

Ref. No. HARN 012/2020

June 24, 2020

Subject: Notification on the Signing of Joint Venture Agreement and the Establishment of the Joint Venture Company

To: The President  
The Stock Exchange of Thailand ("the SET")

Harn Engineering Solutions Public Company Limited ("the Company") would like to inform that, on June 24, 2020 the Company signed mutual investment contract with a startup expert group named "AIYARAFUN". Which has expertise in Internet of Thing (IoT) and also has a strong portfolio of clients and reference projects. The new company will be focusing on smart building solutions enhancing HARN's current customers in condominium, high-rise buildings and cold storages to expand and sustain business opportunity.

According to the mutual investment contract, HARN and AIYARAFUN will invest 65% and 35% of ordinary shares respectively. The newly registered will be another subsidiary of HARN and will acquire and provide services of outstanding clients and service contracts i.e. Sansiri Group and Plus Property. HARN will also provide customer list and knowledge and information in fire protection, Air-conditioning and refrigeration systems.

HARN strongly confident that this mutual investment will help business expanding and differentiating us from the market and to be a sustained solutions provider like our motto "Quality Living through Sustainable Engineering".

In addition, the size of such transaction does not trigger the report and disclosure requirements fall within the meaning of an acquisition of assets under the Notification of the Capital Market Supervisory Board No. ToChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, B.E. 2547 (2004) (as amended) since the size of transaction is 0.08% of total highest value of consideration paid or received based on the Consolidated Financial Statement as of 31 March 2020 with another transaction entered into by the Company in the past 6 months which is lower than 15%

However, 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.

Sincerely yours,

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

Company Secretary  
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