

## Related Transactions

In 2011, the Company has not sought for an approval from the General Shareowners' meeting to allocate the loan and guarantee to the related parties. Instead an approval shall be submitted to the Board of Director's Meeting or Shareowners' Meeting from time to time depending on the amount of the transaction

As of December 31, 2011, followings are total amount of loans and provided guarantee :

Type of business	Loans		Provided guarantee		
	Number of Companies	Millions Baht	Rate of guarantee annual fee	Number of Companies	Millions Baht
Business-related companies	1	150.00	0.75	9	150.22
Joint-ventured companies	2	94.00	0.75	1	1.50
<b>Total</b>	<b>3</b>	<b>244.00</b>		<b>10</b>	<b>151.72</b>

### Related Transactions in 2011 comprise of

#### 1. Investment in related companies

- Details as per Notes to Financial Statements No. 10.1 Available-for-sale investments-Related parties and No. 12.1 other long-term investment-related parties page 134-135 and page 137-141 of this Annual Report.

#### 2. Short term loan to related companies

- Details as per Notes to Financial Statements No. 8 Short term loan to related companies page 132-134 of this Annual Report.

#### 3. Long term loan to related companies

- Details as per Notes to Financial Statements No. 13 Long term loan to related companies page 143 of this Annual Report.

#### Reasons and necessities of providing loan :

1. To increase the channels of credit sources to corporate borrowers.
2. To help solve the problems of the corporate borrowers businesses and to increase their liquidity.
3. The corporate borrowers are well-related with the company and the Saha Group of Companies in supply chain, strategic alliance and so forth.
4. The corporate borrowers have collateral and/or guarantors.
5. Interest rates are higher than the institutional market rates.

#### 4. Transactions of Business-related companies

- Details as per Notes to Financial Statements No. 26.1 and No. 26.2 Transactions in relation to person or Business-related companies page 148-150 of this Annual Report.
- Type of relationship with the companies of the above two transactions which can be observed from the Transactions of Business-related companies page 64-66 of this Annual Report.

### Transactions of Business-related companies as of December 31, 2011

No.	Name of Company	Relationship	Sales of goods	Incomes	Purchase of goods	Expenses	Purchase of property, plant and equipment/ leasehold
1	Textile Prestige	A	-	3,941,602.00	8,133,800.00	-	-
2	Thai President Foods	A	-	8,635,152.00	-	-	-
3	Newcity Bangkok	A	-	82,935.30	1,794,121.33	-	-
4	Pan Asia Footwear	A	-	11,855,985.73	-	-	245,540,000.00
5	Far East DDB	A	-	6,382,400.00	-	74,398,421.89	-
6	Sahapathanapibul	A	7,977,471.72	26,854,706.72	33,998,957.33	644,149.68	-
7	O.C.C.	A	-	8,265,067.99	490,590.62	4,205.61	-
8	Sahacogen (Chonburi)	A	-	17,897,932.80	-	-	-

