

## Relating Party Transactions

### Information disclosure for relating transaction

In year 2019, 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 : Million 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	185.51
			- Other expenses	0.29
			- Service income	0.01
2. EF Co.,Ltd.	A	99.99	- Purchase of products / Service	4.58
			- Other expenses	7.90
			- Sale of products	1.66
			- Immovable property rental income	0.18
			- Service income	2.34
3. Wildlives (Thailand) Co.,Ltd.	A	99.99	- Immovable property rental income	0.21
			- Service charge	3.74
4. S & J International (UK) Ltd.	A	100.00	- Purchase of products / Service	225.18
			- Sale of products	164.04
			- Service charge	15.57
			- Other income	0.43
5. 4WD Vision Co.,Ltd.	A	99.99	- Purchase of products / Service	84.91
			- Other expenses	0.06
			- Immovable property rental income	0.13
			- Service income	7.29
6. SAAS Co.,Ltd.	A	99.99	- Purchase of products / Service	0.09
			- Immovable property rental income	0.49
			- Service income	0.11
			- Other income	0.51
7. Yamahatsu (Thailand) Co.,Ltd.	B	30.00	- Sale of products	0.01
			- Immovable property rental income	29.82
			- Other income	0.33

(Unit : Million baht)

Name	Relation ship	Shareholding by the company (%)	Significant item	Relating transaction amount
8. Osoth Inter laboratories Co., Ltd.	B	33.19	- Sale of products	0.14
			- Immovable property rental income	2.28
			- Service income	0.59
9. Atika Beauty Manufacturing Sdn.Bhd.	B	35.00	- Sale of products	0.66
			- Other income	0.25
10. I.C.C. International Plc.	C,E	0.35	- Purchase of products / Service	29.74
			- Royalty fee expenses	0.16
			- Other expenses	0.28
			- Sale of products	31.45
			- Immovable property rental income	0.20
			- Other income	0.11
11. Saha Pathana Inter-Holding Plc.	C,E	0.32	- Immovable property rental expenses	12.93
			- Utility charges expenses	50.00
			- Service fee expenses	7.62
			- Royalty fee expenses	0.09
			- Other expenses	0.53
			- Other income	0.01
12. People's Garment Plc.	D,E	-	- Purchase of products/ Service	0.02
			- Other expenses	0.10
			- Sale of products	0.02
13. Saha Pathanapibul Plc.	D	-	- Purchase of products/ Service	0.02
			- Other expenses	0.10
			- Sale of products	7.82
			- Other income	0.01
14.Thai Wacoal Plc.	D	0.08	- Sale of products	7.24
			- Immovable property rental expenses	0.18
			- Utility charges expenses	0.08
15. E.P.F Co., Ltd.	D	18.00	-Sale of products	0.19
16. Better Way (Thailand) Co., Ltd.	E	-	- Sale of products	900.21
			- Other income	2.10
17. International Laboratories Crop.,Ltd.	E	-	- Purchase of products / Service	0.01
			- Service fee expenses	0.64
			- Sale of products	26.42



**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, 18	Additions	Settlements	Balance as of Dec. 31, 19	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, 2019. (Please see note to financial statements no.6). In 2019, 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 2019 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.

