)	5,425	67	(182)	-	(19,520)
As at 31 January 2018 - restated	-	60,772	322,910	51,812	4,906,997	130,918	25,846	-	5,499,255
Depreciation for the year	-	11,000	35,809	6,945	237,740	4,169	4,191	-	299,854
Increase accumulated depreciation from revaluation	-	26,650	41,745	5,394	-	-	-	-	73,789
Depreciation on disposals/written-off	-	-	(95)	-	(13,443)	(832)	(6,306)	-	(20,676)
Translation adjustment	-	(5,016)	(2,717)	(2,028)	(127,019)	(2,593)	(662)	-	(140,035)
As at 31 January 2019	-	93,406	397,652	62,123	5,004,275	131,662	23,069	-	5,712,187
Net book value:									
As at 31 January 2018 - restated	323,994	199,556	536,725	167,222	1,385,098	9,501	16,628	95,986	2,734,710
As at 31 January 2019	388,103	233,352	556,355	185,060	1,204,481	7,563	14,426	58,889	2,648,229
Depreciation for the year									
2018 (Baht 256 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)									297,343
2019 (Baht 250 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)									299,854

(Unit: Thousand Baht)

Cost:

As at 1 February 2017

Additions

As at 31 January 2018

Additions

As at 31 January 2019

Accumulated depreciation:

As at 1 February 2017

Depreciation for the period

As at 31 January 2018

Depreciation for the period

As at 31 January 2019

Net book value:

As at 31 January 2018

As at 31 January 2019

Separate financial statements		
Buildings improvement	Furniture, fixtures and office equipment	Total
2,335	1,290	3,625
-	102	102
2,335	1,392	3,727
-	92	92
2,335	1,484	3,819
1,060	529	1,589
467	272	739
1,527	801	2,328
467	289	756
1,994	1,090	3,084
808	591	1,399
341	394	735

Depreciation for the year are recorded in administrative expenses

In the current period, the subsidiaries arranged for an independent professional valuer to appraise the value of certain assets on an asset-by-asset basis, in order to revise the previously appraised valuations. The basis of the revaluation was as follows:

- Land was revalued using the market approach.
- Buildings were revalued using the depreciated replacement cost approach.

As a result of the revaluation, the subsidiaries increased the surplus on revaluation of land and buildings in the statement of comprehensive income in the current period by Baht 162.1 million (net of income tax).

Had the land and buildings been carried in the financial statements on a historical cost basis, their net book value as of 31 January 2019 and 2018 would have been as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
Land	201,358	204,417
Long-term leasehold land	79,623	81,857
Buildings and buildings improvement	302,546	341,891
Long-term leasehold buildings and improvement	108,775	158,275

As at 31 January 2019, the subsidiaries had machinery, vehicles and equipment with net book value of Baht 48 million (2018: Baht 64 million) which were acquired under hire-purchase and finance lease agreements.

As at 31 January 2019, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 3,887 million (2018: Baht 3,922 million).

The subsidiaries have pledged their property, plant and equipment amounting to approximately Baht 1,687 million (2018: Baht 1,535 million) as collateral against credit facilities received from financial institutions as described in Note 15 and 18 to the financial statements.

Long-term leasehold rights to land in Malaysia

As at 31 January 2019, a subsidiary in Malaysia (Ingress Precision Sdn. Bhd.) had the outstanding long-term leasehold rights to land with net book values amounting to RM 14.9 million or Baht 114.0 million (2018: RM 11.7 million or Baht 94.6 million). The leasehold rights to the land were derived from two long-term lease agreements and the Government of Malaysia granted written permission for the subsidiary to utilise the rights to the two plots of land for manufacturing business activity for periods of 99 years, ending in 2086 and 2092. During the lease term, the subsidiary is not required to pay rent annually. After the expiry of 99 years, if the subsidiary wishes to renew the lease, it is required to comply with legal requirements, including payment of fees for renewal and use of the land to the government. Each subsequent renewal may not exceed 99 years. However, if the subsidiary does not follow the legal procedures to seek permission from the Government of Malaysia for the utilisation of two plots of land for business purposes, the right to use the land and buildings thereon will be returned to the Government of Malaysia.

