



Ingress Industrial (Thailand) Public Company Limited

Annual Registration Statement (Form 56-1)

For the financial year ended 31 January 2019

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1.0 Business Policy and Overview of Business Operation

1.1 The Group's Vision, Objectives and Goal

1.1.1 The Group's Vision

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

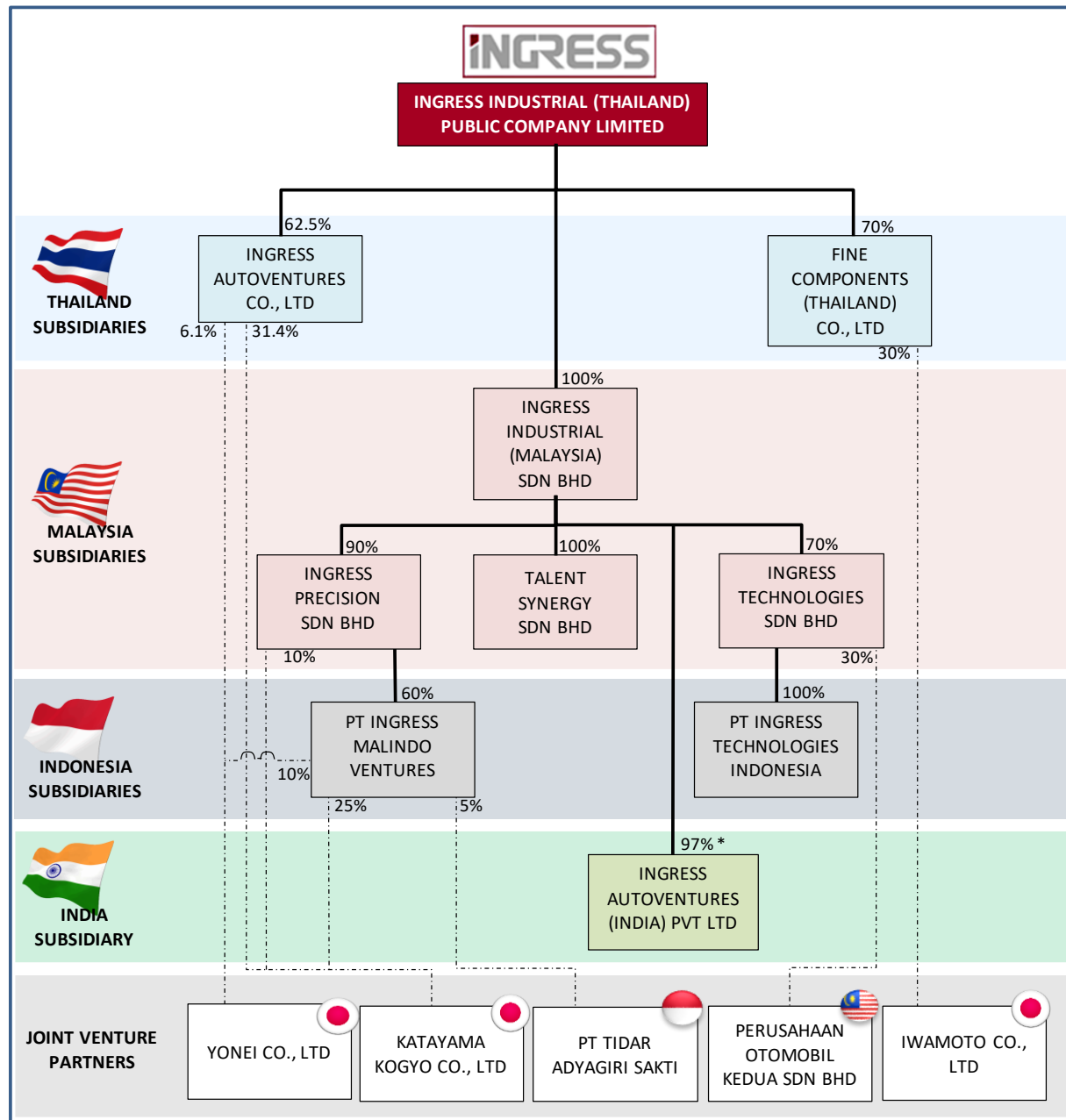
1.1.2 The Group's Business Goal and Mission

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

1.1.3 The Group's Quality Policy

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

1.2 The Group's Shareholding Structure as at 31 January 2019



* The remaining 3% shares owned by individual.

1.3 Location of Main Facilities



1.4 Key Business of Each Company under the Group

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

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

INGRS was incorporated in March 2014 as an investment holding company for the automotive component manufacturing business within the Ingress Group. The establishment of INGRS enable all the components manufacturing business in Thailand, Malaysia, Indonesia and India to be grouped together, hence consolidating its strength and resources in addressing specific customers’ needs and also focusing in expanding its operation within and beyond the current plant locations.

Subsidiaries in Thailand

1.4.2 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.

1.4.3 Fine Components (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.

Subsidiaries in Malaysia

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

IIM was incorporated in November 2014 as an investment holding company. It serves as a holding company for Ingress Technologies Sdn Bhd (“ITSB”), Ingress Precision Sdn Bhd (“IPSB”) and Talent Synergy Sdn Bhd (“TSSB”) which are the automotive businesses in Malaysia. This is to ensure that ITSB, IPSB and TSSB follow the requirements of Malaysian officials on the production license, which indicates that the ordinary person/juristic person with Malaysian nationality must have the minimum direct equity interest in both companies as required on 31 January 2019. IIM was also a holding company for Ingress Autoventures (India) Pvt Ltd which is the automotive business in India.

1.4.5 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.

1.4.6 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.

1.4.7 Talent Synergy Sdn Bhd (“TSSB”)

SSB 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.

Subsidiaries in Indonesia

1.4.8 PT Ingress Malindo Ventures (“PTIMV”)

IMV 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.