## Related Transactions

### Transactions of Business-related companies as of December 31, 2011

No.	Name of Company	Relation-ship	Sales of goods	Incomes	Purchase of goods	Expenses	Purchase of property, plant and equipment/ leasehold
9	Thai Arai	A	-	2,031,750.00	-	-	-
10	Bangkok Tokyo Socks	A	-	1,000,000.00	2,891,286.91	-	-
11	First United Industry	A	-	547,020.00	-	-	-
12	Molten (Thailand)	A	-	2,112,380.48	-	-	-
13	Molten Asia Polymer Products	A	-	936,000.00	-	-	-
14	Lion Corporation (Thailand)	A	-	24,317,000.00	872,748,880.84	1,160,592.00	-
15	Sahapat Real Estate	A	-	1,492,500.00	-	-	-
16	Thai Hoover Industry	A	-	2,136,750.00	-	-	-
17	K R S Logistics	A	1,182,427.97	310,000.00	-	30,494,782.16	-
18	Sun 108	A	9,294,934.06	993,252.94	69,075.27	438,948.20	-
19	Thai Cubic Technology	A	-	1,778,367.08	-	-	-
20	Better Way (Thailand)	A	24,233,807.03	53,605,680.00	-	3,039.00	-
21	Thai Secom Pitakkij	A	-	2,355,000.83	-	1,051,479.00	-
22	Erawan Textile	A	-	4,817,381.72	-	-	-
23	Grand Star Industry	A	-	995,043.70	-	-	-
24	Wien	A	482,415.52	279,000.00	1,191,269.88	35,350.00	18,504.67
25	SSDC (Tigertex)	A	-	3,078,616.69	-	-	-
26	E.P.F	A	16,536,221.70	260,000.00	-	-	-
27	Total Way Image	A	-	240,000.00	131,626,012.18	13,000.00	-
28	Thai Takaya	A	-	-	1,131,922.19	-	-
29	Thai Monster	A	-	-	1,653,868.80	58,775.00	-
30	Shaldan (Thailand)	A	-	1,405,225.12	35,173,259.88	113,294.28	-
31	Top Trend Manufacturing	A	-	5,400,000.00	-	-	-
32	T.U.C. Elastic	A	-	1,536,000.00	-	-	-
33	Thai Staflex	A	-	432,000.00	-	-	-
34	Thai Sports Garment	A	-	2,400,000.00	-	-	-
35	Thai Wacoal	A	-	19,003,375.34	2,245,451,623.06	12,150,546.63	-
36	Thanulux	A	27,103.00	13,332,862.96	1,232,974,126.88	10,505,211.04	-
37	People's Garment	A	-	6,843,659.68	841,999,312.74	3,016,404.12	-
38	S & J International Enterprises	A	19,527,817.74	18,363,234.28	20,954,931.77	504,670.50	-
39	International Laboratories	A	-	25,583,899.28	862,905,355.50	26,125,250.55	-
40	International Leather Fashion	A	-	3,214,562.31	203,783,396.29	495,982.62	-
41	Raja Uchino	A	-	6,728,570.92	99,782,025.27	74,829.42	-
42	Champ Ace	A	70,064.90	2,161,489.44	412,534,166.85	1,518,370.04	-
43	Kewpie (Thailand)	A	-	2,523,570.52	-	-	-
44	H & B Intertex	A	248,364.22	7,539,434.82	133,279,344.08	198,191.39	-
45	Thai Itokin	A	163,911.77	2,011,512.85	96,893,108.51	1,082,706.90	-
46	Pattaya Manufacturing	A	-	6,662,914.98	403,625,164.40	344,270.17	-
47	Tiger Distribution & Logistics	A	615,350.62	23,172,657.83	-	78,995,350.46	-

## Related Transactions

### Transactions of Business-related companies as of December 31, 2011

No.	Name of Company	Relation-ship	Sales of goods	Incomes	Purchase of goods	Expenses	Purchase of property, plant and equipment/ leasehold
48	Shiseido Professional (Thailand)	A	-	8,925,147.69	-	-	-
49	Saha Pathana Inter-holding	B	47,573.83	14,064,363.12	-	23,810,786.84	-
50	International Commercial Coordination	C	-	32,494.65	-	5,047,861.33	-
51	Kai I.T. Service	C	-	500,322.96	-	9,407,021.11	16,489,989.60
52	Can	C	15,818,514.00	17,047.94	-	1,479,583.97	-
53	Koraj Wattana	C	21,733,190.26	2,760.05	-	1,602,268.80	-
54	Sun and Sand	C	28,019,084.32	6,355.20	-	1,709,457.03	-
55	Intersouth	C	37,052,027.19	1,089.73	-	120,534.46	-
56	Intanin Chiangmai	C	38,543,684.78	315,968.53	-	3,946,150.50	-
57	Eastern I.C.C.	C	16,323,224.84	3,757.92	-	1,601,096.30	-
58	I.D.F.	C	-	2,151,270.07	-	-	-
59	Worldclass Rent a Car	C	-	624,625.50	-	40,020.38	-
60	Pens Marketing and Distribution	C	651,459.32	315,525.00	7,304,395.92	-	-
61	K. Commercial and Construction	C	-	975,000.00	-	-	-
62	Silver Rain	C	-	22,911.58	-	7,589,837.38	-
63	Sukhatasana	C	-	64,607.40	29,900.00	111,908,417.10	13,805,604.42
64	Vira Law Office	C	-	233,372.25	-	6,491,016.00	-
65	D F Inter	D	-	711,541.98	-	128,000.00	-
66	Thai Arusu	D	-	1,613,086.65	639,858.00	137,196,729.09	33,870,116.88
67	S R P Advertising	D	-	-	-	115,131,446.14	7,210,382.00
68	Thai Gunze	D	-	-	78,722,174.49	10,309.10	-
69	Paknumpo Wattana	D	19,784,613.47	124,914.52	-	544,268.59	-
70	Maharachapreuk	D	11,952,186.36	122,119.41	90,280.00	156,058.15	-
71	United Utilities	D	-	1,696,438.35	-	-	-
<b>Total</b>			<b>270,285,448.62</b>	<b>368,041,216.81</b>	<b>7,731,872,208.99</b>	<b>671,348,682.93</b>	<b>316,934,597.57</b>

