

Ref. No. HARN 002/2019

1 March 2019

Subject: Notification of the capital increase of the subsidiary in Vietnam

To: President
The Stock Exchange of Thailand

Ref. No. HARN 006/2018 date. 12 November 2018

The Board of Directors of Harn Engineering Solutions Plc. ("the Company" or "HARN") at the Meeting No. 5/2018, held on November 9, 2018, resolved to grant approval for the Company in the establishment of Harn (Vietnam) Co, Ltd.* ("Subsidiary"), which will be newly registered as a limited liability company (LLC) in Vietnam with an registered capital of VND 800,000,000 or about THB 1,140,000.

Now, the company would like to inform you that it is in the process of setting up a company in Vietnam. But because of legal counsel Vietnam Commented that the registered capital of VND 800,000,000 has too little registered capital Which may cause the application for registration of the company And the request for a business license is delayed and / or not approved by the Vietnamese government at the Meeting No.1 / 2019, held on February 28, 2019, resolved to grant the approval of the Harn (Vietnam) Co., Ltd., which is a subsidiary of the Company, from the original VND 800,000,000 to not more than VND 2,400,000,000 or approximately THB 3,420,000.

The investments above were not considered as a material acquisition or disposition of assets according to the Notification of the Capital Market Supervisory Board No. Tor.Chor.20/2551 Re: Rules on entering into material transaction deemed as acquisition or disposal of assets and the Notification of the Board of Governors of The Stock Exchange of Thailand Re: Re: Rules on Entering into Material Transaction Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of SET Re: Disclosure of Information of Listed Companies Concerning Acquisition or Disposal of Assets, 2004 (collectively called the "Acquisition or Disposal Notifications") as the size of the transaction was 0.22% (investment value of THB 3,420,000*100 / total assets of THB 1,548,586,461), calculated by the criteria of the total of value consideration basis. Which were the highest criteria but still less than 15% (based on financial statement ended 31 December 2018). Nevertheless, calculation including other transaction acquiring assets during a period of six months the size as was 7.94% (other assets value of THB 123,016,980 *100 / total assets of THB 1,548,586,461). The total value of the transactions therefore is equal to 8.16% but still less than 15%.

In addition, the proposed transaction is not considered as a related party transaction under the Notification of the Capital Market Supervision Board No.21/2551 re: Rules on Related Party Transactions and the Notification of The Stock Exchange of Thailand re: Disclosure of Information and Practice of Listed Companies Concerning the Related Party Transaction, 2003 (as amended). Because the counter party of the transaction was person/ juristic person who was not the connected person.

Please be informed accordingly.

Sincerely yours,

(Mr. Wirat Sukchai)
Chief Executive Officer
Authorized to sign on behalf of the Company

Company Secretary
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