The long-term leasehold rights to the land of the subsidiary are subject to several restrictions with which the subsidiary must comply, including on the use of land for the purposes permitted by the relevant authorities, the transfer or sale of the leasehold rights to the land to other individuals or juristic persons, or the use of land as collateral for debt repayment. The utilisation of land for these purposes requires permission from the authorities before proceeding in accordance with relevant regulations.

The Malaysian law on the possession of land for commercial or industrial purposes stipulates that the type of possession and use of land (defined by the Malaysian government and relevant authorities) is mainly divided into two types, namely the possession and use of land by an occupier who has the ownership of the land (Freehold title) and the possession and use of land by an occupier who has the right to use the land for a period of not exceeding 99 years (Leasehold title).

Long-term leasehold rights to land in Indonesia

As at 31 January 2019, a subsidiary in Indonesia (PT Ingress Malindo Ventures) had the outstanding long-term rights to land with net book values amounting to IDR 53,709 million or Baht 119.4 million (2018: IDR 44,812 million or Baht 105.0 million). The Government of Indonesia granted the subsidiary the right to build on land in Indonesia for a period of 30 years, which will expire in 2026. During the lease term, the subsidiary is not required to pay rent annually (The right to build is regarded as a right to utilise and derive benefit from land in Indonesia (Right of Usage)). After a period of 30 years, the right to use such land may be extended, with the first renewal to be for 20 years, while subsequent renewals will be for 30 years. If the subsidiary wishes to renew the lease, it must follow legal procedures, including the payment of fees for the renewal and use of the land to the government. However, if the subsidiary does not follow the legal procedures to seek permission from the Government of Indonesia to use the land for business purposes, the right to use the land, buildings and structures thereon will be returned to the Government of Indonesia.

The long-term leasehold rights to the land of the subsidiary are subject to several restrictions with which the subsidiary must comply, including on the use of land for the purposes permitted by relevant authorities, the transfer or sale of the leasehold rights to the land to other individuals or juristic persons, or the use of land as collateral for debt repayment. The utilisation of land for these purposes requires permission from the authorities before proceeding in accordance with relevant regulations.

According to the Constitution of the Republic of Indonesia, the ownership of all lands in the country belongs to the government. The law governing the right to occupy and use the land of Indonesia restricts the rights of ownership and use of land (Freehold land ownership) to individuals who have Indonesian nationality and particular juristic persons organised under Indonesia under Indonesian law, such as government agencies, state-run banks, agriculture or agriculture-related cooperatives, and organisations for religious and social causes. Business organisations, whether incorporated in or outside Indonesia, can only seek approval from the Government of Indonesia for the right to use and derive benefit from land located in Indonesia (Right of usage).

14. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements
	Computer software	Customer relationships	Total	Computer software
Cost:				
As at 1 February 2017	90,971	-	90,971	79
Additions	4,969	-	4,969	-
Increase from acquisition of subsidiary - restated	473	15,277	15,750	-
Translation adjustment - restated	287	(513)	(226)	-
As at 31 January 2018 - restated	96,700	14,764	111,464	79
Additions	2,350	-	2,350	-
Disposal/write-off	(438)	-	(438)	-
Translation adjustment	(2,041)	(1,571)	(3,612)	-
As at 31 January 2019	96,571	13,193	109,764	79
Accumulated amortisation:				
As at 1 February 2017	81,218	-	81,218	30
Amortisation for the year - restated	2,818	184	3,002	16
Increase from acquisition of subsidiary - restated	455	-	455	-
Translation adjustment - restated	383	10	393	-
As at 31 January 2018 - restated	84,874	194	85,068	46
Amortisation for the year	3,293	1,365	4,658	16
Disposal/write-off	(402)	-	(402)	-
Translation adjustment	(1,626)	(66)	(1,692)	-
As at 31 January 2019	86,139	1,493	87,632	62
Net book value:				
As at 31 January 2018 - restated	11,826	14,570	26,396	33
As at 31 January 2019	10,432	11,700	22,132	17
Amortisation for the year				
2018 - restated			85,068	16
2019			87,632	16