1.4.9 PT Ingress Technologies Indonesia (“PTITI”)

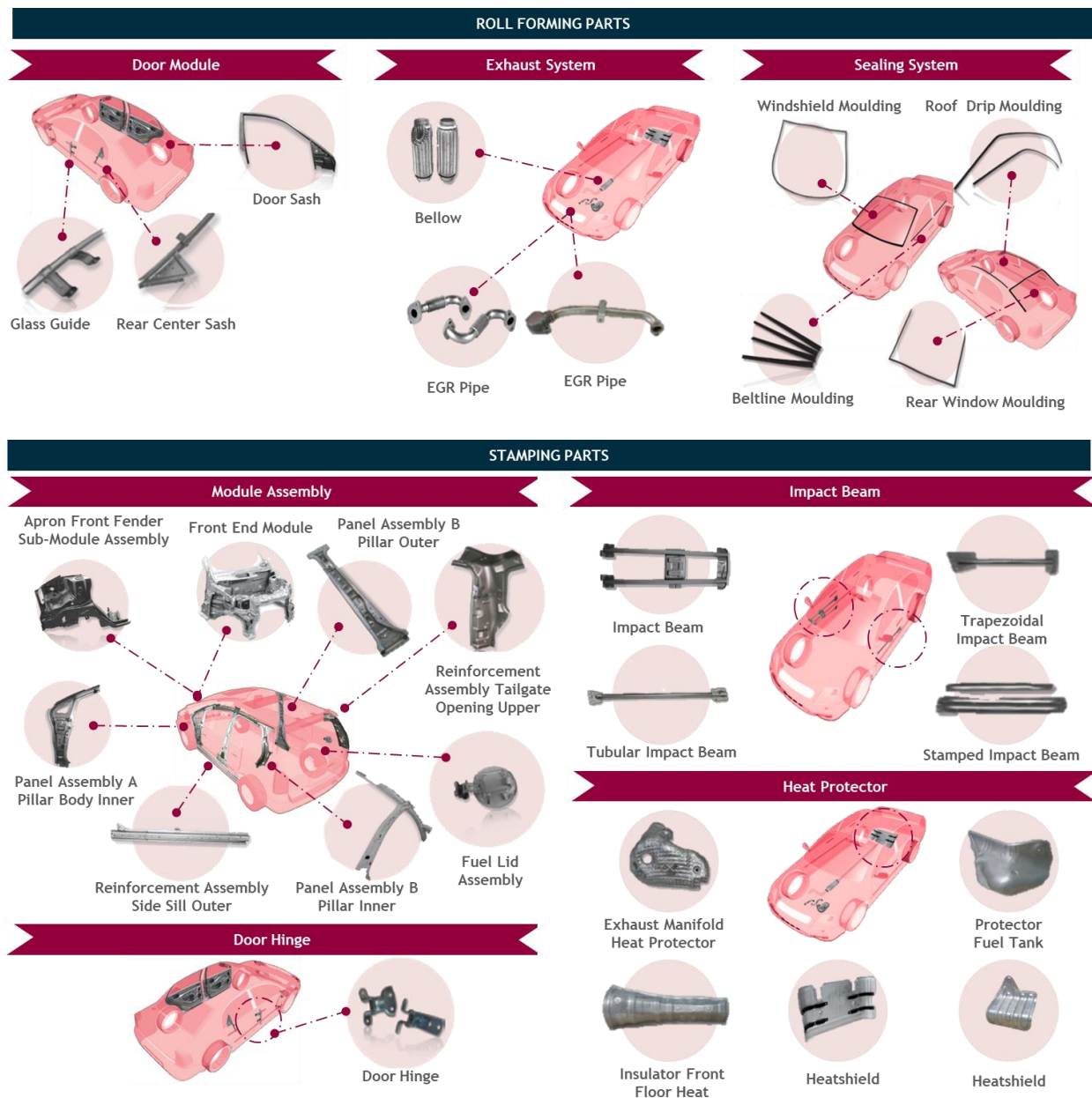
TITI located in Jababeka, Indonesia is a wholly owned subsidiary of ITSB. PTITI is mainly involved in small parts stamping and heat shield production. PTITI manufactures and sells product as Tier-2 to Tier-1 suppliers namely PTIMV and Miyuki Indonesia.

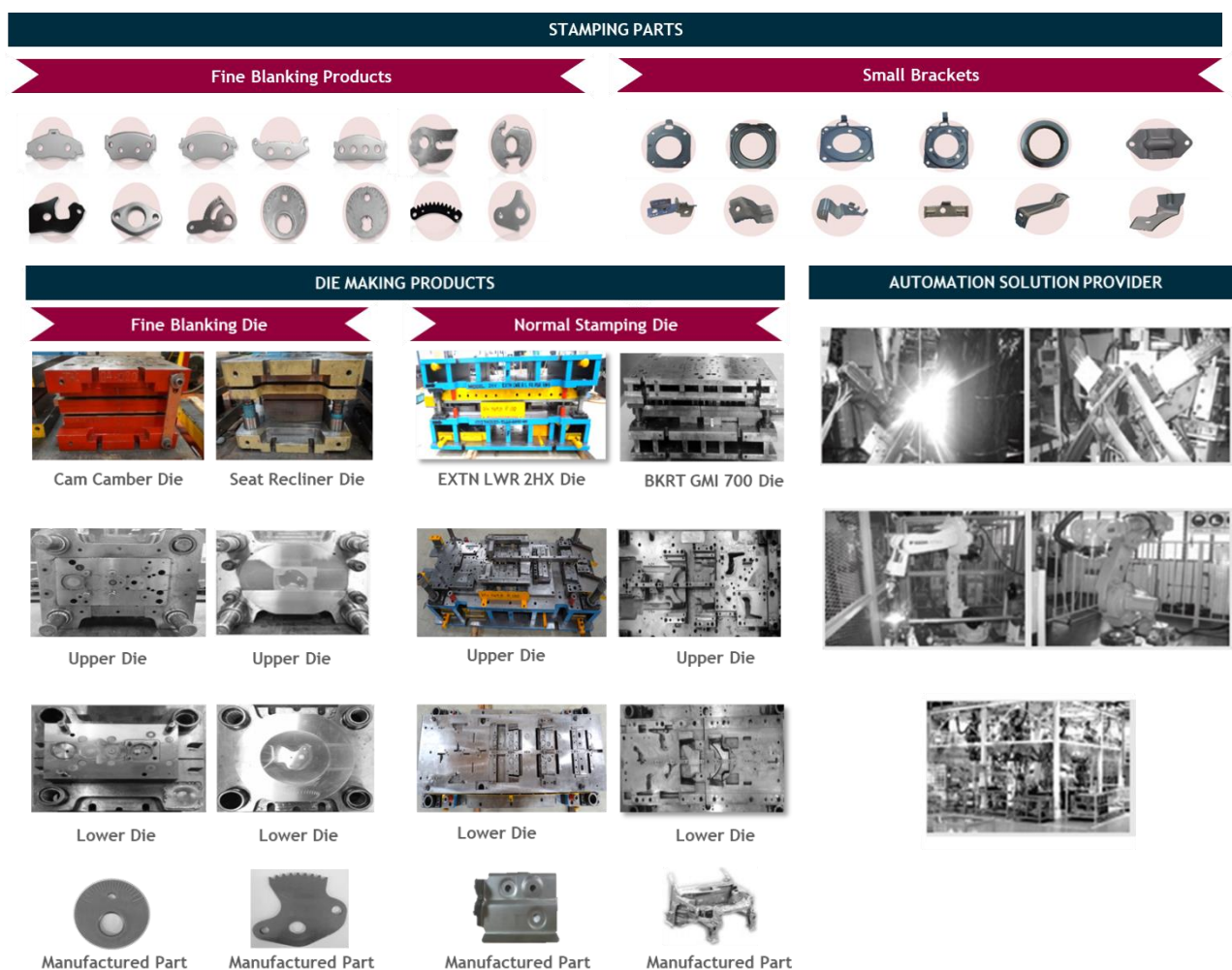
Subsidiary in India

1.4.10 Ingress Autoventures (India) Pvt Ltd ("IAIPL")

IAIPL was established in 2010 with the main parts manufactures and sells by IAIPL were 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.

1.5 Product Highlights





1.6 Shareholding Structure


The shareholding structure of individual subsidiaries is as follows:




































Company	Nature of business	Percentage of shares with voting right		Paid-up capital as at 31 January 2019
		within the Group	Others	
IAV	A manufacturer and supplier of plastic parts, roll-formed weatherstrips, roll-formed metal automotive door sashes, and other relevant components. Classified as Tier-1 Supplier, IAV was established in Thailand.	IIT: 62.5%	KK: 31.43% Yonei: 6.07%	Baht 300,000,000
IIM	An investment holding company and IIM was established in Malaysia.	IIT: 100%	-	RM118,395,002


















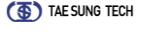



Company	Nature of business	Percentage of shares with voting right		Paid-up capital as at 31 January 2019
		within the Group	Others	
FCT	A manufacturer and supplier of plastic parts, roll-formed weatherstrips, roll-formed metal automotive door sashes, and other relevant components. Classified as Tier-1 Supplier, IAV was established in Thailand.	IIT: 70% (The investment in FCT made by IIT represented 85% of the total paidup capital of FCT)	Iwamoto: 30% (Iwamoto's investment in FCT represented 15% of the total paid-up capital of FCT)	Baht 220,000,000
ITSB	A manufacturer and assembler of medium to high tonnage press parts. Classified as Tier-1 Supplier, ITSB was established in Malaysia.	IIT: 70%	Perodua: 30%	RM20,000,000
IPSB	A manufacturer and supplier of roll-formed metal automotive door sashes (door frames) and relevant components. Classified as Tier-1 Supplier, IPSB was established in Malaysia.	IIM: 90%	KK: 10%	RM7,000,000
TSSB	Automation solution provider and TSSB was established in Malaysia.	IIM: 100%	-	RM500,000
PTIMV	A manufacturer and supplier of sash-related components for the automotive industry. Classified as Tier-1 Supplier, PTIMV was established in Indonesia.	IPSB: 60%	KK: 25% Yonei: 10% PT Tidar: 5%	IDR59,999,996,625
PTITI	Stamping small parts. Classified as Tier-2 Supplier, PTITI was established in Indonesia.	ITSB: 100%	-	IDR6,077,164,863
IAIPL	A manufacturer and supplier for automotive sealing system and operates facilities for plastic extrusions, roll forming and bending of plastic parts. IAIPL was established in India.	IIM: 97%	Mr. Prateek Chitkara: 3%	INR92,725,980











