

Related Transactions

In 2012, 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, 2012, 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	100.00	0.75	1	1.50
Total	3	250.00		10	151.72

Related transactions in 2011 comprise of

1. Investment in related companies

2. Short term loan to related companies

Reasons and necessities of providing loan :

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

3. Transactions of Business-related companies

- Details of all above three subjects can be found as per Notes to Financial Statements No. 4 Transactions in relation to person or business-related companies page 132-136 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 67-69 of this Annual Report.

Transactions of Business-related companies as of December 31, 2012

No.	Name of Company	Relation-ship	Sales of goods	Incomes	Purchase of goods	Expenses	Purchase of property, plant and equipment/ leasehold
1	Textile Prestige	A	-	4,504,688.00	7,755,099.00	-	-
2	Thai President Foods	A	-	11,568,760.00	-	-	-
3	Newcity Bangkok	A	-	88,859.25	967,796.07	-	-
4	Far East DDB	A	-	7,300,200.00	-	44,672,270.13	-
5	Sahapathanapibul	A	476,161.06	38,609,130.26	15,902,476.69	68,595.29	-
6	O.C.C.	A	4,396.26	9,193,418.98	733,622.43	7,245.37	-
7	Sahacogen (Chonburi)	A	-	14,914,944.00	-	-	-
8	Thai Arai	A	-	406,350.00	-	-	-
9	Bangkok Tokyo Socks	A	-	1,400,000.00	3,499,883.75	15,500.00	-
10	First United Industry	A	-	547,020.00	-	-	-
11	Molten (Thailand)	A	-	2,797,368.44	-	-	-
12	Molten Asia Polymer Products	A	-	936,000.00	-	-	-

Related Transactions

Transactions of Business-related companies as of December 31, 2012

No.	Name of Company	Relation-ship	Sales of goods	Incomes	Purchase of goods	Expenses	Purchase of property, plant and equipment/ leasehold
13	Lion Corporation (Thailand)	A	-	22,090,200.00	918,261,015.01	3,621,319.60	-
14	Sahapat Real Estate	A	-	1,492,500.00	-	-	-
15	Thai Hoover Industry	A	-	2,136,750.00	-	-	-
16	K R S Logistics	A	511,295.58	310,000.00	-	10,905,402.34	-
17	Sun 108	A	9,886,799.30	1,637,838.71	186,446.86	693,850.18	-
18	Thai Cubic Technology	A	-	1,777,287.70	-	-	-
19	Better Way (Thailand)	A	28,444,785.47	80,458,520.00	-	7,828.00	-
20	Thai Secom Pitakkij	A	-	4,061,915.48	-	1,135,774.00	-
21	Erawan Textile	A	-	4,927,847.49	37,935.25	-	-
22	Grand Star Industry	A	-	2,562,396.08	11,700.00	-	-
23	Wien International	A	811,480.40	540,000.00	697,061.16	-	-
24	SSDC (Tigertex)	A	-	2,456,970.34	-	-	-
25	E.P.F	A	25,556,900.38	330,000.00	-	-	-
26	Total Way Image	A	-	800,000.00	136,854,891.79	43,114.64	-
27	Thai Takaya	A	-	180,000.00	755,778.34	-	-
28	Thai Monster	A	-	-	2,819,410.00	-	-
29	Shaldan (Thailand)	A	-	641,248.75	35,051,808.19	9,660.00	-
30	Top Trend Manufacturing	A	-	4,320,000.00	-	-	-
31	T.U.C. Elastic	A	-	1,920,000.00	-	-	-
32	Thai Staflex	A	-	576,000.00	-	-	-
33	Thai Sports Garment	A	-	1,200,000.00	-	-	-
34	Pan Asia Footwear	A	-	5,233,335.00	-	1,007.00	-
35	Thai Wacoal	A	-	13,358,955.15	2,336,578,499.55	11,633,257.33	-
36	Thanulux	A	21,030.00	9,756,723.84	1,418,730,114.42	9,975,882.42	-
37	People's Garment	A	389,919.41	5,928,365.59	916,556,529.12	845,522.67	-
38	S & J International Enterprises	A	24,631,978.31	22,196,638.08	28,886,958.21	770,499.57	-
39	International Laboratories	A	-	50,585,140.43	844,186,817.89	28,489,650.57	-
40	International Leather Fashion	A	-	3,481,582.04	228,819,492.01	495,261.07	-
41	Raja Uchino	A	-	8,545,278.00	85,082,281.57	119,690.79	-
42	Champ Ace	A	757,840.11	2,817,835.91	469,271,779.09	1,552,077.59	-
43	H & B Intertex	A	9,757.04	9,382,234.55	146,860,096.12	89,867.86	-
44	Thai Itokin	A	129,981.70	1,576,833.04	115,677,076.94	2,571,117.00	-
45	Pattaya Manufacturing	A	-	6,722,189.59	360,484,642.97	19,406.36	-
46	Tiger Distribution & Logistics	A	31,088.61	26,727,847.12	-	89,135,116.69	-
47	Shiseido Professional (Thailand)	A	-	8,988,963.06	-	-	-
48	Kewpie (Thailand)	A	-	2,565,685.71	21,960.00	-	-
49	Thai Sun Foods	A	-	190,000.00	6,226.00	-	-
50	Saha Nam Textile	A	-	90,000.00	-	-	-
51	Thai Shikibo	A	-	5,036,864.96	-	-	-
52	Issara United	A	-	92,054.79	-	-	-

