

Bor.Chor.Ngor 0078/2018

March 30, 2018

Subject: Connected transaction (renew the property management contract) and the allocation for legal reserve

Attn : President

The Stock Exchange of Thailand

With reference to the Board of Directors Meeting No.2/2018 of Quality Houses Public Company Limited ("the Company") held on March 30, 2018 at 02:00 p.m. at the meeting room of 7th Floor Q.House Lumpini Building, Sathorn Road, Bangkok, passed the following resolutions:

1. Approved renew the property management contracts between the Company or the Company's subsidiary and Land and Houses Freehold and Leasehold Property Fund ("LHPF"). It is considered to be connected transaction with the following details :

Transaction date : The Board will determine the transaction date after the expiration date of the current property management contracts and after obtaining approval from the Board of Directors' meeting.

The Connected parties : Lessee : Quality Houses Public Company Limited ("Company") or the Company's subsidiary ("Subsidiary").

Lessor : Land and Houses Freehold and Leasehold Property Fund ("LHPF"), having Land and Houses Fund Management Company Limited as the fund manager.

Transaction type : The Company or Subsidiary has entered into the property management contract with LHPF for the period of 3 years (April 1, 2018 to March 31, 2021) and can be renewed for another three-year period or the period mutually agreed. LHPF has 3 residential properties for rent which are (1) Centre Point Residence Phromphong, (2) L&H Villa Sathorn and (3) Centre Point Sukhumvit -Thong Lo.

Objective for the transaction : The Company or Subsidiary will receive the management fees from the property management of these projects.

Details of assets involved	:	<p>1. Centre Point Residence Phromphong : Service Apartment (76 units)</p> <p>2. L&H Villa Sathorn : 2-storey detached houses for rent (37 units)</p> <p>3. Centre Point Sukhumvit -Thong Lo : Service Apartment (156 units)</p>
Term of contract	:	From April 1, 2018 to March 31, 2021 with the right to renew the contract for another three-year period or the period mutually agreed.
Value of connected transactions	:	The Company or Subsidiary is entitled to receive the property management fee of three projects are about Baht 63.0 Million for the contract period.
Criteria for determining remuneration	:	The remuneration is based on fees that the Company or Subsidiary similar to remunerations paid by other companies to operators in the same business.
Details of connected persons	:	Land and Houses Public Company Limited is a major shareholder of the Company and LHPF, holding 24.98% (as of August 24, 2017) and 15% (as of November 15, 2017), respectively
The connected directors	:	-
The Board of Directors' opinion	:	<p>The Board of Directors has considered that the connected transaction is reasonable and it is a normal operation business of the Company or Subsidiary.</p> <p>The Company or Subsidiary will receive the property management fee.</p>
The Audit Committee's opinion	:	Their opinions were not difference from Board of directors.
Type of transaction	:	<p>The transaction mentioned above is classified to be a connected transaction in relation to normal commercial terms, pursuant to the announcement of the Stock Exchange of Thailand regarding Disclosure of Information and Procedures of Listed Companies on Connected Transaction B.E. 2546 (2003). The calculated size of this transaction is 0.254% of the net tangible assets ("NTA") based on the Company's consolidated financial statement as of December 31, 2017 audited by the auditor. The size of transaction is more than Baht 1 Million but less than Baht 20 Million or more than 0.03% but less than 3% of NTA. Whichever higher. The size of transaction is medium. Hence, the</p>

Company is required to get the approval from the Board of Directors and has to disclose the information to The Stock Exchange of Thailand.

2. Approved the allocation for legal reserve for the year 2017, the Company has allocated the legal reserve at the required amounting to Baht 121,986,198 then the statutory reserve has fully aside by law of 10% of the registered capital of the Company according to dividend payment from the operating results of six-month period (July - December 2017).

Please be informed accordingly,

Sincerely yours

Apinya Jarutrakulchai

(Ms. Apinya Jarutrakulchai)

Senior Executive Vice President

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