**Remark** : A SPI is a co-major shareowner B ICC's major shareowner  
C Major shareowner is ICC's Directors or executives D MD is ICC's Directors or executives

#### Pricing policy for related business :

It is in compliance with normal trade condition which is the market price and the same price as dealt with other persons.

Description	Remuneration Policy
Acquisition of the trade mark	Cost of trade mark registration plus interest cost incurred by the buyer since the acquisition year
Immovable property rental income/ expense	depending on the market price by consideration on the location, condition and benefits generated by the use of property
Royalty income Business	at percentage of net factory sales compared with market price
Consultancy income/expense	depending on complexity level of such service provided
Inventory management fee	Number of Item pick-up, registering record and number of boxes in transporting goods and goods return

Description	Remuneration Policy
Transportation charge	depending on the volume or number and distance of goods transported, compared with other transport companies' charge
Interior design & installation expenses	depending on the design, area size, construction materials and interior design technique, through bidding process
Advertising expenses	depending on market price and the service charge must not be higher than the rate set by advertising business
Display equipment	} depending on the market price
Computer expenses	
Packaging Purchase of computers	
and accessories Gift-away items	

### Related transaction in 2011

1. According to the Board of Directors' Meeting # 11/2553 held on March 23, 2011 to which 4 members of the Audit Committee attended, a resolution was passed to allow the company to conduct renting or giving rent on immovable assets within the period of not more than 3 years, as well as conducting on the asset or service transaction with related parties. The name of related parties and type of relationship can be observed from the Transactions of business-related companies No. 35-49 and No. 61-67 on page 65-66 of this Annual Report.

- **Rental** : Total amount not exceeding Baht 388 million or not more than 3% of NTA, whichever is higher
  1. Rental income (immovable property) with one-year agreement period, the actual amount in 2011 = 46,310,451.- Baht
  2. Rental expense (immovable property) with one-year agreement period, the actual amount in 2011 = 4,900,470.- Baht
  - Total = 51,210,921.- Baht
- **Revenue** : Total amount not exceeding Baht 353 million or not more than 3% of NTA, whichever is higher.
  1. Royalty income with three-year agreement period starting 2010 to 2012,
    - the actual amount in 2010 = 17,367,366.- Baht
    - the actual amount in 2011 = 19,344,139.- Baht
    - Total = 36,711,505.- Baht
- **Expenses** : Total amount not exceeding Baht 388 million or not more than 3% of NTA, whichever is higher, consist of :
  1. Interior design & installation expenses
  2. Business and legal consultant fee
  3. Construction and renovation of the old building

In 2011, the actual expenses amounted at Baht 67,155,691.-

To this agenda, Mr. Boonsithi Chokwatana, Mr. Boonkiet Chokwatana, Mr. Manu Leelanuwatana, Mr. Thamarat Chokwatana and Mr. Vira Ua-Arak who were directors with gain and loss, not being entitled to vote, had neither attended the meeting nor given any approval to the transaction.

2. According to the Board of Directors' Meeting # 1/2554 held on May 24, 2011 to which 3 members of the Audit Committee attended, a resolution was passed to allow the company to provide loan amounting Baht 90,000,000.- to United Utilities Co., Ltd.