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

The balance of bank overdrafts and short-term loans from financial institutions as at 31 January 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements	
		2019	2018
Bank overdrafts (Note 7)	MOR, 8.75	14,690	17,535
Promissory notes - Baht	MLR - 1.50	29,941	129,941
Revolving credits - US Dollar	12.05	44,463	-
Revolving credits - Malaysian Ringgit	5.21 - 7.70	181,657	191,467
Revolving credits - Indian Rupee	10.70	6,640	6,193
Bills payable and trust receipts - Malaysian Ringgit	3.39 - 4.72	89,528	100,506
		<u>366,919</u>	<u>445,642</u>

Details of collateral of bank overdrafts and short-term loans from financial institutions can be summarised as follows:

Company's name	Secured by
Fine Components (Thailand) Company Limited	The mortgage of certain land with structures thereon
Ingress Precision Sdn. Bhd. and Ingress Technologies Sdn. Bhd.	Guaranteed by Ingress Corporation Berhad (parent company)
PT Ingress Malindo Ventures	The mortgage of certain land with structures thereon, machines and equipment and guaranteed by Ingress Corporation Berhad (parent company) and subsidiary's directors
Ingress Autoventures (India) Private Limited	Subsidiary's directors

16. Trade and other payables

The balance of trade and other payables as at 31 January 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables - related parties	1,731	2,952	-	-
Trade payables - unrelated parties	287,733	302,983	-	-
Other payables - related parties	46,229	37,956	311,487	663,062
Other payables - unrelated parties	93,967	82,686	2,296	1,630
Accrued expenses	21,202	29,046	3,583	3,921
Total trade and other payables	<u>450,862</u>	<u>455,623</u>	<u>317,366</u>	<u>668,613</u>

17. Liabilities under hire-purchase and finance lease agreements

The balance of liabilities under hire-purchase and finance lease agreements as at 31 January 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Liabilities under hire-purchase and finance lease agreements	32,870	44,928
Less: Deferred interest expenses	(2,818)	(4,636)
Total	30,052	40,292
Less: Portion due within one year	(9,727)	(11,643)
Liabilities under hire-purchase and finance lease agreements - net of current portion	20,325	28,649

Hire-purchase payable

Hire-purchase payable consists of amount payable under various vehicle hire-purchase agreements, with payments to be made over 36 - 60 monthly installments.

Liabilities under finance lease agreements

The subsidiaries have entered into finance lease agreements with various leasing companies for rental of machinery for use in their operations. Installments are paid on a monthly basis of 60 periods and at the end of the agreements, the subsidiaries have the option to purchase the machinery at prices specified in the agreements.

Future minimum lease payments required under the hire-purchase agreements and the finance lease agreements as at 31 January 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Less than 1 year		1 - 5 years		Total	
	2019	2018	2019	2018	2019	2018
Future minimum lease payments	11,235	13,650	21,635	31,278	32,870	44,928
Deferred interest expenses	(1,508)	(2,007)	(1,310)	(2,629)	(2,818)	(4,636)
Present value of future minimum lease payment	9,727	11,643	20,325	28,649	30,052	40,292

18. Long-term loans from financial institutions

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

(Unit: Thousand Baht)