1.7 Milestone

The Group's business milestones are as follows:

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 ITSBS 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  (2 nd Board)
	First delivery by ITSBS to PROTON  (Stamping related parts)

YEAR	MILESTONES
 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 
 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 rd October 2012. First delivery by IAV to SUZUKI  (Moulding related parts)

YEAR	MILESTONES
 <p>2013</p>	ICB was delisted from Malaysia' Bursa 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)
 <p>2014</p>	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
	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 IPSB's permit for manufacturing operations complied with Malaysian Law
	FCT entered into JV Agreement with Iwamoto Co., Ltd ("Iwamoto") 
	First delivery by IPSB 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)
 <p>2015</p>	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
 <p>2016</p>	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
 <p>2017</p>	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 wholly owned subsidiary of IIM which was completed on 13 November 2017

YEAR	MILESTONES
 2017	<p>First delivery by IAIPL to MAHINDRA  (Moulding related parts)</p> <p>First delivery by PTIMV to MITSUBISHI  (Sash related parts)</p> <p>First delivery by PTITI (through PTIMV) to MITSUBISHI  (Stamping related parts)</p>
 2018	<p>IIM entered into TAA with Tae Sung Tech  for Hyundai Project  on 19 December 2018</p> <p>TSSB entered into Distributorship Agreement with Neuromeka  for ASEAN , India  and Gulf countries Collaborative Robots (COBOT) distributor COBOT on 22 January 2019</p>

2.0 Nature of Business Operation

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

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

2.1.1 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.

2.1.2 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 that places a great importance on bringing next generation automotive industry to Thailand, in particular, the electronic vehicle industry. This has created an added advantage for IAV as its current location in Rayong is within the three provinces of Chonburi, Rayong and Chachoengsao.

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

2.2.1 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 products are door sash, rail assembly or inner sash and glass guide. Currently, IPSB is a sole supplier for door sash in Malaysia.

IPSB has been certified with IATF 16949, OHSAS 18001 and MS ISO 14001. 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 has 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.

2.2.2 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 Intent (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 heat shield, 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.

2.3 PT. INGRESS MALINDO VENTURES ("PTIMV")

2.3.1 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.

2.3.2 PTIMV Future Project

PTIMV were awarded with 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.

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

2.4.1 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 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 an 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.

2.4.2 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 ("EEC") 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.

2.5 PT INGRESS TECHNOLOGIES INDONESIA ("PTITI")

2.5.1 PTITI Business Strategy

PTITI was established on 5th 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's major customers are PTIMV and PT Miyuki Indonesia that supply direct to the OEMs.

2.5.2 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.

2.6 FINE COMPONENTS (THAILAND) CO., LTD. ("FCT")

2.6.1 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. Perodua/ITSB Malaysia, IAV, Valeo.

2.6.2 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 Both 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 is 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.

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

2.7.1 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 the IAIPL includes 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 ILS to compliment best practices in the work place such as 5S, kaizen and morning market.

2.7.2 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. IA IPL is aggressively pitching for business in new models and targeted for RFQs for the new models.

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

2.8 TALENT SYNERGY SDN. BHD. (“TSSB”)

2.8.1 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 – Authorised distributor for Collaboration 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.

2.8.2 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 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.

3.0 Risk Factors

Ingress Industrial (Thailand) Public Company Limited remains committed in meeting its vision and strategic objectives. In order to achieve our commitment, 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 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 Ingress’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 IIT’s key risk factors which can be categorized and described as follows:

3.1 STRATEGIC RISKS

3.1.1 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.

3.1.2 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.

3.2 FINANCIAL RISKS

3.2.1 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 currency, 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 (“CPS”) to source the primary production materials. Under CPS, OEMs determine the type of steel 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.

3.2.2 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.

3.2.3 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 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 of the Group in buying 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. All companies under 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.

3.3 COMPLIANCE RISKS

3.3.1 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 Company, 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.

3.4 OPERATIONAL RISKS

3.4.1 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 to achieve 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.

3.4.2 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.

3.4.3 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.

4.0 Assets Used in Business Operation

4.1 Fixed assets used in business operation

No.	Type/Description of Asset	Net book value as at 31 January 2019 Million Baht	Type of ownership	Encumbrance
1.	Land and land improvement *	652.8	Details in 4.1.1	
2.	Building and building improvements *	755.9	Details in 4.1.2	
3.	Machinery and equipment	1,204.5	Full ownership	Details in 4.1.3
4.	Furniture, fixtures and office equipment	7.6	Full ownership	None
5.	Motor vehicles	14.4	Full ownership	None
6.	Assets under construction and installation	58.9	Full ownership	Details in 4.1.4
TOTAL *		2,694.1		

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

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

4.1.1 Land and land improvement

(a) Land in Thailand

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
1.	IAV	Land in Eastern Seaboard Industrial Estate, Rayong 64/6 Moo 4, Pluakdaeng T,Pluakdaeng A,Rayong (1 plot total of 12 Rai 3 Ngan 14 Square war) Area: 220,183 sq. ft.	Site of the manufacturing plant for IAV in Rayong, Thailand	61.4	Full ownership	Charge registered by a financial institution as guarantee for banking facility
2.	IAV	Land in Hitech Industrial Estate, Ayutthaya 64/6 Moo 1,Ban lane T, Bang Pa-in A,Ayutthaya (1 plot total of 11 Rai,27 Square war) Area: 191,664 sq. ft	Site of the manufacturing plant for IAV in Ayutthaya, Thailand	66.4	Full ownership	Charge registered by a financial institution as guarantee for banking facility

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
3.	FCT	Land in Tambun Makhamkhu 600 Moo 4, T Makhamkhu King-Am-Pur Nikhompattana, Rayong 21180 Thailand (1 plot total of 24 Rai) Area: 413,334 sq.ft.	Site of the manufacturing plant for FCT in Rayong, Thailand	40.3	Full ownership	Charge registered by a financial institution as guarantee for banking facility
4.	FCT	Land in Hemaraj Eastern Seaboard Industrial Estate Plot D.23B of Hemaraj Eastern Seaboard Industrial Estate located in Tambon Tasith and Tambon Pluak Daeng Amphur Pluak Daeng, Rayong Province, Thailand] (1 plot total 23 Rai 1 Ngan 95.5 Square war)	Vacant land	94.0	Full ownership	Charge registered by a financial institution as guarantee for banking facility
TOTAL				262.1		

(b) Land in Malaysia

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
1.	IPSB	Lands in Nilai area (a)PN 38504, Lot 9144;and (b)PN 38503, Lot 9145, both in Mukim of Setul, District of Seremban, State of Negeri Sembilan, Malaysia (total of 2 plots) Area: 303,069 sq. ft.	Site of the manufacturing plant for IPSB in Nilai, Malaysia	113.9	Leasehold for 99 years, expiring on 3 July 2092	Charge registered by a financial institution as guarantee for banking facility

