

(English Translation)

Ref. No. HARN 006/2018

November 12, 2018

Subject Notification of a resolution of the Board of Directors regarding a subsidiary establishment plan in Vietnam

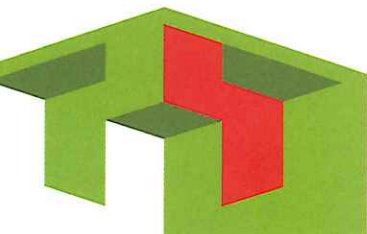
To President
The Stock Exchange of Thailand

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, of which 100% will be held by HARN, thereby leading such new entity to become the Company's subsidiary. The objective of the "Subsidiary" is to enhance competitiveness and efficiency in customer servicing, starting with "digital printing" business unit due to its advantage as a distributor of dated coding and marking equipment with UV inkjet technology in Thailand for Domino UK, which is a global leader of printing equipment, and also as a recently appointed distributor of digital UV inkjet printer Series N610i in Vietnam, coupled with after-sales services provided by the Company's skillful engineer team.

The formation of its first overseas subsidiary in Vietnam marks the Company's initial step into market and customer base expansion in ASEAN region, which is part of its strategy for sustainable growth. The Company will primarily market its digital printing products among the global accounts of Domino UK and other entities in industrial estates in major cities of Vietnam, while exploring future business opportunities for its other products such as fire protection & safety, air-conditioning & sanitary, and refrigeration.

The aforementioned "Subsidiary" is subject to the disclosure requirements for an entering into or cancellation of a joint venture accounting for 10% or more of the joint venture company's paid-up capital in accordance with the Stock Exchange of Thailand's regulations regarding rules, conditions and procedures for disclosure of information and other acts of listed companies. Therefore, the Company hereby would like to disclose the details of its investment in the "Subsidiary" as follows:

Subsidiary	Harn (Vietnam) Co., Ltd. (Subsidiary) which is a juristic person under the law of Vietnam
Registered capital	Charter capital of VND 800,000,000 or approximately THB 1,140,000 as at the date of entering into the joint venture in the Subsidiary.
Type of business of the Subsidiary	Distribution, leasing, installation and after-sales services for digital UV inkjet printing equipment and other supplies
Shareholder structure and details of acquired assets	1. The Company will make investment worth VND 800,000,000 or about THB 1,140,000, representing 100% of the total registered capital of the Subsidiary.





Board structure	Director Group 1: Mr. Wirat Sukchai, Mr. Wasan Nantakhwang and Mr. Thammanoon Tripetchr Director Group 2: Mrs. Sirima Iamsakulrat, Mr. Jain Chamnarong and Mrs. Valeeratn Chuerboonchai Authorized signatories: Any one of Director Group 1 to co-sign with any one of Director Group 2, making up two authorized directors
Funding source for the joint venture investment	Internal cash flow of the Company
Expected benefits	The Company expects that the Subsidiary will be able to expand its market and customer base in Vietnam since the country boasts a large number of industrial estates and consistent positive growth in its food & beverages, textiles, apparels, and electrical & electronic industries, and also promotes foreign direct investments.
Investment conditions	The Subsidiary shall commence its business operation in Vietnam by the first quarter of 2019, and the scope of its product distribution and service provision shall be subject to the authorized distributorship terms and conditions of Domino UK.

The above joint venture investment constitutes an acquisition of assets in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the SET Board of Governors Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (collectively called the "Acquisition or Disposal Notifications"). The maximum transaction size, calculated on the total value of consideration basis, is equal to 0.08% (investment value of THB 1,140,000*100 / total assets of THB 1,456,819,074). In this regard, upon the combination of the value of such transactions with the value of the other asset acquisition transaction of the Company that have occurred during the past six months, which is equal to 0.50% (other assets value of THB 7,271,460 *100 / total assets of THB 1,456,819,074). The total value of the transactions therefore is equal to 0.58%. Since the transaction size is lower than 15%, the said transaction does not constitute an acquisition of assets that is subject to the disclosure regulations pursuant to the Acquisition or Disposal Notifications.

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 B.E. 2546 (as amended).

Please be informed accordingly.

Remark* Name of the Subsidiary is subject to change according to the company registration under the law of Vietnam.

Yours sincerely,



(Mr. Wirat Sukchai)

Chief Executive Officer

Authorized Person to Disclose Information

Company Secretary:
Tel. 02-203-0868 Ext. 415