Loan	Currency	Interest rate (% per annum)	Repayment condition	Consolidated financial statements						
				As at 31 January 2019		As at 31 January 2018		Total	Remark	
				Current portion	Long-term portion	Current portion	Long-term portion			
Fine Components (Thailand) Company Limited										
(1)	Baht	MLR - 1.50	The loan repayment is in monthly installments, starting from July 2013 to June 2018.	-	-	3,850	-	3,850	-	The mortgage of certain land.
(2)	Baht	MLR - 1.50	The loan repayment is in monthly installments, starting from May 2015 to February 2020.	1,440	80	1,440	1,520	1,520	2,960	
				1,440	80	1,520	1,520	1,520	6,810	
Ingress Precision Sdn. Bhd.										
(1)	MYR	5.00	The loan repayment is in monthly installments, starting from July 2015 to June 2018.	-	-	10,150	-	10,150	-	The mortgage of certain land and building.
(2)	MYR	-	The loan repayment is in monthly installments, starting from July 2016 to June 2021.	11,292	15,144	12,496	26,436	27,862	40,358	The mortgage of certain machines and equipment.
(3)	MYR	5.00	The loan repayment is in monthly installments, starting from August 2017 to July 2020.	8,100	79,382	49,797	87,482	83,659	133,456	Guaranteed by Ingress Corporation Berhad (the parent company).
(4)	MYR	COF + 1.75	The loan repayment is in monthly installments, starting from August 2017 to June 2022.	7,298	20,245	7,251	27,543	29,027	36,278	
(5)	MYR	5.00	The loan repayment is in monthly installments, starting from April 2020 to March 2024.	-	6,776	-	6,776	-	-	
Total				26,690	121,547	79,694	148,237	140,548	220,242	

Consolidated financial statements

Loan	Currency	Interest rate (% per annum)	As at 31 January 2019		As at 31 January 2018		Remark
			Current portion	Long-term portion	Current portion	Long-term portion	
Ingress Technologies Sdn. Bhd.							
(1)	MYR	5.00	651	-	651	7,542	- The mortgage of certain land and buildings
(2)	MYR	5.40	26,208	88,527	114,735	26,040	- The mortgage of certain machines and equipment.
(3)	MYR	-	3,749	509	4,258	4,149	- Guaranteed by Ingress Corporation Berhad (the parent company).
(4)	MYR	5.00	27,357	55,586	82,943	37,322	
(5)	MYR	5.90	7,796	20,541	28,337	4,583	
(6)	MYR	5.90	2,762	1,097	3,859	1,625	
Total			68,523	166,260	234,783	81,261	
Ingress Industrial (Malaysia) Sdn. Bhd.							
(1)		COF + 1.25	31,308	150,323	181,631	31,243	- The mortgage of the Ingress Precision Sdn. Bhd. and Ingress Technologies Sdn. Bhd.'s land and building.
Total			31,308	150,323	181,631	31,243	
Total long-term loans - net			127,961	438,210	566,171	197,488	- The guaranteed by Ingress Corporation Berhad, Ingress Precision Sdn. Bhd. and Ingress Technologies Sdn. Bhd.

Movement of the long-term loans account during the year ended 31 January 2019 are summarised below:

	(Unit: Thousand Baht) Consolidated financial statements
Balance as at 1 February 2018	753,755
Add: Additional borrowings	9,622
Less: Repayment	(165,524)
Translation adjustments	(31,682)
Balance as at 31 January 2019	566,171

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

Subsidiaries' name	Key restriction
Fine Components (Thailand) Company Limited	- Maintaining the key financial ratios - Assignment of benefits from property insurance policy - Restrictions on dividend payments, disposal of and creation of obligations over property, etc.
Ingress Industrial (Malaysia) Sdn. Bhd.	- Restrictions on dividend payments, shareholding structure, and creation of obligations over property, etc.
Ingress Precision Sdn. Bhd. and Ingress Technologies Sdn. Bhd.	- Shareholding of Malaysian shareholders is at least 51 percent. - Restrictions on dividend payments, shareholding structure, and creation of obligations over property, etc.

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement as at 31 January 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Provision for long-term employee benefits at beginning of year	35,510	25,903	831	647
Increase from acquisition of subsidiary during the year	-	1,095	-	-
Included in profit or loss:				
Current service cost	4,724	2,962	115	117
Interest cost	1,563	1,403	11	7
Past service costs and gains or losses on settlement	(346)	-	-	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	8,285	329	(58)	36
Financial assumptions changes	(5,912)	3,268	(16)	6
Experience adjustments	2,597	1,824	(429)	18
Benefits paid during the year	(2,880)	(394)	(415)	-
Translation adjustment	(774)	(880)	-	-
Provision for long-term employee benefits at end of year	42,767	35,510	39	831

The Company and its subsidiaries expect to pay Baht 3.3 million of long-term employee benefits during the next year (The Company only: none) (2018: Baht 2.3 million The Company only: Baht 0.4 million).

