



บริษัท แฮลเซียน เทคโนโลยี จำกัด (มหาชน)  
HALCYON TECHNOLOGY PUBLIC CO., LTD.

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No. CS-2563/002

27 February 2020

Subject: Resolution of the Board of Directors' Meeting No.1/2020  
Attention: Directors and Managers, The Stock Exchange of Thailand  
Attachment: 1. Information Memorandum on Acquisition of Assets

The Board of Directors' Meeting of Halcyon Technology Public Company Limited No. 1/2020 held on February 26, 2020 passed the important resolutions as following:

- (1) Approved the Balance Sheet and the Profits and Loss Statement as of 31 December 2019
- (2) Approved the dividend payment from the company's performance of the period 1 July – 31 December 2019 for an additional 0.04 baht per share, which was the dividend from the profit exempted from corporate income tax, amounting to 12,000,013.60 baht. The Company will identify rightful shareholders who may receive dividend on 5 May 2020 (Record Date). The dividend shall be paid on 20 May 2020. The Company will propose for approval by the Annual General Meeting of the Company's shareholder for the year 2020.
- (3) Acknowledge the resignation of Lt. Gen. Preecha Wanarat from the positions of Chairman of the Board, Chairman of the Audit Committee, and Chairman of the Nomination and Remuneration Committee
- (4) Approved the appointment of Mr. Prapan Pichaiwatkomol as the Company's Director, Audit Committee, and Independent Director effective 1 May 2020
- (5) Approved the appointment of Mr. Pete Rimchala as the Chairman of the Board
- (6) Approved the re-election of 2 directors: Mrs. Chollada Fuvatanasilp and Mr. Norawee Changlum for another term.
- (7) Approved the director's remuneration for the 2020 at the same rate as 2019 as follows:

- The Meeting Remuneration:

Meeting Remuneration	2020 (proposed) (Baht)	2019 (Baht)
<u>Board of Directors</u>	per meeting	per meeting
- Chairman of Board of Directors	16,500	16,500
- Director	13,500	13,500
<u>Audit Committee</u>	per meeting	per meeting
- Chairman of Audit Committee	16,500	16,500
- Audit committee	13,500	13,500
<u>Nomination and Remuneration Committee</u>	per meeting	per meeting
- Chairman of Nomination and Remuneration Committee	13,500	13,500
- Nomination and Remuneration Committee	13,500	13,500

- The Yearly Remuneration:

Yearly Remuneration	2020 (proposed) (Baht/person)	2019 (Baht/person)
- Chairman of Audit Committee (1 person)	150,000	150,000
- Audit Committee (2 persons)	115,000	115,000
- Director (3 persons)	40,000	40,000

- (8) Approved the appointment of C&A Audit Office Co., Ltd. to be the Company and its subsidiary's auditor for the year 2020, with the auditing fees of not more than Baht 2,410,000 and appointed Miss Jintana Mahavanich, Certified Public Account No. 4687; or Mrs. Chintana Techamontrikul, Certified Public Account No. 5 1 3 1 ; or Mr. Niteepong Techamontrikul, Certified Public Account No. 10305 to be the auditor of the Company.
- (9) Approved to convene the 2020 Annual General Meeting of Shareholders on 21 April 2020 at 2.00 p.m., at Ballroom 3-4, the Crystal Design Center, E Building, No. 1420/1 Praditmanuthum Road, Klongjan, Bangkok. The Company will identify rightful shareholders who may attend the 2020 AGM on 13 March 2020 (Record Date). The agenda are as follows:
- Agenda 1 To consider and certify the minutes of the 2019 Annual General Meeting of Shareholders
- Agenda 2 To acknowledge the Company's operation performance of 2019 and operation plan for 2020
- Agenda 3 To consider and approve the Balance Sheet and Profit and Loss Statement as of 31 December 2019
- Agenda 4 To consider and approve the dividend payment from the Company's net profit of 2019
- Agenda 5 To consider the re-election of directors
- Agenda 6 To consider and approve the remuneration of Directors for 2020
- Agenda 7 To consider and approve the appointment of an auditor and auditor fees
- Agenda 8 To consider any other matters (if any)
- (10) Approved the investment in Mastertech Diamond Products Company. Details are shown in the Attachment: Information Memorandum on Acquisition of Assets.