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
2.	IPSB	Land in Bangi area HS(M) 9638, PT 11469 Seksyen 13, Bandar Baru Bangi, Mukim of Kajang, District of Hulu Langat, State of Selangor, Malaysia (1 plot) Area: 43,560 sq.ft.	Site for manufacturing facility of IKTC in Bangi, Malaysia.	31.3	Leasehold for 99 years, expiring on 29 September 2086	Charge registered by a financial institution as guarantee for banking facility
3.	ITSB	Land in Bukit Beruntung area HS(D) 39152, PT 13990 Seksyen 20, Bandar Serendah, District of Ulu Selangor, State of Selangor, Malaysia (1 plot) Area: 365,564 sq.ft.	Site of the manufacturing plant for ITSB in Bukit Beruntung, Malaysia.	126.1	Full ownership	Charge registered by a financial institution as guarantee for banking facility
TOTAL				271.3		

(c) Land in Indonesia

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
1.	PTIMV	Land in Kawasan Industri Jababeka, Cikarang Blok GG-7A, 7B & GG-8, Jln Industri Jababeka, Tahap II Cikarang, Indonesia (3 plots) Area: 132,083 sq. ft. HGB Certificate No. 2612 dated 5 September 2002 HGB Certificate No. 2613 dated 5 September 2002 HGB Certificate No. 2667 dated 26 May 2003	Site of the manufacturing plant for PTIMV and PTITI in Cikarang, Indonesia	119.4	Right to Build, valid until 24 September 2026	Charge registered by a financial institution as guarantee for banking facility
TOTAL				119.4		

4.1.2 Building and building improvements

(a) Building and building improvements in Thailand

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
1.	IAV	Factory in Eastern Seaboard Industrial Estate, Rayong 64/6 Moo 4, Pluakdaeng T, Pluakdaeng A, Rayong	IAV manufacturing plant in Rayong, Thailand	191.8	Full ownership	Charge registered by a financial institution as guarantee for banking facility
2.	IAV	Factory in Hitech Industrial Estate, Ayutthaya 64/6 Moo 1, Ban lane T, Bang Pa-in A, Ayutthaya	IAV manufacturing plant in Ayuthaya, Thailand	51.3	Full ownership	Charge registered by a financial institution as guarantee for banking facility
3.	FCT	Factory in Tambun Makhamkhu 600 Moo 4, T Makhamkhu King-Am-Pur Nihompattana, Rayong 21180 Thailand	FCT manufacturing plant in Rayong, Thailand	53.2	Full ownership	Charge registered by a financial institution as guarantee for banking facility
4.	IIT	Building Improvements No. 9/141 UM Tower Floor 14th Unit A1 Ramkhamhaeng Road Suanluang Bangkok Thailand	IIT Corporate Office	0.3	Rental	None
TOTAL				296.6		

(b) Building and building improvements in Malaysia

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
1.	IPSB	Factory in Nilai PT 2475 & PT 2476, Kawasan Perindustrian Nilai, P.O. Box 45, 71807 Nilai, Negeri Sembilan	IPSB manufacturing plant in Nilai, Malaysia	145.2	Leasehold for 99 years, expiring on 3 July 2092	Charge registered by a financial institution as guarantee for banking facility
2.	IPSB	Factory in Bangi Lot 9, Jalan P/7, Seksyen 13, Kawasan Perindustrian Bangi, P.O Box 9, 43650 Bandar Baru Bangi, Selangor	IKTC manufacturing plant in Bangi, Malaysia.	14.5	Leasehold for 99 years, expiring on 29 September 2086	Charge registered by a financial institution as guarantee for banking facility
3.	IPSB	14 units of apartments B.M. No 12, Lot 9132, Mukim of Setul, District of Seremban, State of Negeri Sembilan, Malaysia Area: 9,494 sq. ft.	Apartments for IPSB staff	4.7	Freehold	None
4.	ITSB	Factory in Bukit Beruntung Lot 11, Jalan Jasmine 4, Kawasan Perindustrian Bukit Beruntung, 48300 Rawang, Selangor	ITSB manufacturing plant in Bukit Beruntung, Malaysia.	248.0	Freehold	Charge registered by a financial institution as guarantee for banking facility
5.	ITSB	20 units of apartments Rose Court Block E, Bandar Bukit Sentosa, 48300 Rawang, State of Selangor, Malaysia Area: 15,640 sq. ft.	Apartments for ITSB staff	11.2	Freehold	None
6.	TSSB	Building improvements Lot 11A, Jalan P/7, Seksyen 13, Kawasan Perindustrian Bangi, P.O Box 9, 43650 Bandar Baru Bangi, Selangor	TSSB manufacturing plant in Bangi, Malaysia	0.6	Rental	None
TOTAL				424.2		

(c) Building and building improvements in Indonesia

No.	Owner	Location and Area	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
1.	PTIMV	Factory in Cikarang Jln. Industri Selatan 6A, Block GG-7A/B, Kawasan Industri Jababeka II, Cikarang Selatan, 17854 Bekasi, Indonesia	PTIMV manufacturing plant in Cikarang, Indonesia	35.1	Right to Build, valid until 24 September 2026	Charge registered by a financial institution as guarantee for banking facility
				35.1		

4.1.3 Machinery and equipment

(a) Machinery and equipment in Thailand

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
1.	IAV	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	232.8	Owner	Charge registered by a financial institution as guarantee for banking facility
2.	FCT	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	91.0	Owner	None
				323.8		

(b) Machinery and equipment in Malaysia

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
1.	ITSB	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	468.3	Owner	Charge registered by a financial institution as guarantee for banking facility

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
2.	IPSB	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	307.9	Owner	Charge registered by a financial institution as guarantee for banking facility
3.	TSSB	Machinery and equipment for automation solution provider	Business operation	0.0	Owner	None
				776.2		

(c) Machinery and equipment in Indonesia

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
1.	PTIMV	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	60.8	Owner	Charge registered by a financial institution as guarantee for banking facility
2.	PTITI	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	2.8	Owner	None
				63.6		

(d) Machinery and equipment in India

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
1.	IAIPL	Tools, machinery and equipment for the manufacture of automotive parts	Business operation	40.9	Owner	None
				40.9		

4.1.4 Assets under construction and installation

(a) Assets under construction and installation in Thailand

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
1.	IAV	Assets under construction and installation	Business operation	38.1	Owner	None
2.	FCT	Assets under construction and installation	Business operation	0.6	Owner	None
				38.7		

(b) Assets under construction and installation in Malaysia

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
1.	ITSB	Assets under construction and installation	Business operation	17.8	Owner	None
2.	IPSB	Assets under construction and installation	Business operation	1.7	Owner	None
				19.5		

(c) Assets under construction and installation in Indonesia

No.	Owner	Assets	Purpose of possession	Net book value as at 31 January 2019 (Million Baht)	Type of ownership	Encumbrance
1.	PTIMV	Assets under construction and installation	Business operation	0.7	Owner	None
				0.7		

4.2 Trademark

As at 31 January 2019, the Group does not own any copyright or trademark. However, Ingress Corporation Berhad (ICB), a major shareholder of the Company has entered into a license agreement on 10 August 2015 with the Group (including the Company, IAV, FCT, IIM, ITSB, IPSB, PT ITI and PT IMV). The agreement allows the Group to use “INGRESS” brand in the manufacture, marketing and sale of automotive parts in Thailand, Malaysia, Indonesia and India. The details of the trademark are as follows:

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

4.3 Intangible assets

As at 31 January 2019, the Group have intangible assets of the computer software and customer relationships. The net book value of computer software as at 31 January 2019 was Baht 10.4 million (Baht 11.8 million as at 31 January 2018). The customer relationships value was arising from the allocation of goodwill arising from the acquisition of IAIPL on 13 November 2017 of which the measurement of goodwill have been completed during the fourth quarter of the financial year ended 31 January 2019. The customer relationships is amortised on a systematic basis over 10 years period. The net book value of customer relationships as at 31 January 2019 was Baht 11.7 million (Baht 14.6 million as at 31 January 2018).

5.0 Legal Dispute

As at 31 January 2019, the Company and its subsidiaries in Thailand, Malaysia, Indonesia and India have no legal disputes (of more than 5% of the shareholders' equity based on the consolidated financial statements of the Group) that could cause damage to the Company and its subsidiaries.

