



Connected Transactions

In 2019, the Company executed accounting transactions with subsidiaries and connected companies, i.e. companies sharing common groups of shareholders or common directors, as stated in note 5.1 of the financial statements. The notes provide details on the connections of connected companies, policies for determining prices for connected transactions and the connected transactions, as follows:

1. Connected revenues and expenditures for the year ending 31 December 2019, e.g. sales revenue, dividends received, other revenues, goods and raw materials purchases, sales and administration expenses and purchases of fixed assets (please refer to note 5.2 of the financial statements).
2. Connected assets and liabilities as at 31 December 2019, e.g. accounts receivable, short-term loans, outstanding receipts, investments, accounts payable and outstanding expenditures (please refer to note 5.3 of the financial statements).

Connected Transactions as Defined by the Stock Exchange of Thailand

Transactions between the company or its subsidiaries and connected person that were executed in 2019 are stated below:

Ordinary and Usual Course of Business

The Board of Directors in meeting no.6/2018 held on 14 November 2018 adopted a resolution which granted authorization for the execution of certain types of transactions with 20 connected persons in respect of the Company's ordinary and usual course of business which occurred or was expected to occur in the year 2019. These transactions were aimed at mutual promotion and business development and enhancement of competitiveness for the benefit of the Company. The prices and other related conditions were reasonable. Details of the transactions are set out below.

No.	Connected Person	Nature of Relationship
1.	Saha Pathana Inter-Holding Public Company Limited	Major shareholder
2.	Ramasorn Thaveekarn Company Limited	Major shareholder
3.	Thai Wacoal Public Company Limited	SPI is a co-major shareholder
4.	I.C.C. Internation Public Company Limited	SPI is a co-major shareholder
5.	PTK Multi-Service Company Limited	SPI is a co-major shareholder
6.	Pitakkij Security Guard Company Limited	SPI acting as co-major shareholder (Indirectly shareholding through Pitakkij Co., Ltd.)
7.	World saha Fashion Company Limited	SPI is a co-major shareholder
8.	T-Chamber Company Limited	RST is a co-major shareholder
9.	Wise Winner Company Limited	RST is a co-major shareholder
10.	Thai Monster Company Limited	SPI and RST are a co-major shareholder
11.	Saha Pathanapibul Public Company Limited	SPI and ICC are a co-major shareholder
12.	Thai Gunze Company Limited	SPI and ICC are a co-major shareholder
13.	Thai Secom Pitakkij Company Limited	SPI and ICC are a co-major shareholder





No.	Connected Person	Nature of Relationship
14.	Thai Takaya Company Limited	SPI and ICC are a co-major shareholder
15.	Morgan De Toi (Thailand) Company Limited	SPI and ICC are a co-major shareholder
16.	Thai Itokin Company Limited	SPI and ICC are a co-major shareholder
17.	SSDC (Tigertex) Company Limited	SPI and ICC are a co-major shareholder
18.	Erawan Texille Company Limited	SPI and ICC are a co-major shareholder
19.	Total Way Image Company Limited	SPI , ICC and RST are a co-major shareholder
20.	International Leather Fashion Corporation Limited	SPI , ICC and RST are a co-major shareholder

Note: SPI = Saha Pathana Inter-Holding Public Company Limited
 ICC = I.C.C. Internation Public Company Limited
 RST = Ramasom Thaveekarn Company Limited

General Characteristics of Transactions :

(Unit : million Baht)

Transaction	Revenue / Expenditure	Example of Transaction	2019	
			Approved Limit	Actual Transaction
Support of Ordinary and Usual Course of Business	Revenue	Transactions occurred from normal busines support activities	8.00	4.32
Short-term Lease of Immovable Property Not Exceeding 3 Years	Revenue	- Rent of Immovable Property	28.00	14.89
	Expenditure	- Rent of Immovable Property	2.00	0.98
Transaction Related to Assets or Services	Revenue	- Data processing services	5.00	4.85
Financial Assistance		- Loans	99.00	51.80
		- Guarantees		

