



# ANNUAL REPORT 2017

“Customer’s first choice of Auction Company with  
excellence and fascination of auction service”

“YOUR SUCCESS  
IS OUR PRIDE”



## VISION

“ Customer's first choice of Auction Company with excellence and fascination of auction services”

Union Auction Public Company Limited is professionally committed to being the customer's first choice auction company. It guarantees customer's ultimate satisfaction towards the Company services that go beyond expectations and create lasting relations with customers through smooth operation and conduct of a unique auction experience that renders continual benefits in kind and in cash to every customer at every single contact point of excellent service.

## VALUE

Provide extraordinary property storage and condition improvement services beyond an auction. We create added value by focusing on building trust, deliver unique quality services that are worthy of customer's confidence in the Company's reliable products that can bring about greater impression of and better relation to the customers.



## VALUE

The properties and assets shall be acquired through systematic procedures under the official standard of appraisal well recognized by property owners. Therefore, bidders are ensured to have all the well-priced choices at their best possible conditions and functionality. This is to recognize the Company's motto

**“ YOUR SUCCESS IS OUR PRIDE ”**

# CONTENT

<b>01</b>	Message from Chairman of the Board of Directors	<b>39</b>	Organisation Structure
<b>02</b>	Report of Risk Management Committee	<b>40</b>	Management Structure & Board of Directors
<b>03</b>	Report of Nomination and Remuneration Committee	<b>51</b>	Corporate Governance
<b>04</b>	Report of Executive Committee	<b>73</b>	Common Shares Held by Directors & Executives
<b>05</b>	Board of Directors	<b>74</b>	Corporate Social Responsibility
<b>06</b>	Policies and Overall Business Operation	<b>78</b>	Internal Control
<b>07</b>	History and Development of the Company	<b>81</b>	Related Party Transactions
<b>11</b>	Nature of Business	<b>84</b>	Report of Audit Committee
<b>28</b>	Market and Competitive Industry	<b>87</b>	Management Responsibility for the Financial Statements
<b>30</b>	Risk Factor and Risk Management	<b>88</b>	Key Financial Information
<b>35</b>	Legal Disputes	<b>93</b>	Management Discussion and Analysis
<b>36</b>	General Information and References	<b>101</b>	Auditor's Report
<b>37</b>	Shareholders	<b>106</b>	Financial Position
<b>38</b>	Management	<b>111</b>	Notes to Financial Statement
		<b>146</b>	Details of Directors, Executives and Company Secretary

## Message from the Board of Directors



Even though Union Auction improved its services, location and expanded the scope of business in accordance with the guidelines that the Board and the executives planned, the final earnings income numbers did not rise to reach the target goal in 2017. This is due to the impact of the Thai automobile industry and the unfavorable environment conditions did not grant an expansion of the automobile-focused auction business. In addition to this, End Users for both car dealers and people that sell their car at an auction have not yet achieved the results. As a result, the net profit in 2017 decreased slightly compared to the year 2016.

Looking ahead to the year 2018 and the period of time after that, the Board of Directors and executives see a better future and better opportunities for business because the overall economy of Thailand started to improve although this still does not fully affect the second-hand car business and auction.

In 2017, other than providing services to improve the standard of services and accelerating the confidence building of End Users in order to participate in auctions, the Company also plans to expand its business operations to the business continuity and hopes to result in a better performance in 2018 than in the previous year.

On behalf of the Board of Directors, I would like to express our gratitude to our shareholders, executives, employees, partners, customers and other stakeholders for always supporting the Company. On behalf of the Board of Directors, I would like to assure you that the Company will operate its business by adhering to corporate governance principles and good corporate governance in order to steadily and sustainably build business growth.

(Assoc. Prof. Dr. Paiboon Sareewiwatthana)  
Chairman of the Board of Directors

## Report of Risk Management Committee

The Risk Management Committee performed its duties as assigned by the Board of Directors and performed its duties and responsibilities as specified in the Risk Management Committee Charter. This was done by setting the risk management policy, preparing the risk management plan, the risk assessment and the business risk management of the Company which included preventative risk measures and regular follow up.

In the previous year, 2017, the Risk Management Committee held a total of 3 meetings and the significant matters are summarized as follows:



1. The Risk Management Committee defined and reviewed the risk management framework throughout the organization and deemed it to be appropriate and in line with the Company's strategy and operations amidst changing circumstances.
2. The Risk Management Committee monitored, evaluated and provided recommendations on the Company's operations and investment in order to ensure that management had managed in accordance with the acceptable level of risk. There were guidelines that established concrete and practical control measures (Mitigation Plan) to reduce any damages that may occur in a timely manner.
3. The Risk Management Committee considered, commented and gave opinions on the organizational risk list in order to be aligned with the business direction, strategic plans, and corporate goals.
4. The Risk Management Committee reported the results of risk management throughout the organization and to the Board of Directors to acknowledge.

The Risk Management Committee is confident that the Company has effective risk management that is in accordance with the internal control system and corporate governance guidelines.

(Mr. Suvit Yoadjaras)

Chairman of the Risk Management Committee



## Report of Nomination and Remuneration Committee



In 2017, the Nomination and Remuneration Committee held 2 meetings. The important resolutions are summarized below

1. Consider recruiting directors who have appropriate qualifications which are in accordance with the components and the structure of directors based on the Company's business strategy to replace retired directors and propose it to the Board of Directors to consider and approve the appointment of directors according to the resolution of the board of Nomination and Remuneration Committee.