Related Transactions

Transactions of Business-related companies as of December 31, 2012

No.	Name of Company	Relation-ship	Sales of goods	Incomes	Purchase of goods	Expenses	Purchase of property, plant and equipment/ leasehold
53	Thai Naxis	A	-	40,500.00	-	15,050.00	-
54	Morgan de toi (Thailand)	A	-	414,000.00	385,535.97	-	-
55	Tsuruha (Thailand)	A	1,810,165.18	-	-	21,800.00	-
56	Saha Pathana Inter-holding	B	-	14,250,090.58	-	26,137,594.42	-
57	International Commercial Coordination	C	-	27,514.26	151,100.00	5,642,207.53	555,950.00
58	Kai I.T. Service	C	-	481,331.53	-	11,061,670.58	25,456,165.00
59	Can	C	14,779,202.18	16,512.59	-	1,292,359.15	-
60	Koraj Wattana	C	22,752,624.26	3,067.18	-	2,176,277.90	-
61	Sun and Sand	C	30,927,695.44	6,605.49	168,871.54	1,761,930.00	-
62	Intersouth	C	56,261,965.90	1,204.91	-	155,024.66	-
63	Intanin Chiangmai	C	37,841,181.89	173,641.58	-	4,133,372.60	-
64	Eastern I.C.C.	C	18,943,458.94	2,171.76	-	2,010,324.11	-
65	I.D.F.	C	-	2,152,711.93	-	-	-
66	Worldclass Rent a Car	C	-	4,252,462.14	-	11,905.32	-
67	Pens Marketing and Distribution	C	1,171,910.00	641,966.50	5,992,932.23	253,000.00	-
68	Laem Cha-Bang Warehouse	C	-	190,000.00	-	-	-
69	K. Commercial and Construction	C	-	975,000.00	-	-	-
70	Silver Rain	C	-	22,563.51	-	7,112,995.33	-
71	Sukhatasana	C	-	83,387.40	-	124,649,332.40	12,127,494.95
72	Vira Law Office	C	-	141,378.06	-	6,769,524.00	-
73	D F Inter	D	-	397,059.97	-	320,801.32	-
74	Thai Arusu	D	-	1,729,216.70	-	174,191,993.07	68,854,891.99
75	S R P Advertising	D	-	-	690,000.00	117,859,227.36	11,337,956.00
76	Thai Gunze	D	-	46,728.98	48,546,496.70	62,926.46	-
77	Paknumpo Wattana	D	19,575,309.82	124,785.42	-	653,900.00	-
78	Maharachapreuk	D	13,857,445.79	123,364.30	-	91,528.24	-
79	United Utilities	D	-	3,175,850.00	-	-	-
รวม			309,584,373.03	439,435,855.13	8,130,632,334.87	693,263,660.92	118,332,457.94