Please be informed accordingly.

Yours Sincerely,

Pete Rimchala  
Managing Director

**Information memorandum on Acquisition of Assets of  
Halcyon Technology PLC. (HTECH)**

Company's Name	Master Carbide Tools Company d/b/a Mastertech Diamond Products Company (or "MDP")
Transaction Date	Within 30 June 2020 (in the process of confirming transaction date)
Investment Party	<p>Mr. Thomas Frakes and Mrs. Cynthia Frakes are American investors and founders of MDP, a company that manufactures and sells PCD and PCBN cutting tools located in Ohio, USA.</p> <p>Mr. Frakes has extensive knowledge and expertise related to PCD/PCBN cutting tools, especially in the manufacturing of aerospace. He has more than 40 years of experience in the related fields, and is currently holding the position of President of MDP.</p> <p>These investors are not a related person of HTECH</p>
Type of Business of MDP	MDP manufactures, distributes, and provides after-sale services for PCD and PCBN cutting tools with target customers in the automotive, aerospace, oil & gas, and heavy industries in the US and nearby countries
Objectives of Investment	<ol style="list-style-type: none"> <li>1. To increase production capability and shorten lead time for sales to customers in the US and nearby countries</li> <li>2. To expand distribution network in the American continent and create opportunity for more income in the long term</li> <li>3. To gain access to new manufacturing technologies, which will give the company an advantage in developing its products in the future</li> </ol>
Type of Transaction	HTECH buys 80% of ordinary shares of MDP from Mr. Thomas Frakes and Mrs. Cynthia Frakes valued at 5.28 million US dollars or approximately 158.28 million baht. Mr. Thomas and Mrs. Cynthia Frakes will hold the remaining 20%. Payment term is 60% of the selling price at closing date, and the remaining 40% within one year after closing date.
Size of Transaction	The size of transaction for this investment in MDP, calculated using the value of net tangible assets basis, equals to 15.22% (based on the Financial Statements for the year ending 31 December 2019).
Source of Fund for Investment	<ul style="list-style-type: none"> <li>- Loan from bank in the amount of 75 million baht</li> <li>- Standby Letter of Credit of 2.112 million US dollars for one year to guarantee the last payment (40%)</li> <li>- The Company's working capital</li> </ul>
Shareholding Structure of MDP	<ol style="list-style-type: none"> <li>1. HTECH (80%)</li> <li>2. Mr. Thomas the Mrs. Cynthia Frakes (20%)</li> </ol>

Directors of MDP	<ol style="list-style-type: none"> <li>1. Mr. Pete Rimchala</li> <li>2. Mr. Chris Rimchala</li> <li>3. Mr. Thomas Frakes (will hold the position of President in MDP for 2 years during the management transition period)</li> </ol> <p>Authorized Signatories: Mr. Pete Rimchala or Mr. Chris Rimchala signs together with Mr. Thomas Frakes and company's stamp</p>
Expected Benefits	<ol style="list-style-type: none"> <li>1. Increased income from the expansion of distribution channels as well as improved service for existing customer base; and more credibility by switching from a distributor to a manufacturer</li> <li>2. Create opportunity to increase production capability to shorten lead time and improve service for customers in the future</li> <li>3. Since the US is the hub for new innovation and technology, especially in the engineering and material fields, the company will gain advantage in accessing those information to improve the company's products and generate more income in the future</li> <li>4. Income from dividend</li> </ol>
Other Conditions for the Transaction	<p>Due to this transaction being a Class 2 Transaction according to the Notification of the Board of Governors of the SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets; it is subject to the disclosure of information to SET and a written notice to its shareholders within 21 days from the date of disclosure to SET.</p>
Opinion of the Board of Directors	<p>The Board of Directors consider the investment in MDP to be beneficial to the Company. Therefore, the Board of Directors' Meeting No. 1/2020, held on 26 February 2020, had approved the investment.</p>
Opinion of the Audit Committee and/or Directors whose opinion differs from the Board of Directors	<p>None</p>