2. Consider remuneration for the year 2016 for the Board of Directors, the Audit Committee, the Risk Management Committee and then Nomination and Remuneration Committee in order to propose it to the Board of Directors and the Shareholders' Meeting for approval. Consideration of

remuneration was based on the overall assessment of director's performance, responsibilities and its appropriateness including comparing it to the remuneration of other companies in the same or similar industry. The shareholders' meeting made the resolution according to the proposal.

The board of Nomination and Remuneration Committee carefully performed its duties with honesty in accordance with the duties and responsibilities set out in the Charter of the Nomination and Remuneration Committee and adhered to good corporate governance principles that were in line with corporate governance. The board operated its business with transparency for the benefit of all stakeholders.

(Assoc.Prof. Dr. Montri Sokatyanuruk)

Chairman of the board of Nomination and Remuneration Committee

## Report of Executive Committee

In 2017, despite economic problems, an impact from other areas along with greater business competition, the Company had to adapt at all times in order to keep up with the changes that took place. The Company had to adjust faster in order to accurately meet the needs of customers quickly.

The Company also held the No. 1 market share for the longest consecutive time. This was due to the commitment of the team. This year, the Company rebranded the corporate image so that it was more modern and relatable and was able to increase service potential. In addition to this, the Company also improved its facilities so that they are more beautiful and convenient in order to better accommodate its customers.

Other than the business operations, the Company adhered to ethical principles, corporate governance and good corporate governance guidelines and also maintained its business approach with prudence. The primary goal was to grow the Company to be strong and sustainable and to maintain social and community responsibilities together with an appropriate use of resources.

On behalf of all executives and employees, I would like to express our gratitude to everyone for always supporting our operations. Please be assured that all executives and employees are very dedicated and they performed to their full potential in order to maintain and continue to be a leader in the auction business and to be a Company that is free of corruption.



(Mr. Suvit Yoadjarus)

Chairman of the Board of the Executive Committee



## Board of Directors



1



2



3



4



5



6



7

As December 30, 2017

- |    |   |   |
|----|---|---|
| 1. | Assoc. Prof Dr. Paiboon Sareewiwatthana | Director/ Chairman of the Board / Nomination & Remuneration Director  |
| 2. | Assoc. Prof. Dr. Sauwanee Thairungroj   | Director/ Chairman of Audit Committee/ Vice Chairman of Nomination and Remuneration Committee/ Independent Director |
| 3. | Assoc. Prof. Dr. Montri Saktianurak     | Director/Audit Committee/ Chairman of Nomination and Remuneration Committee/ Independent Director                   |
| 4. | Mr. Sarawut Charuchinda                 | Director/Audit Committee / Independent Director/ Risk Management Committee  |
| 5. | Mr. Thepthai Sila                       | Director / Managing Director / Executive Director / Risk Management Committee                                       |
| 6. | Mr. Suvit Yoadjarust                    | Director / Chairman of Executive Director/ Chairman of Risk Management Committee                                    |
| 7. | Mr. Varunyoo Sila                       | Director/ Deputy Managing Director/ Executive Director / Risk Management Committee                                  |

## Policies and Overall Business Operation

The Company made changes in order to develop the Company's sustainable growth and to put an emphasis on providing quality services by enhancing its operations and management to be professional and reach international levels. This included auctioning all kinds of products, not just cars and motorcycles in order to meet every need of the customer. The Company established quality service policies that focused on management and transparent auctioning. The Company gave accurate, honest and fair information in order to create confidence among buyers and sellers in each step. The Company developed a web based auction system that connected the working systems of different departments, offices and online stock auctions. This helped to inspect the condition of auctioned goods systematically and with real time standards. The Company appropriately assessed mid-priced assets or opening bids and received approval from asset owners. As a result, all bidders were able to purchase assets at an appropriate price according to the asset's condition and quality. This increased the value and success to both business allies and customers and aligned everyone with the company's motto,

**" Your Success is our Pride "**

The Company stipulated the following policies that increase revenue and future profits.

1. Expand the market for car owners by increasing number of personal cars from direct owners.
2. Expand the number of bidders.
3. Increase the variety of assets types that can be bid on.

## History and Development of the Company

Union Auction Public Company Limited (“Company”) was registered as Union Auction Company Limited on August 2, 1991 with the start-up registered capital of 3 million baht. The Company’s business was to conduct an auction of automobiles, under the management of Mr. Thepthai Sila, its promoter and business pioneer.

In the beginning, the key business focused on the used automobiles. In 1991, the owner established a company when seeing the potential of automobile auction services business which has not yet well-known at that time in Thailand. He studied the demand of customers and many car auction businesses in many countries, such as USA, Japan, Australia, New Zealand, etc. with the objective to offer the alternative of automobile buying/ selling services and to create the ultimate satisfaction to customers, both buyers and sellers. The Company was considered the first company in Thailand conducting the automobile auction as an Open Auction in which the buyers showed the intention of purchase by offering the price to the public or participated bidders. The winner was the last one who offered the highest price.

The company’s current business has extended to an auction of motorcycles and other types of assets according to customer’s demand, such as land and houses, shares, furniture, electric appliances, and brand-name products, i.e. bags, watches (“brand-name”), etc.