- Interest rate 4.00% and/or subject to the Company's consideration  
(As of April 30, 2011 the interest rate MOR of Siam Commercial Bank = 7.00%)
- Payment of loan within November 2011

To this agenda, Mr. Boonsithi Chokwatana, Mr. Boonkiet Chokwatana who were directors with gain and loss, not being entitled to vote, had neither attended the meeting nor given any approval to the transaction.

## Related Transactions

3. According to the Board of Directors' Meeting # 7/2554 held on November 22, 2011 to which 4 members of the Audit Committee attended, a resolution was passed to allow the company to sell land and building At Prachinburi province to Saha Pathanapibul Plc. amounting Baht 7,000,000.- (The price appraised by the independent valuer, approved by the Thai Valuers Association and the Valuers Association of Thailand.)

### Purpose of transaction

1. The company has not made use of these assets which are now unused.
2. To reduce the burden on maintenance of such assets.

To this agenda, Mr. Boonsithi Chokwatana who was director with gain and loss, not being entitled to vote, had neither attended the meeting nor given any approval to the transaction.

4. According to the Board of Directors' Meeting # 8/2554 held on December 20, 2011 to which 4 members of the Audit Committee attended, a resolution was passed to allow the Company to purchase 375,000 newly issued shares (Baht 100 per share totalling Baht 16,500,000) from Osoth Inter Laboratories Co., Ltd, which increased its registered capital from Baht 150 million to Baht 600 million, and one of its shareowners; International Laboratories Corp., Ltd, has partially waived its right to purchase this portion of shares.

- Proportion of shares owning before : 375,000 shares = 6.25% of registered capital
- Proportion of shares owning after : 540,000 shares = 9.00% of registered capital

### Purpose of purchase

1. Dividend

2. To increase an investment ratio in the supply chain company producing medical-cosmetic products for the advantage to expand business into this market in the future.

To this agenda, Mr. Boonsithi Chokwatana, Mr. Thamarat Chokwatana, Mrs. Chintana Chalermchaikit and Mrs. Kityaporn Chaithavornsathien who were directors and executives with gain and loss, not being entitled to vote, had neither attended the meeting nor given any approval to the transaction.

## Criteria for Approval of Related Transaction

1. All related transactions (loan, guarantee, investment, details of rental or leasing of immovable properties not exceeding 3 years and details of assets or services) must be approved by following three boards and committee:

1. The Audit Committee
2. The Executive Board, and
3. The Board of Directors

In every instance, Audit Committee shall audit, scrutinize and make a summary of any conflict of interest in each transaction for submission to Executive Board and Board of Directors for the judgement in relation to business risk In the Board of Directors' Meeting, directors with gain and loss and not being entitled to vote, had not participated in the meeting without giving any approval to the transaction

2. The Board of Directors has approved in principle to allow the management to manage all normal business transactions or the transactions that support the normal business with normal trade agreement made between normal counterparties having no trade power influenced by being in the capacities as directors, executives or relevant persons.

The approval in principle shall be conducted annually and the report on related transactions arising during the year shall be presented to the Audit Committee and the Board of Directors to ensure the reasonableness of those related transaction by revealing the details, types and values of related transactions in the remark of financial statement quarterly.

### Criteria for Approval

1. Benefits that may occur to the company and/or affiliated companies in interest, dividend, trade activity and transaction, including ongoing trade.
2. Security that the company should hold or receive from the said transaction.
3. The borrower's strength, as well as the ability to pay back the capital and interest in due time.
4. Business prospective of the borrowing, guaranteeing and investing company.
5. The capability of CEO of the borrowing, guaranteeing and investing company.
6. Criteria in monitoring and checking transaction and getting statistic report in the borrowing, guaranteeing and investing company to perceive its status.

### Future Trend in Related Transaction

The prospect of related transaction will likely be undertaken in regular trade based on the normal trading policy of price mechanism. The transactions must be fair and irrelevant to the transfer of interests between the Company and business or other relevant persons.

Furthermore, the Company has the measure to control the related transaction and limit financial assistance for non subsidiary company. Giving loan or guarantee shall be done according to shareowning proportion in compliance with joint-venture agreement.

The Company needs certain criteria in assessing, monitoring, evaluating and reporting on the related transaction with more clarity, thoroughness, accuracy and speediness.