As at 31 January 2019, the weighted average duration of the liabilities for long-term employee benefit is 14 - 22 years (The Company only: estimated 22 years) (2018: estimated 13 - 20 years) (The Company only: estimated 13 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(percent per annum)	(percent per annum)	(percent per annum)	(percent per annum)
Discount rate	2.98 - 9.00	2.70 - 7.84	3.46	2.70
Future salary increase rate	5.00 - 10.00	5.00 - 10.00	5.00	5.00
Staff turnover rate	1.00 - 22.92	0.00 - 25.00	1.91 - 22.92	1.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 January 2019 and 2018 are summarised below:

	(Unit: Thousand Baht)			
	As at 31 January 2019			
	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(4,899)	5,776	(7)	9
Salary increase rate	5,641	(4,884)	9	(7)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Staff turnover rate	(1,370)	1,579	(4)	5

	(Unit: Thousand Baht)			
	As at 31 January 2018			
	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,924)	2,218	(36)	41
Salary increase rate	2,147	(1,904)	40	(36)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Staff turnover rate	(1,278)	1,446	(4)	4

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 8 million. The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

20. Share capital and share premium

Between 31 July 2017 and 2 August 2017 the Company made an initial public offering of 317 million of its existing ordinary shares and 262 million newly issued ordinary shares with a par value of Baht 1 each, at an offering price of Baht 1.33 per share, amounting to Baht 421 million and Baht 348 million, respectively. The Company has received full payment for the additional capital and registered the increase of its issued and paid-up share capital from Baht 1,185 million (1,185 million ordinary shares with a par value of Baht 1 each) to Baht 1,447 million (1,447 million ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on 4 August 2017. The Stock Exchange of Thailand approved the 1,447 million ordinary shares with a par value of Baht 1 each as listed securities, with trading permitted from 9 August 2017.

The Company incurred expenses relating to the share offering amounting to approximately Baht 5.6 million (net of income tax of Baht 1.4 million), and these expenses were recorded as a deduction against share premium.

21. Revaluation surplus

This represents surplus arising from revaluation of land and buildings. The surplus is amortised to retained earnings on a straight-line basis over the remaining useful lives of the related assets.

Movements of revaluation surplus account for the year ended 31 January 2019 and 2018 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
Balance at beginning of year	301,713	321,313
Add: Revaluation of assets during the year	115,833	-
Less: Amortisation for the year	(21,754)	(19,600)
Balance at end of year	<u>395,792</u>	<u>301,713</u>

The revaluation surplus on land and buildings can neither be offset against deficits nor used for dividend payment.

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve equal to at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend payment.

According to Section 1202 of the Thai Civil and Commercial Code, a subsidiary (incorporated under Thai Laws) is required to set aside a statutory reserve equal to at least 5 percent of its net profit each time the company pays out a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend payment.

23. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
		(Restated)		
Raw materials and consumables used	1,567,170	1,422,853	-	-
Changes in inventories of finished goods and work in progress	(15,580)	30,944	-	-
Salaries, wages and other employee benefits	652,026	618,462	23,151	28,716
Depreciation and amortisation	304,513	300,343	772	755
Repair and maintenance expenses	61,207	71,802	1,457	1,670
Rental expenses	45,489	42,795	894	906
Utility expenses	67,090	57,975	226	261
Travelling expenses	28,397	28,703	3,474	4,702
Transportation expenses	56,460	53,838	-	-
Royalty fee	20,018	19,853	-	-

24. Income tax

Tax (income) expenses for the years ended 31 January 2019 and 2018 were summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
		(Restated)		
Current income tax:				
Current income tax charge	33,471	19,676	-	-
Adjustment in respect of tax (income) expenses of previous year	246	(748)	-	225
Total current income tax	<u>33,717</u>	<u>18,928</u>	-	<u>225</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	3,179	(3,242)	2,931	(3,288)
Adjustment in respect of deferred tax of previous year	(13,715)	(20,102)	-	-
Total deferred tax	<u>(10,536)</u>	<u>(23,344)</u>	<u>2,931</u>	<u>(3,288)</u>
Tax (income) expenses reported in the statements of comprehensive income	<u>23,181</u>	<u>(4,416)</u>	<u>2,931</u>	<u>(3,063)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 January 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax relating to changes in revaluation of property and plant	61,284	-	-	-
Deferred tax relating to actuarial gain (loss)	(797)	(502)	100	(12)
	<u>60,487</u>	<u>(502)</u>	<u>100</u>	<u>(12)</u>