The Company’s head office with the first auction conducting site was firstly established on Ladprao road between soi 85 and 87. In 1992, the head office was moved to 518/28 Soi Ramkhamhaeng 39 (Thepleela 1), Wangthonglang sub-district, Wangthonglang district, Bangkok 10310, which was the good location for convenient transportation and had bigger space for the growing business in the future. It has been the Company’s head office until now.

With the transparent auction process up to the standard and long term experiences, the Company has gained acceptance and trust from many financial institutions, private sectors and governmental sectors. For example,

Financial Sector Restructuring Authority (FRA) has assigned the Company to serve as an intermediary to conduct an auction for all types of property, i.e. cars, properties, and others, for years.

## History and Development of the Company

- 1991 - 1997** - The Company was incorporated with a start-up registered capital of 3 million baht to operate a vehicle auction business, and then increased the paid-up capital to 13 million baht and 25 million baht consecutively to increase business expansion and working capital. The Company also started the motorcycle auction to expand customer base
- 1998 - 2002** - The Company was appointed by the Financial Sector Restructuring Authority (FRA) to conduct the public auctions of vehicles and assets of insolvent finance companies.  
 - The Company was the first and only Thai firm and the second in Asia, after Japan, to become a member of the National Auto Auction Association (NAAA) which is the non-profit international auction organization in USA with members from 270 countries. It aims to increase the standard of the car auction by protecting the benefits for buyers and sellers and supporting the business transparency and fairness.  
 - The Company increased the registered and paid-up capital to 110 million baht for business expansion and commenced the auctions for other products, such as land and houses, shares, furniture, etc. in order to respond to customers demand, both buyers and sellers.
- 2003 - 2007** - The Company launched the first mobile auction in the upcountry and set up the automobile storage facilities in 17 provinces: Pitsanulok, Chiangmai, Nakorn Sawan, Sakonnakorn, Roi Ed, Ayutthaya, Chonburi, Nakorn Pathom, Saraburi, Ubonratchathani, Nakorn Ratchasima, Udonthani, Khon Kaen, Songkhla, Suratthani, Trung, and Phuket. This covered all regions in Thailand for the convenience of property's owners. The Company set up the new branch in Rangsit - Klong 8 to cover the customer base in Bangkok's vicinity.
- 2008 - 2009** - The Company expanded the automobile storage facilities in 3 provinces in the South region: Prachuab-kirikhan, Nakorn Srithamaratch, and Rayong.
- 2012** - The Company joined with Thailand Post - Chaeng Wattana branch for the auction space to be used for the auctioned cars test drive. This marketing strategy was to strengthen the confidence for customers before the auction started. The Company also extended the types of auction by joining with Toshiba Thailand Co., Ltd. for the electric appliances auction at Rangsit - Klong 8 branch.

- The Company became the public company and changed the common share value from 10 baht/share to 0.50 baht/share and increased the registered capital from 110 million baht to 145 million baht.
- March 2013**
  - The Company changed the value of common share from 0.50 baht to 0.25 baht per share and reduced the registered capital to 137.50 million baht by offering 110 million common shares to the public. The total capital increase was 27.50 million baht.
  - The Company expanded its head office compound by about 14 rai and raised the ground level as a flood safety zone. The auction at Chaeng Wattana office was moved to the head office.
- August 2013**
  - The Company started trading shares in MAI for the first time on August 9, 2013.
- 2014**
  - The Company opened the new auction space at Phutthamonthon sai 2.
  - The Company expanded the storage to 3 provinces: Chiangmai, Nakorn Ratchasima and Surin.
  - The Company increased the frequency of the auction to Everyday, rotating to each branch.
- 2015**
  - The Company expanded branches into 4 provinces: Ubonratchathani Udonthani Surajthani and Hadyai
  - The Company increased the frequency of auction
  - The Company increased properties auction to include brand name product and real estate.
  - The Company had granted the licensed to conduct auction for government agency namely; Customs Department, Office of the Narcotic Control Board and Anti Money Laundering Office.
  - The Company had gained trust to conduct 1800 and 900 Mhz spectrum or 4G auction of the Office of the National Broadcasting Telecommunications Committee (NBTC)
- 2016**
  - The Company opened another branch for auction services in Phitsanulok.
  - The Customs Department entrusted the Company to conduct an auction for vehicles and motorcycles. The Office of National Broadcasting and Television also entrusted the Company to auction 16 beautiful mobile numbers.
  - The Company added assets for auction such as real estate, luxurious furniture, etc.

## 2017

- The Company invested in a joint venture with TSF Energy Company Limited to setup Action and Auction Company Limited with 10 million Baht registered Capital. The Company held 51 % of the shares and 24 % of the shares held by TSF Energy Company Limited. Action and Auction Company Limited was set up to primarily operate a business related to the auction of assets, cars and motorcycles, namely Puean Pramoon Project which offers a full range of services such as vehicle and motorcycle trading advisory services, appraisal services, cleaning services, modification services, moving services, hire and purchase advisory services, compulsory insurance and vehicle registry transactions services.
- The Company was entrusted by the Customs Department to manage vehicle and motorcycle auctions as well as auction central property that was confiscated by the Office of the Narcotics Control Board.
- Close the Phuttamonthon 2 and increase the storage location at Samut Sakorn in order to accommodate the volume of goods in western Bangkok and the neighboring provinces.
- E-Onsite is a developed auction system in the form of an E-AUCTION at the auction yard in order to facilitate customers who do not wish to show their status at auction point.
- One stop service, adding services and giving advice on auctions, especially to customers who are first time bidders and customers who are interested in auctioning products with Union Auction.
- The Company was entrusted by Thailand's truck market leader to handle truck auctions in order to expand the opportunities of consumers in order to have greater access to such products.
- Rebranding developed the image and the quality of the Company's services so that they were more up-to-date and more impressive for customers.