Rules for Determining Returns

1. **Rental Income** Based on location, condition and assets utilization.
2. **Data Processing service** Calculated on cost plus reasonable compensation
3. **Consultancy Fee** Calculated from cost plus reasonable remuneration depending on complexities and scope of services.
4. **Lending interest** Calculated from average deposit interest rates of 5 major commercial banks plus reasonable defined rate.
5. **Guarantee fee** Reasonable fee





Interested Directors left the meetings room and did not cast votes, namely

1. Mrs. Varindr Leelanuwatana
2. Mr. Supotch Pakaworawuth
3. Miss Dusadee Soontrontumrong
4. Mr. Thamarat Chokwatana

The above transactions executed between the Company and connected companies constituted connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand.

Class 2: regular business support

Class 3: short-term lease of immovable property

Class 4: transaction related to a property or service

Class 5: financial assistance

Pursuant to the Notification of the Board of Governors of the Stock Exchange of Thailand on Disclosure of Information and Practices of Listed Companies in Connected Transactions B.E. 2546 (2003), disclosure is required for classes 2, 3 and 4 transactions with values of over 1 million Baht but not exceeding 20 million Baht, or over 0.03% but not exceeding 3% of NTA, whichever is the greater value, and class 5 transactions with a value of less than 3% of NTA or 100 million Baht (minimum value). The 3% of NTA as at June 30, 2018 equal to 107.78 million Baht. Thus the Company was not required to seek approval of the shareholders' meeting, but approval of the Board of Directors and disclosure of information to the Stock Exchange of Thailand were required.

Opinions by director significantly different from those by the Board of Directors - None-

Measures or Procedures for Approving Connected Transactions

1. Transactions in the ordinary and usual course of business between the Company or its subsidiary and a Director, executive officer or related person are executed under general commercial terms as would have been done by a reasonable person under similar circumstances. These agreements are negotiated at arm's length without any undue influence exerted by virtue of the status of a Director, executive officer or related person pursuant to section 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008). The Management seeks the approval of the Board of Directors' Meeting on a yearly basis in the first Board of Directors' Meeting following the Annual General Meeting of Shareholders, to inform the new Board of Directors of such matter. As regards other transactions that are not executed under general commercial terms, done in the ordinary and usual course of business of the Company or subsidiaries with connected persons, the Management seeks the approval of the Board of Directors' Meeting on a regular basis in the 4th quarter of each year. In addition, the Management reports the transactions executed under the aforesaid conditions to the Board of Directors' Meeting every quarter.

2. Connected transactions which are not executed in the ordinary and usual course of business must be approved by the Company Executive Committee first. If the size of the transaction is within the Executive Committee's authority, the process would be concluded at this stage. However, if the size of the transaction exceeds the authority of the Executive Committee, the Executive Committee would submit a summary of the meeting's resolution to the Audit Committee for an opinion before submission to the Board of Directors for approval if the matter is within its authority. If the connected transaction has a value which exceeds the authority of the Board of Directors, the matter would be submitted to the shareholders' meeting for approval pursuant to regulations of the Stock Exchange of Thailand. At any stage of the deliberations, an interested person shall not be present at the meeting and shall not cast a vote.





Rules for Consideration

1. Regard shall be given to the present and future benefits to the Company and Group, e.g.
 - Returns on investment, e.g. interests and dividends
 - Company's business opportunities
2. Security which should be received by the Company in connection with the transaction
3. Standing of the relevant company as well as managerial competency

Policies and Trends for Future Connected Transactions

The Company, as a public limited company, is aware of its responsibilities towards shareholders, employees and all stakeholders under the principles of good corporate governance. Connected transactions are only executed as necessary. Any increase or decrease will depend on economic conditions. In any event, there will be full compliance with the rules stated in all Notifications of the Stock Exchange of Thailand on "Rules Governing Connected Transactions."