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2562	2561	2562	2561
		(Restated)		
Accounting profit before tax	<u>99,544</u>	<u>142,782</u>	<u>80,435</u>	<u>113,023</u>
Thai corporate income tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	19,909	28,556	16,087	22,605
Adjustment in respect of tax (income) expenses of previous year	246	(748)	-	225
Used tax losses, capital allowance and reinvestment allowance in the current year, on which deferred tax assets have not been recognised	-	(12,472)	-	1,391
Difference in tax rate in group companies	1,638	(1,409)	-	-
Effects of:				
Promotional privileges (Note 25)	(5,609)	(5,401)	-	-
Non-deductible expenses	23,415	7,428	14	12
Tax-exempt income	-	-	(13,416)	(27,292)
Share of profit from investment in associated company	-	(800)	-	-
Adjustment of deferred tax of previous year	(13,715)	(20,102)	-	-
Others	(2,703)	532	246	(4)
Total	<u>1,388</u>	<u>(18,343)</u>	<u>(13,156)</u>	<u>(27,284)</u>
Tax (income) expenses reported in the statement of comprehensive income	<u>23,181</u>	<u>(4,416)</u>	<u>2,931</u>	<u>(3,063)</u>

The components of deferred tax assets and deferred tax liabilities as at 31 January 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(Restated)		
Deferred tax assets				
Allowance for doubtful debt	4,579	8,973	-	-
Differences of depreciation for accounting and tax purpose	646	210	-	-
Reduction of inventory to net realisable value	1,964	706	-	-
Provision for long-term employee benefits	6,496	4,699	8	166
Unused tax losses	3,193	6,321	1,781	4,654
Unused reinvestment allowance	<u>268,618</u>	<u>331,254</u>	<u>-</u>	<u>-</u>
Total	<u>285,496</u>	<u>352,163</u>	<u>1,789</u>	<u>4,820</u>
Deferred tax liabilities				
Differences of depreciation for accounting and tax purpose	45,195	108,642	-	-
Revaluation surplus on land and buildings	109,663	48,504	-	-
Liabilities under finance lease agreements	<u>2,880</u>	<u>3,147</u>	<u>-</u>	<u>-</u>
Total	<u>157,738</u>	<u>160,293</u>	<u>-</u>	<u>-</u>

As at 31 January 2019, the subsidiaries have unused tax losses totalling Baht 18 million (2018: Baht 16 million). No deferred tax assets have been recognised on these amounts as the management of the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

25. Promotional privileges

One subsidiary (Ingress Autoventures Company Limited) has received promotional privileges from the Board of Investment for the manufacture of automotive components, pursuant to the promotion certificate as follows:

Item	Certificate No.	Dated	Description of products	Income tax privilege (years)	Date of first income derived
1.	2345(2)/2553	3 December 2010	Door sashes	8	17 October 2011
2.	5092(2)/2556	21 May 2013	Door sashes	8	11 March 2013

Subject to certain imposed conditions, the privileges include exemptions from import duty on approved machinery and raw materials, exemption from corporate income tax on profits from the promoted activities, for a period of 8 years commencing from the date of the first sales, and decrease from corporate income tax on profits from the promoted activities 50 percent of the normal rate, for a period of 5 years commencing from the date of expiration of exemption.

26. Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
Profit attributable to equity holders of the Company (Thousand Baht)	52,754	97,139	77,504	116,086
The weighted average number of ordinary shares in issue during the year	1,446,943	1,315,087	1,446,943	1,315,087
Earnings per share (Baht per share)	0.04	0.07	0.05	0.09

27. Dividend paid

Dividend	Approved by	Dividend paid (Million baht)	Dividend per share (Baht)
Dividend for the year 2018	The Annual General Meeting of the shareholders on 28 May 2018	37.6	0.026
Interim dividend for the year 2019	The Board of the Directors Meeting on 14 December 2018	37.6	0.026
Total dividends for 2019		75.2	0.052
Dividend for the year 2017	The Annual General Meeting of the shareholders on 26 April 2017	38.0	0.026
First Interim dividend for the year 2018	The Board of the Directors Meeting on 28 March 2017	56.8	0.052
Second Interim dividend for the year 2018	The Board of the Directors Meeting on 14 December 2018	37.6	0.026
Total dividends for 2018		132.4	0.104

28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and its subsidiaries are principally engaged in the manufacturing of the automotive components. Its operations are carried on in Thailand, Malaysia, Indonesia and India. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

Information about geographic

Revenue from external customers is based on locations of the customers for the year ended 31 January 2019 and 2018 as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	2018
Revenue from external customers		
Thailand	1,194,757	1,137,628
Malaysia	1,542,497	1,549,311
Indonesia	238,317	189,045
India	223,751	36,937
	<u>3,199,322</u>	<u>2,912,921</u>

Other non-current assets (other than deferred tax assets and goodwill) as at 31 January 2019 and 2018 as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	2018 (Restated)
Non-current assets		
Thailand	916,194	935,280
Malaysia	1,562,664	1,628,129
Indonesia	197,127	192,392
India	72,476	79,561
Total	<u>2,748,461</u>	<u>2,835,362</u>

Information about major customers

For the year ended 31 January 2019, the Group has revenue from three major customers in amount of Baht 602 million, Baht 515 million and Baht 333 million (2018: Baht 982 million and Baht 542 million derived from two major customers).

29. Provident fund

The Company and its subsidiaries in Thailand and its employees in Thailand have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the subsidiaries and employees contribute to the fund monthly, at the rate of 5 percent of basic salary. The fund, which is managed by Kasikorn Securities Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. For the year ended 31 January 2019, the Company and its subsidiaries contributed Baht 4 million to the fund (2018: Baht 4 million).

The provident funds of the overseas subsidiaries and their employees have been established in accordance with each subsidiary's policies and the law of its country of domicile.

30. Commitments and contingent liabilities

30.1 Capital commitment

As at 31 January 2019 and 2018, the subsidiaries had capital commitments relate to the acquisitions of machinery and equipment as follows:

	(Unit: Million)	
	Consolidated financial statements	
	2019	2018
Thai Baht	7	-
Malaysian Ringgit	1	2
US Dollar	-	1
Indonesian Rupiah	1,001	682
Japanese Yen	35	250
Indian Rupee	4	-
<i>Total (Million Baht)</i>	<i>47</i>	<i>130</i>

30.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building, motor vehicles, residences and equipment. The terms of the agreements are generally between 1 and 10 years.

Future minimum lease payments required under these non-cancellable operating leases contracts as at 31 January 2019 and 2018 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Payable:				
In up to 1 year	19	10	3	2
In over 1 and up to 5 years	54	4	1	2
Over 5 years	77	-	-	-

30.3 Service commitments

As at 31 January 2019 and 2018, the Company has future minimum payable under non-cancellable service agreements as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	2019	2018
Payable within		
Less than 1 year	3	4
1 to 3 years	1	3

30.4 Long-term service commitments

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

One subsidiary (Fine Components (Thailand) Company Limited) has entered into royalty agreement and technical assistance agreements with Iwamoto Co., Ltd., a corporate shareholder of that subsidiary. Under the conditions of the royalty agreement, the subsidiary is to pay an annual royalty fee as stipulated in the agreement.