## Nature of Business

The Company provides service as an intermediary to conduct an auction of all types of property, as well as other auction related services e.g. transportation of auctioning properties, fund seeking for bidders by coordinating with financial firms, consignment on non-successful bidding properties. The related services are aimed to provide convenience to the property owners or bidders.

### Property Auction Service

The major contribution of the Company's revenue is from the property auction broker service fees. The revenue recognition is in the form of service fees which come from the commissions from property owners and/or the administration fees from buyers, as the case may be.

The important factors in doing broker business are transparency, fair practice and ability to respond to the utmost of the needs of the two parties involved: buyers and property owners, whose needs are different as follows:

<b>Buyers:</b>	demand a variety of type and quantity of properties to meet their desire and budget.
<b>Property owners:</b>	want to sell their properties at desirable prices and choose a broker company that can attract a lot of bidders in order to get the high potential of successful sales. The high competition can influence the property price.

Given the different needs above, to be successful in auction business, the Company must focus on acquiring a great variety type and quantity of properties in order to attract more bidders which will increase the success rate of the auction and the fair price competition. The Company emphasizes in delivering speedy and excellent quality services to buyers and property owners to guarantee customer's ultimate satisfaction.

Properties for auction by the Company can be classified into three major groups:

### 1) Automobiles

Auction on automobiles creates major revenue to the Company, accounting for 73-78% of its total revenues. The company provides auction service for every type, make and model of automobile in all conditions: drivable, undrivable or ruins from accident. There are 2 groups of automobile owners.

- Juristic entities: Including financial institutions and leasing companies with seized automobiles from the auto financing services, car rental companies with vehicles that have reached the end of their economic useful life, and general companies with executive cars or company cars for employees, cars for goods transportation.
- Individuals: Including house holding car owners and used car traders (garages) wishing to dispose of their cars for a stock turnover.

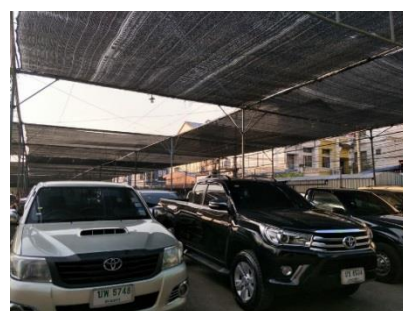
Most bidders are in used car business who buy cars from the Company to resell to their customers.

### Sample types of cars in auction

Private Car



Commercial Purpose



Multi Purpose Vehicle



Car wreck



Source: Union Auction Public Company Limited

## 2) Motorcycles

Motorcycle auction service accounts for 8% - 14% of total revenues. The Company provides auction service in every type, make and model of motorcycles. Most property owners are financial institutions with seized motorcycles from their motorcycles financing services. Major bidders are used motorcycle dealers, new and used motorcycle shops, including end users which tends to increase. Thus, the company has focused in expanding end user customers.

### Sample types of motorcycles in auction



**Source: Union Auction Public Company Limited**

## 3) Other types of property

Other types of property auction by customer's request accounts for less than 1% of total revenues. The purpose of these additional services is to create corporate's image to comply with the term Union Auction which means a variety of property to be auctioned. The purpose is also to expand the bidder customer base to create business opportunity growth in the future.

In 2017, the Company held special auctions as described below.

1. The Company auctioned beautiful mobile numbers of the year 2017, for the Office of National Broadcasting and Television.
2. The Company auctioned vehicles and motorcycles from the Customs Department.
3. The Company auctioned held property which was entrusted by the Anti-Money Laundering Office.

Besides this, there was an auction for bicycles, and property of Thai Airways International Public Company Limited, etc.

### Beautiful mobile numbers auction of the year 2017, for the Office of National Broadcasting and Television.



Source: Union Auction Public Company Limited

### Auction Related Services

Auction related services include the following.

#### 1) Vehicle Transfer Services

The Company renders services for moving vehicles. Most of the time the Company will collect vehicle transfer service fees from the winning bidder. Vehicle transfer service fees are declared in the auction property list before bidders attend the auction.

Vehicle transfer service fees are based on the cost of transferring vehicles that the Company has paid for/or for wages of workers that move vehicles from the point that the Company receives the vehicle from sellers to the auction site. The Company will use these costs to calculate the average vehicle transfer fee for each vehicle.

## 2) Price Estimate Services

The Company offered price estimate services for both property and assets but charges a service fee for items that are not auctioned through the Company.

