

## Relating Party Transactions

### Information disclosure for relating transaction

In year 2018, the company and its subsidiaries entered into related party transactions with parties with possible conflict of interests, according to the details as follows:

1. Normal business transactions, normal business support transactions, rental or lease transaction for immovable property (not more than 3 years), and transactions related to assets and services.

(Unit : Thousand baht)

Name	Relation ship	Shareholding by the company (%)	Significant item	Relating transaction amount
1. Top Trend Manufacturing Co.,Ltd.	A	50.00	- Purchase of products / Service	187,190.05
			- Other expenses	205.27
			- Service income	6.76
			- Other income	44.11
2. EF Co.,Ltd.	A	99.99	- Purchase of products / Service	3,546.65
			- Other expenses	7,005.26
			- Sale of products	1,533.43
			- Immovable property rental income	183.00
			- Service income	2,381.00
3. Wildlives (Thailand) Co.,Ltd.	A	99.99	- Other income	1.17
			- Purchase of products / Service	3.52
			- Other expenses	0.49
			- Sale of products	486.89
			- Immovable property rental income	245.28
			- Service charge	3,829.65
4. S & J International (UK) Ltd.	A	100.00	- Other income	1.09
			- Purchase of products / Service	218,152.25
			- Sale of products	47,496.57
5. 4WD Vision Co.,Ltd.	A	99.99	- Other income	728.76
			- Purchase of products / Service	54,551.94
			- Sale of products	7.50
			- Immovable property rental income	119.14
			- Service income	1,858.48
			- Other income	140.67

(Unit : Thousand baht)

Name	Relation ship	Shareholding by the company (%)	Significant item	Relating transaction amount
6. SAAS Co.,Ltd.	A	99.99	- Purchase of products / Service	76.19
			- Immovable property rental income	486.32
			- Other income	357.83
7. Yamahatsu (Thailand) Co.,Ltd.	B	30.00	- Sale of products	2,411.55
			- Immovable property rental income	29,231.20
			- Other income	8.40
8. Osoth Inter laboratories Co., Ltd.	B	33.19	- Immovable property rental income	2,220.00
			- Service income	1,927.78
			- Other income	164.88
9. Atika Beauty Manufacturing Sdn.Bhd.	B	35.00	- Other expenses	31.43
			- Sale of products	578.00
			- Other income	674.15
10. I.C.C. International Plc.	C,E	0.35	- Purchase of products / Service	26,544.83
			- Royalty fee expenses	39.10
			- Other expenses	194.94
			- Sale of products	30,172.38
			- Immovable property rental income	196.74
			- Other income	328.52
11. Saha Pathana Inter-Holding Plc.	C,E	0.32	- Immovable property rental expenses	7,200.62
			- Utility charges expenses	51,905.57
			- Service fee expenses	2,558.59
			- Royalty fee expenses	119.86
			- Other expenses	5,631.58
12. People's Garment Plc.	D,E	-	- Purchase of products/ Service	2,886.85
			- Sale of products	(113.27)
13. Saha Pathanapibul Plc.	D	-	- Purchase of products/ Service	25.90
			- Other expenses	8.47
			- Sale of products	4,443.06
14.Thai Wacoal Plc.	D	0.08	- Sale of products	11,732.19
			- Immovable property rental expenses	398.20
			- Royalty fee expenses	7.79
			- Utility charges expenses	142.51

(Unit : Thousand baht)

Name	Relation ship	Shareholding by the company (%)	Significant item	Relating transaction Value
15. E.P.F Co., Ltd.	D	18.00	-Sale of products	707.74
16. Thai Lotte Co.,Ltd.	D	0.27	- Immovable property rental income	85.71
			- Utility charges income	7.72
17. Worldclass Rent a Car Co.,Ltd.	D	-	- Sale of products	180.80
18. Better Way (Thailand) Co., Ltd.	E	-	- Purchase of products / Service	5.56
			- Service fee expenses	9.69
			- Sale of products	1,034,312.57
			- Other income	1,432.87
19. International Laboratories Crop.,Ltd.	E	-	- Purchase of products / Service	14.55
			- Service fee expenses	487.87
			- Sale of products	19,520.83
20. Vitayasithi Co.,Ltd.	E	-	- Immovable property rental expenses	863.00
			- Utility charges expenses	350.61
			- Other expenses	84.59
21. O.C.C. Plc.	E	-	- Sale of products	14,514.95
22. Oriental Salon Business Co.,Ltd.	E	-	- Sale of products	3,821.08
			- Other income	10.20
23. H&B Intertex Co.,Ltd.	E	-	- Purchase of products/ Service	11,111.20
			- Other expenses	39.41
			- Sale of products	732.66
24. Shop Global (Thailand) Co.,Ltd.	E	-	- Sale of products	299.78
25. Make up Technique International Co.,Ltd.	E	-	- Sale of products	4,067.87
			- Other income	16.00
26. I.S.B.M. Co.,Ltd.	E	-	- Sale of products	10,340.93
			- Other income	25.00
27. Shaldan (Thailand) Co.,Ltd.	E	-	- Sale of products	37.96
			- Immovable property rental income	112.63
			- Service income	3,739.23
			- Other income	511.27
28. Cake & Bekery Co.,Ltd.	E	-	- Purchase of products/ Service	6.48
			- Other expenses	1.13