30.5 Guarantees

As at 31 January 2019, two local subsidiaries have outstanding bank guarantees of approximately Baht 9 million (2018: Baht 10 million) issued by banks on behalf of the subsidiaries in respect of certain performance bonds as required in the normal course of business

31. Fair value hierarchy

As at 31 January 2019 and 2018, the subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	Consolidated Financial Statements							
	As at 31 January							
	Level 1		Level 1		Level 1		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Assets measured at fair value								
Investment properties	-	-	-	-	46	43	46	43
Property plant and equipment	-	-	-	-	1,363	1,228	1,363	1,228
Liabilities for which fair value are disclosed								
Long-term loans	-	-	-	-	539	805	539	805
Liabilities under hire-purchase and finance lease agreements	-	-	-	-	30	40	30	40

32. Financial instruments

32.1 Financial risk management

The Company and its subsidiaries financial instruments, as defined under Thai Accounting Standard No.107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, current investment, trade and other receivables, restricted bank deposits, bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from related party, dividend payables, liabilities under hire-purchase and finance lease agreements and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries’ exposure to interest rate risk relates primarily to their cash at banks, bank overdrafts and short-term loans from financial institutions, short-term loans from related party, liabilities under hire-purchase and finance lease agreements and long-term loans. Most of the Company and its subsidiaries’ financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements

As at 31 January

	Fixed interest rates		Floating interest rate		Non-interest bearing		Total		Effective interest rate			
	Within 1 year		1 - 5 years		2019		2018		2019		2018	
	2019	2018	2019	2018	2019	2018	2019	2018	(% p.a.)	(% p.a.)	2019	2018
Financial assets												
Cash and cash equivalents	81	40	-	-	52	11	96	237	229	288	Note 7	Note 7
Current investment	1	-	-	-	-	-	-	-	1	-	3.30 - 3.50	-
Trade and other receivables	-	-	-	-	-	-	600	651	600	651	-	-
Restricted bank deposits	7	3	8	8	2	3	-	-	17	14	1.49 - 7.25, BLR-2	1.49 - 6.32, BLR-2
	89	43	8	8	54	14	696	888	847	953		
Financial liabilities												
Bank overdrafts and short-term loans from financial institutions	323	298	-	-	44	148	-	-	367	446	Note 15	Note 15
Trade and other payables	-	-	-	-	-	-	451	456	451	456	-	-
Dividend payables	-	-	-	-	-	-	17	9	17	9	-	-
Liabilities under hire-purchase and finance lease agreements	10	11	20	29	-	-	-	-	30	40	2.35 - 8.70	2.35 - 8.15
Long-term loans	72	137	252	297	211	266	31	54	566	754	Note 18	Note 18
	405	446	272	326	255	414	499	519	1,431	1,705		

b) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value. The fair values of other long-term loans are determined by calculating the present value of expected future cash flows, with a discount rate that approximates the current market rate for loans with similar terms and conditions.

33. Capital management

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

As at 31 January 2019 and 2018, the Group's debt-to-equity ratio were summarised below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	Financial statement	Financial statement	Financial statement	Financial statement
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Debt-to-equity rate	0.65:1	0.76:1	0.29:1	0.42:1

34. Events after the reporting period

The Company

On 28 March 2019, the Board of Directors' Meeting of the Company passed the resolution to propose the payment of a final dividend for the year 2018 to its shareholders at the rate of Baht 0.026 per share, calculated based on the 1,447 million registered and paid-up shares, or a total of Baht 37.6 million, for approval by the 2019 Annual General Meeting of the Company's shareholders.

Ingress Autoventures Company Limited

On 26 March 2019, the Board of Directors' meeting of Ingress Autoventures Company Limited passed a resolution to propose the payment of a final dividend for the year 2018 to its shareholders at the rate of Baht 15 per share, calculated based on the 3 million registered and paid-up shares, or a total of Baht 45 million, for approval by the 2019 Annual General Meeting of the subsidiary's shareholders.

Fine Components (Thailand) Company Limited

On 27 March 2019, the Board of Directors' meeting of Fine Components (Thailand) Company Limited passed a resolution to propose the reduction of subsidiary's registered share capital by canceling the Baht 47 million of issued share capital held by Iwamoto Co., Ltd., consisting of 471,000 shares with a par value of Baht 100 each, for approval by the 2019 Annual General Meeting of the subsidiary's shareholders.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 March 2019.

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