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

Related Transactions

Description	Remuneration Policy
Inventory management fee	Number of Item pick-up, registering record and number of boxes in transporting goods and goods return
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 tech nique, 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 Give-away items	

Related transaction in 2012

1. According to the Board of Directors' Meeting # 11/2554 held on March 21,2012 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. 34-47, 56 and No. 69-75 on page 68-69 of this Annual Report.

Detail of rent or giving rent of immovable properties and details of assets or service total amount not exceeding Baht 412 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 2012 =	39,154,477	Baht
2. Rental expense (immovable property) with one - year agreement period, the actual amount in 2012 =	<u>5,280,100</u>	Baht
	Total =	<u>44,434,577</u> Baht
3. 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
	the actual amount in 2012 =	<u>19,161,860</u> Baht
	Total =	<u>55,873,365</u> Baht
4. Actual expenses in 2012	Total =	102,689,866 Baht
- Interior design & installation expenses		
- Business and legal consultant fee		
- Shop expenses		

To this agenda, Mr. Boonsithi Chokwatana, Mr. Boonkiet Chokwatana, Mr. Thamarat Chokwatana, Mr. Manu Leelanuwatana 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 # 12/2554 held on April 17, 2012 to which 4 members of the Audit Committee attended, a resolution was passed to allow the Company to purchase 3 condominium units in Bann Tiew Talay Cha-am-Hua Hin project, Phetchaburi from Issara United Co., Ltd . value of Baht 7,870,968.- with decoration cost value of Baht 1,050,000.- totaling Baht 8,920,968.- (Price after discount as being shareowner)

Purpose of transaction :

Accommodating the Company guests and earning the rental income when there is no guest.

To this agenda, Mr. Boonkiet 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.

3. According to the Board of Directors' Meeting # 6/2555 held on October 30, 2012 to which 3 members of the Audit Committee attended, a resolution was passed to allow the company to provide loan amounting 75,000,000.- to Issara United Co., Ltd.

- Interest rate MLR of Siam Commercial Bank

(As of September 30, 2012 the interest MLR of Siam Commercial Bank = 7.125%)

- Payment of loan upon being asked.

To this agenda, Mr. Boonkiet 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 # 8/2555 held on December 18, 2012 to which 4 members of the Audit Committee attended, a resolution was passed to allow the company to sell 4 plots of land and 6 building in Chonburi province to Lion Service Co., Ltd. amounting Baht 265,000,000.- (The price appraised by the independent valuer, approved by the Thai Valuers Association and the Valuers Association of Thailand.)

Purpose of purchase

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, Director with conflict of in interest who neither attends nor votes at the meeting : None

5. According to the Board of Directors' Meeting # 8/2555 held on December 18, 2012 to which 4 members of the Audit Committee attended, a resolution was passed to allow the company to sell 3,850,000 shares of Siam Samsung Life Insurance Co., Ltd. to Park Capital Holding Co., Ltd. at selling price Baht 10.- totaling Baht 38,500,000.- (par value Baht 10, and book value as of September 30, 2012 = Baht 0.14)

- Proportion of shares owning before 8,400,000 shares = 11.05% of registered capital
- Proportion of shares owning after 4,550,000 shares = 5.99% of registered capital

Purpose of purchase : To adjust share-owning structure of Siam Samsung Life Insurance Co., Ltd. in which I.C.C. owns the shares. This is to comply with Life Insurance Act B.E. 2551 Article NO. 10 effective as of February 1, 2013

To this agenda, Director with conflict of in interest who neither attends nor votes at the meeting : None

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.

Related Transactions

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.