

- Translation -

Bor.Chor.Ngor 0351/2018

September 25, 2018

Subject: Connected transaction : Renewal of a hotel management advisor agreement

Attn : President

The Stock Exchange of Thailand

With reference to the Board of Directors Meeting No 6/2018 of Quality Houses Public Company Limited (“the Company”) held on September 25, 2018 at 2:00 p.m. at the meeting room of 7th Floor Q.House Lumpini Building, Sathorn Road, Bangkok, has resolved to approve a subsidiary to renew a hotel management advisor agreement to Mandarin Hotel (“the Hotels”) that is owned by The Mandarin Hotel Public Company Limited (“Mandarin”). This transaction is classified as the connected transaction with the following details:

The transaction date : After the approval from the Board of Directors’ meeting.

The connected parties : Employee : The Subsidiary of Quality Houses Public Company Limited (“the Subsidiary”)
Employer : The Mandarin Hotel Public Company Limited (“Mandarin”)

Transaction type : Renewal of a hotel management advisor agreement which also granted the right to use the brand “Centre Point” for one year (1 October 2018 - 30 September 2019), with a renewal option upon mutual agreement.

The Board of Directors shall authorize Chief Executive Officer to have power to negotiate, agree and enter into any terms and conditions of such agreement and other related agreements, including the rate of such remuneration for hotel advisor services and any other details as Chief Executive Officer deem appropriated.

Value of connected transactions : The remuneration is based on 2% of total revenues (excluding some categories of revenues that have already declared in the hotel management advisor agreement) which is approximately Baht 8 Million per year. The remuneration is calculated from forecasted total revenues of the Hotels, with the following details :

(Unit: Million Baht)

Year	2018 (Oct-Dec)	2019 (Jan-Sep)
Total Revenue	105	297

Criteria for determining remuneration : The remuneration is based on fees that the Subsidiary similar to remunerations paid by other companies to operators in the same business.

Details of connected persons : 1) Ms. Piengchai Harnpanich and the connected person are the major shareholders of The Mandarin Hotel Public Company in the portion of 55.85% and Ms. Piengchai Harnpanich is in the position of Chairperson of the Board of Directors, Chairperson of the Management and Managing Director of The Mandarin Hotel Public Company Limited, as well as being the mother of Mr. Anant Asavabhokhin, the major shareholders of Land and Houses Public Company Limited which is the major shareholders of Quality Houses Public Company Limited.

2) Mrs. Suwanna Bhuddhapasart is Director of The Mandarin Hotel Public Company and Quality Houses Public Company Limited and the Subsidiary.

The connected directors : Mrs. Suwanna Bhuddhapasart was not present in the meeting and she has no right to vote in this agenda.

The Board of Directors' opinion : The Board of Directors' meeting has considered and given opinion that the connected transaction is reasonable and it is a normal operation business of the Subsidiary. The Subsidiary will receive the remuneration.

The Audit Committee's opinion : Their opinions were not difference from Board of directors.

Type of transaction : The transaction mentioned above is classified to be a connected transaction in compliance with notification of Board of Director of the Stock Exchange of Thailand regarding Disclosure of Information and Procedures of Listed Companies on Connected Transaction B.E. 2546 (2003). This transaction is considered normal support business without any trade condition. The calculated size of this transaction is 0.032% of the net tangible assets (“NTA”) based on the Company’s consolidated financial statement as of June 30, 2018 reviewed 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 important. Hence, the Company is required to get the approval from the Board of Directors and has to disclose the information to The Stock Exchange of Thailand.

Please be informed accordingly,

Sincerely yours

Apinya Jarutrakulchai

(Ms. Apinya Jarutrakulchai)

Senior Executive Vice President

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