6.0 Other Important Information

Other than as disclosed in this Annual Registration Statement (Form 56-1) and the audited financial statements of the Group and the Company for the financial year ended 31 January 2019, there is no other important information to be disclosed as at 31 January 2019.

7.0 Information on the Securities and Shareholders

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.

7.1 Top 10 Shareholders of the Company

No.	Name	Number of Shares	Holding %
1	Ingress Corporation Berhad	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	Mr. 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.

7.2 Dividend Policy for the Company

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

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

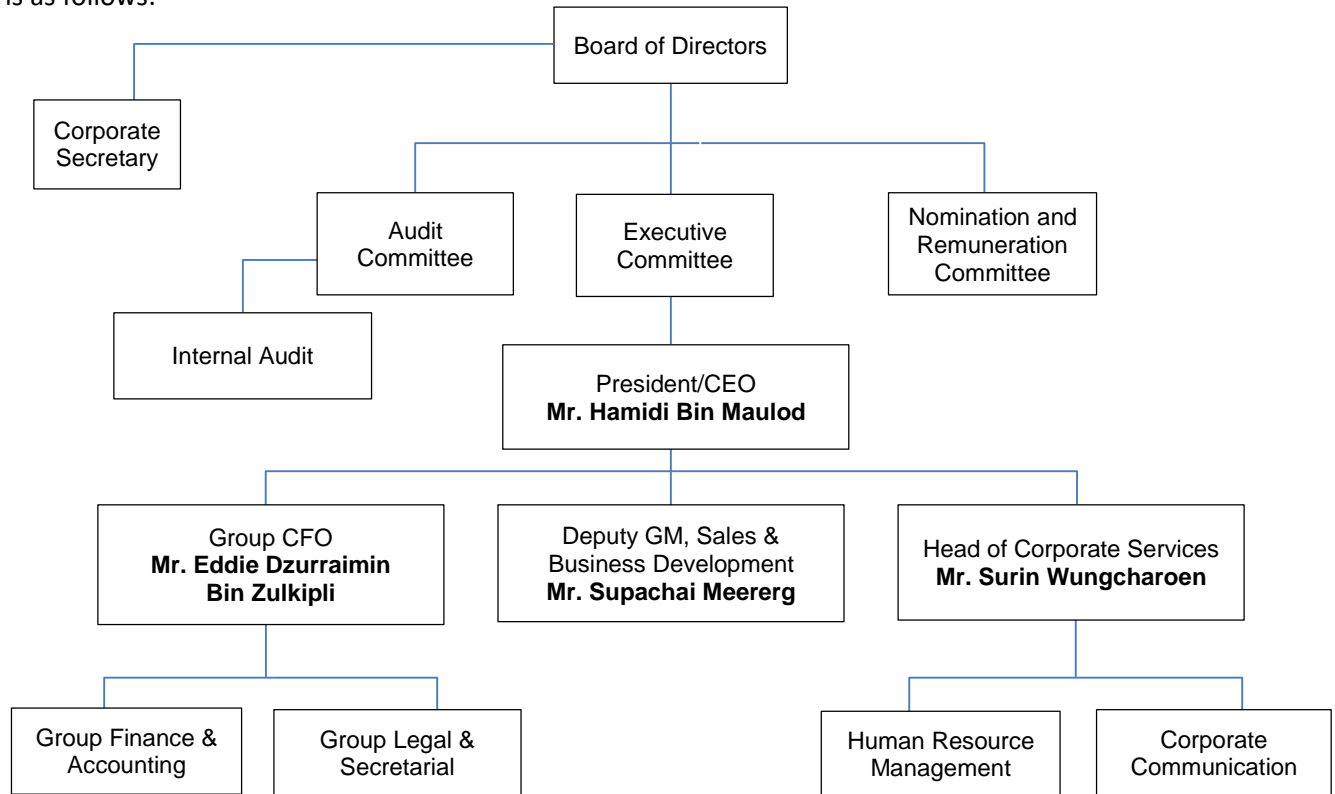
7.3 Dividend Policy for Subsidiary Company

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

8.0 Management Structure

8.1 Organization Structure

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



8.2 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 eight (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

No	Name	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Executive Committee
5	Mr. Abdul Khudus Bin Mohd Naa'im	Independent Director	Chairman	Member	-
6	Datin Seri 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 Authorized 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 conformant 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	-	3/3	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 Naa'im	6/6	5/5	3/3	-
6	Datin Seri 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 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.

8.3 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 Sriwanayos	Corporate Secretary and Head of Group Legal & Secretarial
5.	Mr. Supachai Meererg	Deputy General Manager, Sales & Business Development

8.4 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 business 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 the 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 Which Company under the Group
Mr. Hamidi Bin Maulod	Chairman of MC	MC member representing the Company
Mr. Surin Wungcharoen	Member of MC	MC member representing the Company
Mr. Eddie Dzurraimin Bin Zulkipli	Member of MC	MC member representing the Company
Mr. Supachai Meererg	Member of MC	MC member representing the Company
Mr. Mohd Safri Bin Haji Sabtu	Member of MC	MC member representing ITSB
Mr. Nosri Bin Hamzah	Member of MC	MC member representing IPSB
Mr. Sarayut Mekso	Member of MC	MC member representing IAV
Mr. Jaruek Tammajong	Member of MC	MC member representing FCT
Mr. Hishamuddin Bin Lah	Member of MC	MC member representing PTIMV
Mr. Pami Bin Jani	Member of MC	MC member representing PTITI
Mr. Shamsuddin Bin Isa	Member of MC	MC member representing IAIPL
Mr. Mohd Idris Bin Karim	Member of MC	MC member representing TSSB

8.5 Corporate Secretary

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

8.6 Remuneration

8.6.1 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 approval 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 described in the following table:

Directors' Remuneration For FY2018/19	Board of Director	Audit Committee	Nomination & Remuneration Committee	Executive Committee
Annual Remuneration (person/year)	700,000	-	-	-
• Chairman				
• 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 included as part of the management's compensations.

For FY2017/18, the Company paid the directors' remuneration in a total amount of Bath 2,330,000.00. The details of the compensation paid by the Company to the Company's directors during 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

8.6.2 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 (Million Baht)	FY2017/18 (Million Baht)
Short-term employee benefits	87.7	83.4
Post-employment benefits	3.1	3.1
Total	90.8	86.5

8.6.3 Employees Remuneration

The Company provides compensation and benefits to its employees in the form of salaries, wages, bonuses, contribution to social security and provident fund, as well as welfares and other benefits, which included post-employment and long-term employees' benefits. The remuneration paid to employees' during 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.

8.7 Other Benefits

8.7.1 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 the wage of basic salary. The fund will be paid to employees in accordance with the respective fund rules.

8.7.2 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.

8.8 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 follows:

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

8.9 Human Resource 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, 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 encourages its 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 arranges trainings and development programs for its employees, considering the standard operational procedures, the needs of each department, and the basic skills of the 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:

8.9.1 Employee Orientation

The employee orientation program is arranged for new employees to understand and become accustomed and conformant 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.

8.9.2 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.

8.9.3 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.

8.9.4 Supervising Skill Trainings

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

9.0 Corporate Governance

9.1 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:

9.2 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:

9.2.1 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.

9.2.2 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.

9.2.3 Corporate Governance Policy with respect to Conducting Meetings of Shareholders

The Company has a policy 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 gives importance to convening of shareholders' meetings and encourages all shareholders to attend them. Shareholders would not be able to 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 the Company operates 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 by the meeting of Board of Directors 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 by its meeting of Board of Directors 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 of Companies entered into with its business 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.

9.3 SECTION 2: EQUITABLE TREATMENT OF SHAREHOLDERS

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

9.3.1 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 would not be able to cast their votes in the meeting.

9.3.2 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.

9.3.3 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.

9.3.4 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.

9.3.5 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.

9.3.6 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.

9.4 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:

9.4.1 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.