(Unit : Thousand baht)

Name	Relation ship	Shareholding by the company (%)	Significant item	Relating transaction Value
29. Shiseido Professional(Thailand) Co.Ltd.	E	-	- Other expenses - Sale of products - Other income	4.94 1,107.09 2.00
30. Better Leasing Co., Ltd.	E	-	- Immovable property rental income	30.00
31. T-Way Co.,Ltd	E	12.00	- Sale of products - Other expenses	24.63 362.00
32. Sahachol Food Supplies Co.Ltd.	E	-	- Other expenses	3.06
33. PBBC Intertrade Co.,Ltd.	E	-	- Sale of products	6.56
34. Kewpie (Thailand) Co.,Ltd	E	-	- Sale of products	684.50
35. B.K.C. Internation Marketing Co.,Ltd.	E	-	- Purchase of products/ Service	24.73

<b>Relationship</b>	A = Subsidiary	B = Associate
	C = The company's major shareholders	D = The company's major shareholder with over 10% shareholding
	E = Director	

**Pricing Policy** The company set selling price, by considering product design, complexity level of production process, sales forecast, sales volume, and production cost. Which is the same price level with the general customers.

**Remuneration Policy** The company carried out relating transactions with other companies, on a fair business practice basis, based on market prices and normal business terms being applied to those transactions conducted with unconnected outside business parties or persons.

Item	Remuneration Policy
- Immovable property rental fees	Fees depending on the location, surrounding, building condition, and utilization purpose for said assets
- Service charges	The remuneration of the service provider, the difficulty of the task, without compensation, as well as other persons or other parties that are not involved.
- Utility charges	According to the rates announced by Saha Group Industrial Park, based on actual units or volume used
- Other expenses	According to the actual rate.

## 2. Transaction in providing or receiving financial assistance

Unit : Million Baht

Company name	Loan Extension				
	Balance as of Dec. 31, 17	Additions	Settlements	Balance as of Dec. 31, 18	Interest Rate %
1.Wildlives (Thailand) Co.,Ltd.	4.0	-	-	4.0	3.0

**Loan Providing** The company and the subsidiaries had not provided additional loan to related parties during year, 2018. (Please see note to financial statements no.7). In 2018, the Company had interest income amount of Baht 0.1 Million.

### Necessity and rational of transaction with related personnel

The Board of Directors has its opinion on related party transactions that is the normal course of doing business. This is the same as recording transactions with other personnel in the industry relating with the business. Determining buying - selling prices is corresponding to normal practice. It is not for transferring company's benefits to related personnel.

The related transaction is made for the benefit of the company and shareholders as a whole in order to sustain growth and grow the business for long term. Teaming-up with an alliance is for mutual strengthening in doing business in order to maximize benefits to all parties concerned.

### Criteria or process of authorization in recording related transactions

For unusual transactions, if the size of transactions are not in the level with no need to get approval from a shareholder's meeting. Under SET's regulations, the transactions will be considered and approved by the Executive Board of Directors without get approval from the interested persons. If the size of the transactions are larger than approval, the Executive Board of Directors will obtain a resolution from the Executive Board and propose the resolution to the Board of Directors to gain further approval without gaining an approval from the interested persons. Also, the Audit Committee shall review the paid transaction and disclose it every quarter to avoid conflict of interest.

In the related transaction between, the company have policy and terms of the transaction such as buying price, selling price, value of the related transaction between the company is subject to normal course of business.

Related party transactions are conform with the regulations of the Stock Exchange of Thailand and propose to the Audit Committee for consideration and follow the steps to the reasonableness of the transaction and is in the best interests of the company. The Audit Committee will review such prices or rates of the transaction with the staff of the company and internal auditors that the price is reasonable and disclosures in the financial statements are correct.

The company have the process of approving the related party transaction between the company in the same way as the procurement of the company and the executives or shareholders have no interest in the transaction, and not to the approval of such matters.

To enter into the related transaction between the company, the company have complied with the requirements and regulations of the Stock Exchange of Thailand. The Audit Committee will provide an opinion on the suitability of the item and the fair price in order to maximize benefit of the company.

The company complies with the standards of the Stock Exchange of Thailand on the related transaction and / or the acquisition or disposition of assets of the company which will be amended to include the practices disclosed to the shareholders of the company. The Investors and related agencies, including the Stock Exchange of Thailand and will be approved by the Board of Directors and / or the Annual General Meeting of Shareholders, as defined by the Stock Exchange of Thailand.

#### **Comments of Audit Committee relating to the transactions incurred.**

The Audit Committee had considered the 2018 connected transactions with comment of no deviation from Board of Directors' resolution.

#### **Policy and trend of making related transactions in future.**

Recording related transactions will be continued. Number of transactions will vary depending on economic conditions since personnel who may have conflict are the company's supply chain. Flexibility and convenience of being part of the supply chain will benefit in the competing business and to the shareholders. The company realizes its responsibility to the shareholders, employees and all parties concerned under good corporate governance.