Total Revenue Structure of the Company for the year ended December 31 2015-2017

(Unit : million Baht)

	2015		2016		2017	
	Mil. Baht	%	Mil. Baht		Mil. Baht	%
Automobile auction income	563.75	77.86	487.00	80.17	434.16	76.94
Motorcycle auction income	47.82	6.60	46.93	7.73	57.19	10.13
Transportation services income	80.83	11.16	59.69	9.83	60.21	10.67
Other assets auction	26.32	3.64	8.21	1.35	7.93	1.41
<b>Total service revenue</b>	<b>718.72</b>	<b>99.26</b>	<b>601.83</b>	<b>99.07</b>	<b>559.50</b>	<b>99.15</b>
Other income	5.34	0.74	5.66	0.93	4.804	0.85
<b>Total revenue</b>	<b>724.06</b>	<b>100.00</b>	<b>607.49</b>	<b>100.00</b>	<b>564.30</b>	<b>100.00</b>

The Company has 27 storages for the auctioned properties located in 26 provinces as follows:

Central	North	North East	South	East
Bangkok: head office	Chiangmai	Nakorn Ratchasima i	Suratthani	Rayong
Patumthani: Rangsit	Pitsanulok	Ubon Ratchathani	Songkhla	Chonburi: Pattaya
Nokorn Pathom	Nakorn Sawan	Udonthan	Prachuab kirikhan	Chonburi: Ban Bueng
Saraburi	Petchabun	Khon Kaen	Chumporn	
Ayutthaya		Surin	Nakorn Srithammarat	
Samutsakorn		Roy-ed	Phuket	
		Sakolnakorn	Trang	

#### Automobile storage capability

The Company's storages sites can store automobiles and motorcycles as follows.

Storage site	Types of property	31 December 2016 Actual storage (unit)
Bangkok 2 sites	Automobile	1,848
	Motorcycle	2,630
Upcountry 25 sites	Automobile	6,547
	Motorcycle	2,350
Total 27 sites	Automobile	8,395
	Motorcycle	4,980

The Company has 13 auctions in 13 provinces

Central	North	North East	South	East	West
Bangkok	Chiangmai	Nakornrachasima	Suratthani	Rayong	Ratchaburi
Patumthani	Pitsanulok	Ubonratchathani	Songkha	Chonburi	
		Udonthan			
		Khonkhean			



## Auction Process

### Auction venue

The Company has 14 auction venues all over the country covering every region, providing convenience to customers in each region in buying and selling activities. The auction venues have 2 types: regular auction venues and mobile auction venues.

### Auction schedule

Auction Venue	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Bangkok: head office	★	★	★		★		★
Rangsit Klong 8	★			★		★	★
Chiangmai		★		★	★	★	★
Nakornratchasima	★	★			★		
Suratthani	★			★			
Ubonratchathani	★	★					
Udonthani				★	★		
Songkha (Hadyai)			★			★	
Pitsanulok	★			★			

### Mobile auction venue

The Company has conducted mobile auctions in other regions, mainly in the big cities of each region where its automobile storages were located, in order to save the expenses on automobile transportation. The auction plan is scheduled 1 - 2 week in advance and is publicly announced for interested people to join. In 2014, the Company conducted 34-35 mobile auctions per month on the average for automobiles in the following areas:

North eastern region:

Khon Kaen

Eastern region:

Chonburi, Rayong

Central region:

Ratchaburi

In addition, the Company occasionally conducted auctions at places on request of the property owners, such as HINO trucks, property of Thai Airways International PCL. and The Customs Department, etc.

### New Auction Service System

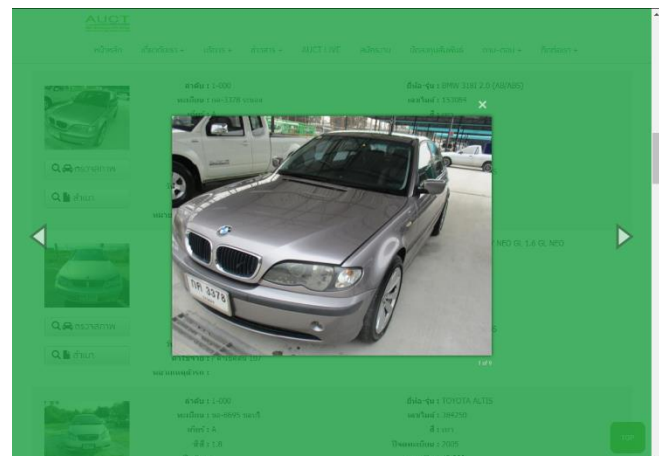
The Company has set up the new system for vehicle pick up and clarification as follows:



1. Pick up, shooting outside the car and record into the system
2. Cleaning inside and outside the car
3. Vacuum cleaning
4. Wash the exterior and engine compartment
5. Upload into website awaiting of bidding and online stock checking
6. Clarify before bidding as well as checking prior to bidding

### New Operation System

1. Web base connected between office site and online storage sites
2. Real time inspection for automobile pick up, photos and storage sites
3. Real time selling check during an auction with accurate and verifiable data
4. Decentralize branch management
5. Online system to reduce burden of data transfer
6. IT development to support automobile owner



## Auction Procedures

The Company provided 2 types of auctions for bidders. This includes raising a bidding card at an auction site or e-auctions via the internet.

### 1. Raising a Bidding Card at the Auction Site

This is a basic auction where bidders raise their hand to show a bidder card at the auction when the auctioneer calls out an incremental amount each time. The bidder who places the highest bid wins the auction.

### 2. E-Auction Services

The Company developed an auction program in real time at a real auction site through the Company's website [www.auct.co.th](http://www.auct.co.th). This was the first online auction in Thailand. All bidders could see and hear the auction at the auction site live and were able to show interest by bidding when the auctioneer called out the incremental amounts each time via the internet.