9.4.2 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:

- 9.4.2.1 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;
- 9.4.2.2 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;
- 9.4.2.3 They shall inform all shareholders the Company's future trends using accurate and sufficient data;
- 9.4.2.4 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
- 9.4.2.5 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.

9.4.3 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 present and 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.

9.4.4 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.

9.4.5 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.

9.4.6 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.

9.4.7 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.

9.4.8 Communities local to each company's place of business

The Company and its employees are committed to behave and conduct 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.

9.4.9 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.

9.5 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.

9.5.1 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.

9.5.2 Disclosure of Information

The Company warrants that preparation and disclosures of Company's information are in 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 Chartlepipat	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 Sriwanayos	Corporate Secretary	750,000	-	750,000

Remarks:

[^] Independent & Non-Executive Directors

^{^^} Non-Independent & Executive Directors

9.5.3 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.

9.5.4 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 year, as well as comments in relation to the performance of their duties in the annual report.

9.6 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:

9.6.1 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 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 directors possess 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 who 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 Thai nationals 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 representative director who is a Thai resident to hold directorships 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 PT IMV and PT ITI.

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

At present, the Board of Directors of the Company consists of eight (8) members, three (3) of whom are Independent and 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 numbers of directors are independent & non-executive directors.

9.6.2 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:

9.6.2.1 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.

9.6.2.2 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.

9.6.2.3 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.

9.6.3 Board of Directors' Meeting

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

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

9.6.4 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.

9.6.5 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).

9.6.6 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 Company 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 IIT Group of Companies 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.

9.7 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).

9.7.1 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 Chartletpipat	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:

- to review the financial statements, the significant accounting and reporting issues including complex or unusual transactions and highly judgmental areas including to discuss with the Company's Management and external auditor regarding audit results, relevant risks and management action to decrease the identified risks and to review the effectiveness of internal control over the financial reporting process.

- to review the effectiveness and adequacy of internal control system including control over the information technology system and the implementation of the recommendations on internal control from internal and external auditors.
- to review and approve the internal audit charter, annual audit plan, staffing and resources required for the internal audit and to review the effectiveness of the internal audit that complies with the Professional Practices of Internal Auditing.
- to review and approve the compliance charter, annual plan, staffing and resources required of compliance and control function including to review the non-compliance issues raised by regulatory agencies and the rectification of those issues.
- to review the adequacy of the Company's risk management process and policies and the effectiveness of the implementation of the Company's risk management systems; and
- to ensure that the code of conduct and conflict of interest policy is in writing and arrangements are made for all management and employees to be aware of it and promote the compliance with the code of conduct and conflicts of interest policy.

9.7.2 **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 Chartletpipat	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:-

- 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;
- recommend qualified candidates to the Board for consideration prior to nomination proposal at the Shareholders' Meeting for further approval and appointment; and
- 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:-

- 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;
- 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;
- make recommendations to the Board for the successor of the CEO;
- ensure that the Company's remuneration packages are competitive in view of industry practices; and
- 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:-

- 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;
- invite any employee or other individual to attend the NRC meeting; and
- obtain independent professional or other advice to assist the NRC in the performance of its responsibilities and duties.

9.7.3 EXECUTIVE COMMITTEE (EXCO)

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. 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.

10.0 Social Responsibility

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

10.1 Education and Training

The Group schedules training and development programs for employees. It aims to educate its employees, to have knowledge, proficiency and expertise to effectively perform all the necessary tasks. Training and development program structure was set up such as Orientation Course, Personal Characteristic Development Course, General Knowledge Development Course, Specialized Learning Development Course and Management Course. The Group also participates in providing industrial and practical training for under graduates from local Institutes of higher learning as a part of its corporate contributions towards education, in line with its belief that education always a key role in nation building.

10.2 Occupational Safety and Health

Written policies, including any updates as well as training on occupational safety and health, safety weeks, health check-up are provided to employees. Safety and health activities are also carried out periodically to create awareness and to educate employees on occupational safety and health related matters.

10.3 Environment Preservation

The 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.

10.4 Employee Welfare and Development

As at 31 January 2019, the 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 Group acknowledges the need to provide a healthy and balanced lifestyle to its employees. In this aspect, the Group encourages and supports the activities organized by Ingress Staff Club such as family days, social event and sports activities.

10.5 Community Welfare

The Group is also active within its concerns 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.

11.0 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 assigns the Executive Committee (“EXCO”) to consider and assess the adequacy of the Group’s internal control system. The Group employs independent 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:

11.1 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 offense or violation of any regulations will be penalized according to the severity of such actions.

The Company sets up its organization 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 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 quality Management System Standard (ISO/TS16949) and environmental Management Standard (ISO14001). The Group continuously provides and manage training activities for employees’ continuous development.

11.2 Risk Assessment

The Board of Directors assigns the Group Risk Management Department to assess risk factors that may affect the Company’s performance and evaluate opportunities for that risk and impact on operations and financials from that risk. The assessment has been made based on past events and their impacts in order to put in place appropriate risk management 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 counter measure 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 reviews the adequacy of risk Management policy and other relevant policies to ensure effective internal control throughout the Group.

11.3 Control Activities

The Company has set clear Group Policies and Procedures, Group Limit of Authority, Quality Work Processes, Work Instructions for every key functional area. The widely established standard such as

ISO14000 and TS16949 quality Management standard also embedded to current operational procedures and work instruction and used by all employees as a guideline for to perform their work correctly and effectively. Proper controls that established in each process are capable to deter errors and any possible unintentional wrong doings.

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 embedded in the procedure are likely to prevent any possible misconduct or corruption issues. The Company assigns the Group Internal Audit to monitor its operations to ensure that employees operate according to Group Policies and Procedures, Group 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 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 informed during the Audit Committee Meeting in details on a quarterly basis.

11.4 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 Company 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 a primary contact for inquiries and information distribution and welcomes Company visit and meeting request from shareholders, investors and analysts.

With the establishment of Whistle Blower Policy, the Company provides a clear communication channel for complaints or reports of suspicion of wrongdoings which may lead to corruptions, 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.

11.5 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 annual audit plan covering each of key functional areas across the Group which covers 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 Audit Committee during quarterly board 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 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 subsidiaries are operating in accordance with the standards. In additions, each of the subsidiaries also passes the multiple customers' audit where their operations are carried out according to agreed procedures and that no changes are made in the process without prior notification.

11.6 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.

11.7 Internal Audit Function

The internal audit staff independently assesses compliance with policies and procedures and evaluates the effectiveness of all control systems throughout the Group. 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 non recurrence of a similar issue. Current practices, all business units under the Group will be audited at least once in each of the financial year to ensure the highest level of transparency and sound Internal Control practices among the employees.

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

12.0 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.

12.1 Persons who may have a conflict of interests

Corporate shareholders of subsidiaries

	Related party and nature of business	Relationship with the Group
1.	Katayama Kogyo Co., Ltd (“KK”) Established in Japan and engaging in the business of manufacturing and sales of various automotive parts, agricultural machinery and construction related parts.	<ul style="list-style-type: none"> • 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 (in the 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 percent of all voting shares of FCT and has designated one delegate to act as a director in FCT, who is Mr. Noboru Iwasaki.

Subsidiaries of a corporate shareholder of a subsidiary

	Related party and nature of business	Relationship with the Group
1.	Perodua Manufacturing Sdn Bhd (“PMSB”) Established in Malaysia and engaging in the business of manufacturing and assembly of Perodua vehicles.	PMSB is a subsidiary of Perusahaan Otomobil Kedua Sdn Bhd (“Perodua”), which is holding 30.00 percent of shares in ITSB. Perodua has designated two delegates to act as directors, consisting of (1) Mr. Zainal Abidin Bin Ahmad and (2) Ms. Noor Zakiah Binti Hasan.