The bidder is required to make a 20,000 Baht minimum deposit along with an important document that verifies information. The Company then sends a member number and a password to the bidder. The bidder can use the auction services through the website or through a mobile application. Currently, the credit limit for e-auction bidders is 5-10 times the amount of the deposit.

### 3. Auction via E-Onsite

The Company is the first company in Thailand to develop an E-Onsite system, an auction software that supports digital auctions, in order to support the Thailand 4.0 policy by the government sector.

The E-Onsite system developed the auction system from raising bidding card to offering prices through an application on a mobile device or tablet at the auction site. This will create even more transparency and reliability when an auction is held. Information about the bidding price can be checked at all stages and it also facilitates convenience for bidders during the bidding competition which creates more confidence and certainty in making bidding decisions. This was created to support the expansion of the end user customer base and to convert bidders to use the digital bidding system in the future.

## Registration and Participating Bidder

### 1) Registration

On the auction date, interested bidders who have duly registered with the Company and paid for bidder card deposit shall be entitled to attend the auction. The deposit is refundable upon returning the bidder card. The rate of bidder card deposit payable by general customers varies with the type of property in auction.

- a. 20,000 Baht (for automobile and motorcycle bidding)
- b. 5,000 Baht (for motorcycle bidding)
- c. 2,000 Baht (for brand name goods and electrical appliances bidding)
- d. 20,000 Baht (for house bidding)
- e. 20,000 Baht (for automobile and motorcycle through E-Auction)

### 2) Participating Bidders

Participating bidders or buyers in vehicle auctions are traders; corporates and individuals who want to improve vehicles' condition for reselling to the public. There also are people in general who want to buy for personal use. Most bidders of the Company are used car traders and middlemen who resell to general user.

### Customer Relationship Campaign

In order to maintain the relations with current bidders and encourage them to participate in the Company's auctions regularly, the Company has provided more privileges to the bidders who are active for a period of time. They also need to have clear payment records due for the won property. The Company categorized 3 types of customers for automobiles based on the bidder card number in order to provide privileges for the current customers. The Company has revised the privileges condition to reduce the risks of credit default of some customers who are eligible to take the vehicles out before the payment as follows:

Criteria	Card no. 8	Card no. 7	Card no. 6
1-year accumulative purchase record (Jan. 1 - Dec. 31, 2013) (Customers in same group can accumulate the purchase amount.)	Top 10 or over 100 cars or the sponsored customers	1. Over 70 cars 2. If accumulative purchase is less than 70 cars, the period must meet the criteria specified in no. 2.	unlimited
Membership period	Unlimited	1. unlimited 2. Over 7 years or if less than 7 years must place deposit of 20,000 Baht	Over 7 years
Payment record	On time	On time (except for top 10 customers)	On time
Privileges	Card no. 8	Card no. 7	Card no. 6
1. Card deposit	No deposit required		
2. Number of cars allowed for bidding	Unlimited		
3. Payment to take car out on auction	No payment needed	Full amount payment (in cash, transfer, credit card, cashier cheque, bill of exchange)	Full amount payment cheque within (in cash, transfer, credit card) 3 days after cashier cheque, bill of the bidding or exchange) 2 days for bidding in upcountry

## Auction Procedure

The auctioneer announces bids on the trading floor for one item at a time. Bidders must raise their hands (show the bidder card) in the gathering to gain witnesses. The bid goes up from the opening price. If there is more than one bidder, the one who places the highest bid wins the auction. The auctioneer shall call out increments for each type of property as follows.

<b>Automobile:</b>	Opening price at less than 1 Million Baht sees a price increment at 2,000 Baht per call.
	Opening price at more than 1 Million Baht sees a price increment at 10,000 Baht per call.
<b>Motorcycle:</b>	Price increment is 1,000 Baht per call

The auction will end after the highest bid caller was called 3 times preceding the gavel hitting sound from the auctioneer. Normally the bidding takes about 45 seconds per 1 item. Every bid will be VDO taped as references to be used for verification purposes later on and to assure transparency of bidding.

Besides regular auction at the Head Office by bidders showing up bidder card, the E-Auction, and E-Onsite which is the real time auction via internet is another alternative of public auction. It increases auction channels and creates transparent competitive bids. After a successful bid, the bid winner must affix his/her signature on the auction documents and the Company's staff will arrange for the bid winner to make a deposit payment at 10% of the winning bid price but not less than 5,000.- Baht (for customers in general, except for the privileged customers) and also to pay the auction fee.



## After-bidding Procedures

### Payment of Auction Price

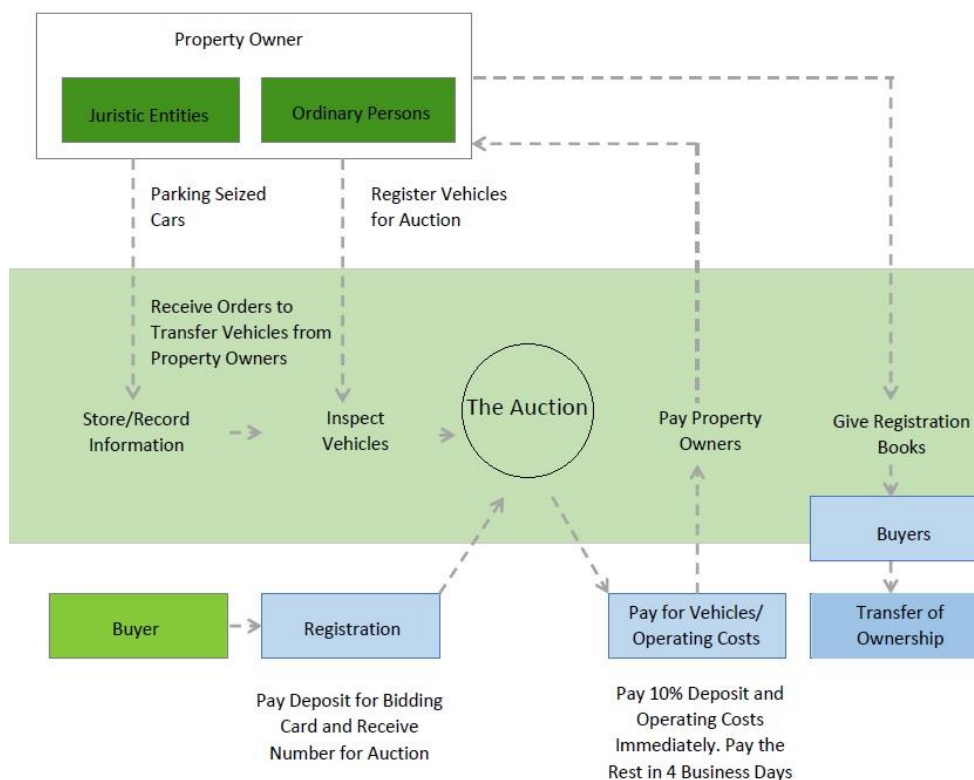
Auction price, in general, is paid in two tranches, the first one on the auction date for 10% of the property value but not less than 5,000 Baht and the other one within 4 days after the auction date except for the privileged customers as specified. The customers who bid via the E-Auction and E-Onsite will pay for the full auction price within 4 days after the auction date.

For general customers, the property shall be handed over only when the full payment is made. On the occasion that the property, once received by bidder, is damaged or defected, not in the same condition as in the inspection checklist, the bidder shall notify the Company within 24 hours. The Company will manage to have the automobile repaired to meet the condition specified in the inspection checklist or to compensate for the damage. The private company which conducted the inspection services shall be responsible for such damage within 7 days. The Company will deliver the registration book and transfer paperwork within 7-30 days after the vehicle delivery. Buyers can check the registration book in the Company's website. In the case of no bidding on any property, the property owner can take the property back at no cost.

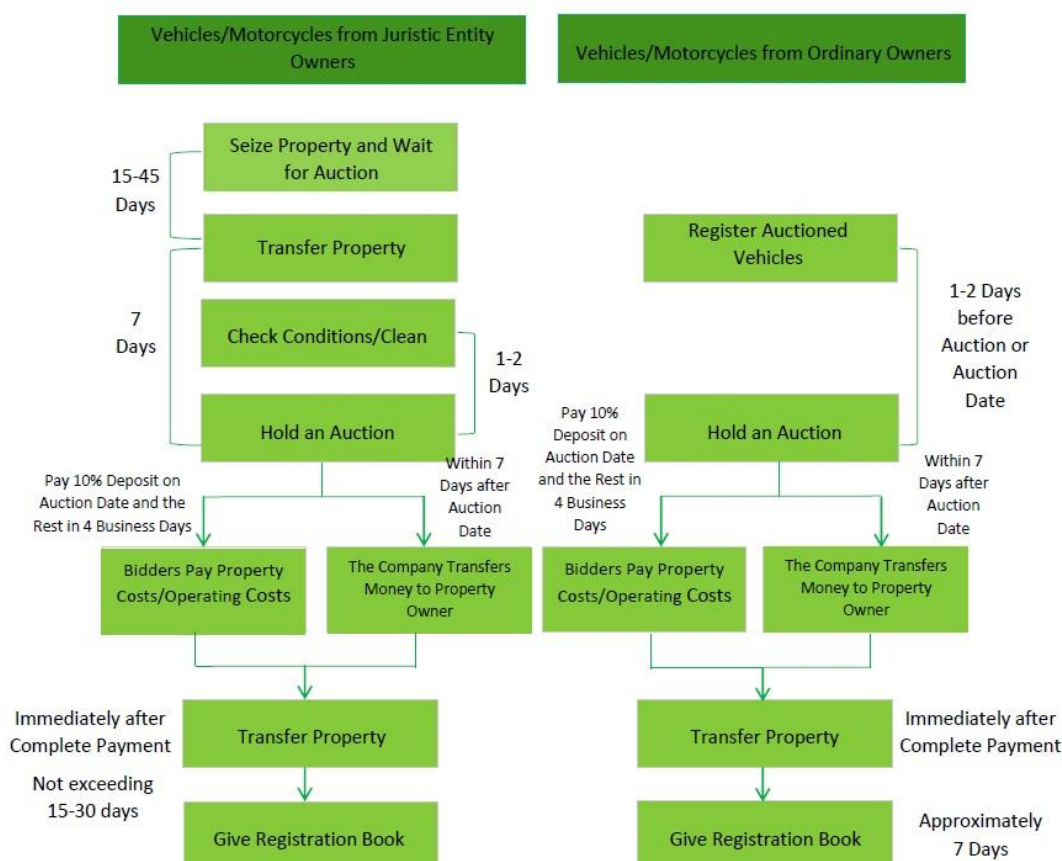
### Delivery of Auction Proceeds

After the auction, the Company will submit the sales report to the property owners who are juristic entities on the following business day and deliver the auction proceeds under the terms and conditions and timeline as mutually agreed upon with each seller. Sellers have duty to provide the ownership transfer documents (such as registration book and transfer paperwork) to the Company for further submission to the winning bidders.