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

12.2 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

12.3 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

12.4 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 BA RC	148.24 10.57 76.40	TL BA RC	220.24 19.85 80.51	Corporate guarantee by ICB
3.	Ingress Technologies Sdn Bhd	TL BA RC	234.78 78.96 105.26	TL BA RC	304.04 80.65 110.95	Corporate guarantee by ICB
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, which were historical transactions. For such guarantees, ICB did not charge any compensation from the Group, so the Group did not lose any benefit from such transactions.

12.5 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.

12.6 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.

13.0 Significant Financial Information

13.1 Revenue Structure

EXTERNAL SALES REVENUE (Million Baht)	Consolidated Financial Statements				
	FY2017/18	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.

13.2 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.

14.0 Management Discussion and Analysis

14.1 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.

14.2 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.

14.3 Analysis of the operating results

14.3.1 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.

14.3.2 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 IAIP. 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 in comparison to 40% of the value determined by the independent valuer upon the acquisition of the additional 60% shares in IAIP.

14.3.3 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 and products 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.

14.3.4 Gross profit and gross profit margin

The gross profit and gross profit margin of the Group classified by countries and products 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.

14.3.5 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	71.8	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

14.3.6 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.

14.3.7 Administrative Expenses

The Group's administrative expenses consist of staff, depreciation & amortization of office assets management fees 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 2018		31 January 2017	
	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
Management fees	-	-	-	-
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:

- a) Full year administrative expenses of IAIPL (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

- b) Additional allowance for doubtful debts provided during FY2018/19 on trade receivables amounting to Baht 7.5 million.

14.3.8 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.

14.3.9 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:

- a) Adjustment of corporate income tax expense of the previous year;
- b) Utilization of business tax losses and tax allowances in the current year;
- c) 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.

14.3.10 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	147.2	(70.8)	(48.1)
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:

- 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.

14.4 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.

14.4.1 Assets

Unit: Million Baht	Financial Year Ended		Increase/(decrease)	
	31 January 2019	31 January 2018	Million Baht	Percent
Trade and other receivables	599.6	651.1	(51.5)	(7.9)
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.

14.4.2 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.

14.4.3 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.

14.5 Key financial performance

14.5.1 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.

14.5.2 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.

14.5.3 Leverage ratio

	FY2018/19	FY2017/18	Increase/ (decrease)
Debt to Equity ratio (times)	0.65	0.76	(0.16)
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.

14.6 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.

14.7 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:

14.7.1 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.

14.7.1 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.

DETAILS OF THE DIRECTORS, EXECUTIVES CONTROLLING PERSON AND CORPORATE SECRETARY

No	Name	Age * (Years)	Education and qualification	Shareholding in the Company (%)	Family relationship	Work experience in the past 5 years		
						Duration	Position	Company Name
1	Mr. Nuthavuth Chatlerpipat	52	Barister-at-law of the Thai Bar Royal Patronage Master of Law (LLM.) and Bachelor of Law (LLB.) from Chulalongkorn University Bachelor of Business Administration (BBA) from Ramkhamhaeng University Certificate in English for Special Careers (Law) from Sukhothai Tammathirat University	0.055	None	2014 – current	Chairman (from 2017)/ Independent Director	Ingress Industrial (Thailand) Public Company Limited
						2014 – current 2012 – 2013	Partner of the firm Member of the Risk Management Committee	BKK Legal Limited Botanical Garden Organisation, Ministry of Natural Resources and Environment
2	Datuk Rameli Bin Musa	72	Bachelor of Engineering and Master in Microwave Communications from University of Sheffield United Kingdom	0.100	Father of Datin Sri Farah	2014 – current	Deputy Chairman/ Executive Director	Ingress Industrial (Thailand) Public Company Limited
						1999 – current	Executive Vice Chairman	Ingress Corporation Berhad
3	Dato' Dr. Ab. Wahab Bin Ismail	64	Doctor of Philosophy in Mechanical Engineering (Ph.D) from University of Leeds, United Kingdom	0.100	None	2014 – current	Executive Director	Ingress Industrial (Thailand) Public Company Limited
						1999 – current	Group Executive Director	Ingress Corporation Berhad
4	Mr. Hamidi Bin Maulod	53	Bachelor of Science in Industrial Engineering from University of Toledo, Ohio, USA.	Nil	None	2018 – current	Chief Executive Director	Ingress Industrial (Thailand) Public Company Limited
						2012 – 2018	Managing Director	Ingress Technologies Sdn Bhd

No	Name	Age * (Years)	Education and qualification	Shareholding in the Company (%)	Family relationship	Work experience in the past 5 years		
						Duration	Position	Company Name
5	Mr. Abdul Khudus Bin Mohd Naaim	64	Chartered Accountant of the Malaysian Institute of Accountant Fellow Member of the Association of Chartered Certified Accountants, United Kingdom Associate Members of the Chartered Malaysian Institute of Taxation and Institute of Co-operative & Management Accountants in Malaysia Diploma in Accountancy from Mara Institute of Technology, Malaysia	Nil	None	2014 – current	Independent Director	Ingress Industrial (Thailand) Public Company Limited
						2000 – current	Partner of the firm	AKN Arif
6	Mr. Apichat Suttisiltum	71	Master in Business Administration from Thammasat University BSc. of Chemical Engineering from Chulalongkorn University	Nil	None	2014 – current	Independent Director	Ingress Industrial (Thailand) Public Company Limited
7	Datin Sri Farah Binti Datuk Rameli	43	MBA in Engineering Management from University of Coventry, United Kingdom Bachelor Degree in Electrical Engineering from Universiti Teknologi Malaysia, Malaysia	0.063	Daughter of Datuk Rameli Bin Musa	2017 – current	Executive Director	Ingress Industrial (Thailand) Public Company Limited
						2013 – current	Director of Corporate Services	Ingress Corporation Berhad

No	Name	Age * (Years)	Education and qualification	Shareholding in the Company (%)	Family relationship	Work experience in the past 5 years		
						Duration	Position	Company Name
8	Mr. Surin Wungcharoen	65	BA of Engineering from King Mongkut University	Nil	None	2017 – current	Executive Director	Ingress Industrial (Thailand) Public Company Limited
						2012 – 2017	Managing Director	Thai Auto Tools (Eastern) Co., Ltd
9	Mr. Eddie Dzurraimin Bin Zulkipli	37	ASEAN CPA from ASEAN Chartered Professional Accountants Coordination Committee (ACPACC) Certified Public Accountant of the Malaysian Institute of Certified Public Accountants Chartered Accountant of the Malaysian Institute of Accountant Bachelor of Accountancy with Honours and Diploma in Accountancy from MARA University of Technology, Malaysia	Nil	None	2014 – current	Group Chief Financial Officer	Ingress Industrial (Thailand) Public Company Limited
						2008 – 2014	Deputy GM, Group Finance & Accounting	Ingress Corporation Berhad
10	Mr. Supachai Meererg	48	Bachelor of Science in Electrical Industrial Engineering from Prankorn Teacher Collect, Bangkok	Nil	None	2014 – current	Deputy GM, Sales & Business Development	Ingress Industrial (Thailand) Public Company Limited
						2006 – 2014	Senior Manager, Sales & Marketing	Ingress Autoventures Co., Ltd

No	Name	Age *	Education and qualification	Shareholding in the Company (%)	Family relationship	Work experience in the past 5 years		
						Duration	Position	Company Name
11	Mr. Sarawoot Sriwannayos	58	BA in Law from Ramkhamhaeng University	0.052	None	2014 – current	Corporate Secretary	Ingress Industrial (Thailand) Public Company Limited
						1986 – 2014	Partner of the firm	Santik 15 International Office

* Age as at 31 January 2019

DETAILS OF DIRECTORSHIP IN THE COMPANY AND ITS SUBSIDIARIES

No	Name	IIT	IAV	FCT	IIM	ITSB	IPSB	TSSB	PTIMV	PTITI	IAIPL
1	Mr. Nuthavuth Chatlerpipat	^(C)									
2	Datuk Rameli Bin Musa	/	/ (C)		/ (C)	/ (C)		/ (C)	BOC (C)	BOC (C)	
3	Dato' Dr. Ab. Wahab Bin Ismail	/	/	/	/		/ (C)	/	BOC		/ (C)
4	Mr. Hamidi Bin Maulod	/	/	/	/	/	/	/	BOC	BOC	/
5	Mr. Abdul Khudus Bin Mohd Naaim	^									
6	Mr. Apichat Suttisiltum	^									
7	Datin Seri Farah Binti Datuk Rameli	/	/								
8	Mr. Surin Wungcharoen	/		/							
9	Mr. Eddie Dzurraimin Bin Zulkipli			/					/	/	

Remarks

- (C) – Chairman of the Board
- / – Executive Director
- ^ – Independent Director
- BOC – Board of Commissioner
- IIT – Ingress Industrial (Thailand) Public Company Limited
- IAV – Ingress Autoventures Co., Ltd
- FCT – Fine Components (Thailand) Co., Ltd
- IIM – Ingress Industrial (Malaysia) Sdn Bhd
- ITSB – Ingress Technologies Sdn Bhd
- IPSB – Ingress Precision Sdn Bhd
- TSSB – Talent Synergy Sdn Bhd
- PTIMV – PT Ingress Malindo Ventures
- PTITI – PT Ingress Technologies Indonesia
- IAIPL – Ingress Autoventures (India) Pvt Ltd

DETAILS REGARDING DIRECTORS OF THE SUBSIDIARIES

No	Name	IAV	FCT	IIM	ITSB	IPSB	TSSB	PTIMV	PTITI	IAIPL
1	Mr. Affandi Bin Mokhtar			/	/	/		BOC	BOC	
2	Mr. Abdul Rahim Bin Haji Hitam		/(C)							/
3	Ms. Huda Binti Datuk Rameli				/					
4	Dato' Zainal Abidin Ahmad				/					
5	Ms. Noor Zakiah Binti Hasan				/					
6	Mr. Noboru Iwasaki		/							
7	Mr. Rabian Bin Abd Rahman					/				
8	Mr. Mohd Safri Bin Sabtu		/		/					
9	Ms. Michiko Akamatsu	/				/		BOC		
10	Mr. Hiroshi Miyazeki	/						BOC		
11	Mr. Itsuro Maeno	/								
12	Mr. Nosri Bin Hamzah	/				/				
13	Mr. Herman Zaini Latif							BOC		
14	Mr. Pami Bin Jani								/	
15	Mr. Mas Moechamad Latief							/		
16	Mr. Tetsuji Tamura							/		
17	Mr. Hishamudin Bin Lah							/	/	
18	Mr. Shamsuddin Bin Isa									/
19	Mr. Prateek Rah Chitkara									/

Remarks

/	– Executive Director	FCT	– Fine Components (Thailand) Co., Ltd	PTIMV	– PT Ingress Malindo Ventures
(C)	– Chairman of the Board	IIM	– Ingress Industrial (Malaysia) Sdn Bhd	PTITI	– PT Ingress Technologies Indonesia
BOC	– Board of Commissioner	ITSB	– Ingress Technologies Sdn Bhd	IAIPL	– Ingress Autoventures (India) Pvt Ltd
IIT	– Ingress Industrial (Thailand) Public Company Limited	IPSB	– Ingress Precision Sdn Bhd		
IAV	– Ingress Autoventures Co., Ltd	TSSB	– Talent Synergy Sdn Bhd		

DETAILS REGARDING THE CHIEF INTERNAL AUDITOR AND CHIEF COMPLIANCE OFFICER

CHIEF INTERNAL AUDITOR

Name	:	Mr. Mohd Fazli Mohd Nawi
Designation	:	Head of Internal Audit
Education and Qualification	:	<p>Year 2017 Masters In Forensic Accounting and Financial Criminology from MARA University of Technology, Shah Alam, Malaysia</p> <p>Year 2002 Bachelor in Accountancy with Honours from MARA University of Technology, Shah Alam, Malaysia</p> <p>Year 1999 Diploma in Accountancy & Economics from Kolej Professional MARA, Beranang Selangor, Malaysia</p>
Work Experience	:	<p>2015 – current Head of Internal Audit, Ingress Industrial (Thailand) Public Company Limited</p> <p>2012 – 2015 Assistant Manager Internal Audit, Ingress Corporation Berhad</p> <p>2008 – 2012 Assistant Manager Compliance and Control Department, Sime Darby Plantation Sdn Bhd.</p>

CHIEF COMPLIANCE OFFICER

Name	:	Mr. Sarawoot Sriwannayos
Designation	:	Head of Legal and Secretarial Department/Corporate Secretary
Education and Qualification	:	<p>Year 1982 Bachelor in Law from Ramkhamhaeng University</p>
Work Experience	:	<p>2014 – current Head of Legal and Secretarial/Corporate Secretary, Ingress Industrial (Thailand) Public Company Limited</p> <p>1986 – 2014 Partner of the firm, Santik 15 International Office</p>

REPORT OF AUDIT COMMITTEE ON THE ADEQUACY ASSESSMENT FOR INTERNAL CONTROL SYSTEM

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.	Abdul Khudus Bin Mohd Naaim	Chairman
2.	Nuthavuth Chartletpipat	Member
3.	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.

The Audit Committee meets 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 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 material 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 subsidiary. 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 Company'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 the 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 based 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 had 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 the management. The Audit Committee also assessed its performance of duties and responsibilities in the past year as effective, efficient and achieves the objectives assigned by the Board.

On behalf of the Committee



Mr. Abdul Khudus Bin Mohd Naaim
Chairman of Audit Committee

APPRAISAL REPORT SUMMARY

In August 2018, the Group engaged an Independent Property Valuer to reappraise the value of the Group's land and buildings for the purpose to revise the appraisal value as previously appraised in October 2015. The basis of the revaluation are as follows:

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

The valuer details of the Independent Property Valuer are as follows:

No.	Company	Independent Property Valuer	Remarks
1.	IAV and FCT	Fanix Appraisal Co., Ltd. 27/1 Soi Soonvijai, Bangkapi Huay Kwang, Bangkok 10310, Thailand	Period of approval by SEC: 16 March 2018 to 15 March 2020
2.	ITSB and IPSB	JB Jurunilai Bersekutu Sdn. Bhd. EO3A1, 3rd Floor, East Floor Wisma Selangor Dredging 142B, Jalan Ampang 50350 Kuala Lumpur, Malaysia	Registration Number issued by The Board of Valuers, Appraisers, Estate Agents and Property Managers under the Ministry of Finance of Malaysia: VE (1) 0161
3.	PTIMV	KJPP Tri, Santi Dan Rekan Gd. Pulak Mas Lt 2 Cipinang Cempedak II No58B, Jakarta Timur, Indonesia	Business License issued by the Indonesian Ministry of Finance: 492/KM.1/2009

The summary of results on the appraisal are as follows:

Unit: Million Baht

No.	Company	Land			Building		
		Revaluation in 2018	Revaluation in 2015	Increase/ (decrease)	Revaluation in 2018	Revaluation in 2015	Increase/ (decrease)
1.	IAV	127.8	90.8	37.0 [40.7%]	250.0	300.6	(50.6) [-16.8%]
2.	FCT	134.3	124.5	9.8 [7.9%]	52.4	39.7	12.7 [32.0%]
3.	ITSB	126.0	103.1	22.9 [22.2%]	251.9	233.2	18.7 [8.0%]
4.	IPSB	145.9	111.5	34.4 [3.1%]	164.4	110.2	54.2 [4.9%]
5.	PTIMV	93.3	74.6	18.7 [25.0%]	22.8	22.2	0.6 [2.9%]
TOTAL		627.3	504.5	122.8 [24.3%]	741.5	705.9	35.6 [5.0%]

Note (Closing rate as at 31 January 2019):

RM1 = Baht 7.6397

IDR1,000 = Baht2.2367