## Process



## Timeline



## Marketing and Competitive Environment

### Marketing Strategies

The Company carries out its business by creating trust and bringing satisfaction to customers through quality, services, loyalty and fairness. The Company has been well received among customers. Furthermore, the Company invited Dr. Seri Wongmonta to be an advisor for marketing, publications and advertising in order to meet the needs of customers, business allies, and to continue to operate its auction business at an international level.

### The Company's competitive strategies are as follows.

#### 1) Price Strategies

The Company has a policy that determines service charges in accordance with the demand and supply of the market. The executives reviewed the price strategies by primarily considering competition, competitor's prices and the market environment. Over the past few years, the Company has used a pricing policy to stimulate the market to have life and increase the supply of vehicles brought to the auction which included no commission charges from sellers, etc. However, the Company does not have a policy to lower prices in order to compete with other auction operators, the Company emphasizes our main priority on service quality improvement to meet the customers' needs.

#### 2) Product and Service Strategies

The Company's main policy is emphasizing service standards for customers to receive the best service before and after auctions. The Company's superior service highlights are as follows.

- Provided a 38 rai parking lot for auction at the Company's headquarters and a 100 Rai parking lot at the Rungsit branch. Held an auction on the road in other provinces in every region at convenient locations for easy travel for bidders that had a maximum capacity of 2,000 cars per auction.
- Professional staff and teams that have more than 26 years of experience are provided to give efficient, fair price estimate services for both vehicles and auction items for customers.
- A lot of buyers and end users create auction price competition and result in a fair price among customers and property owners.
- Insure property against loss and damages from fire and other contingencies with an insurance company. Provide 24 hour security at the location site and 24 hour monitoring with CCTV and organize maintenance teams to monitor its working system consistently.

### 3) Place Strategies

The Company has auction venues covering all regions of Thailand. Currently, there are 13 auction venues in different locations in order to facilitate customers and publicize Union Auction Company to increase customer awareness and lower the costs of transferring property. The Company will hold auction at a location near the storage site. Currently, the Company provides 2 types of auctions, auctions that use bidding cards and E-auctions. Besides, by the end of 2016 the company has developed E-Onsite system to serve new customer group who tends to use new technology in bidding system. This is an expansion of sale distribution and facilitates participating bidders which creates the Company's image and improves the Company's operations to be able to support Thailand 4.0 policy.

### 4) Sales Promotion Strategies

The Company determined its marketing strategies by focusing on good long-term relationships with customers in order to maintain its existing customer base and expand its new customer target base in order to increase its market share. The Company's marketing strategies are to maintain existing customers with quality and impressive services while proactive marketing emphasizes the search for new customers and investors through various methods. The marketing and sales promotions are divided into 2 major categories which are:

- Maintaining Existing Customers

The Company has a large base of existing customers because it has been operating its business for over 26 years. This is a specific customer base that the Company is able to offer different services to stimulate trading or demand for the use of other services. The Company emphasizes marketing by organizing service programs such as giving information about trading via Social media; Lines, SMS, Facebook, Instagram, YouTube, company website and sending information by e-mail, and collecting points from vehicle purchases in order to receive special privileges.

- Increasing and Looking for New Customers

The Company set up goals to increase the sale volumes which require a larger customer base in regards to both quality and quantity of target customers. These customers come from marketing activities both directly and indirectly by having existing customers refer people. Moreover, the Company acquires new customers who contacted the Company directly as a result of media marketing, advertising, and public relations. The Company emphasizes in marketing communication via new social media; Facebook, Lines, Instagram, Websites and YouTube etc.

## 5) Strategies for Creating Trust

Most auction items are second hand products which makes it rather difficult for consumers to differentiate the differences between auction items. This may result from a lack of confidence in the product's quality and not being able to see the real conditions of the products. As a result, the trust and reliability of the inspection system for auctioned items is a major factor to be considered in order to decrease risk from entering auctions. The Company employed a private agency to provide vehicle evaluation and inspection services without charging any fees to participating bidders prior to the auctions at the head office and Rungsit branch. This inspection covers the condition of the vehicle's exterior, parts, special features, and engine and this causes customers to have confidence in the quality of the Company's products and services. The company plans to extend such services to all branches. Moreover, the company has trained our staff to deliver impressive quality of service and advisory to all customers

## 6) Strategies for Building Good Relationships with Business Allies

The main factor that could affect the Company's success is acquiring second hand vehicles to bring to auction. Therefore, the Company uses strategies to create good relationships with financial institutions and a group of vehicle traders. These are the main business allies of the Company in order to support the Company's business operations such as customer recommendations, collaboration in sales promotions, etc. Moreover, the Company developed an internal system to facilitate sellers to receive their commission on the set date and facilitate financial institutions and car traders to receive money within the specified time frame in order to impress them through the Company's services.

## Market and Competitive Industry

The year 2017 was another year that the automobile industry had adjusted itself after faced a great test. This resulted from a new automotive tax structure and new cars project, as well as the overall economy both domestically and internationally and export sector recovery. Though the agricultural prices were not so good, the overall factors contributed to positive to Thailand's automotive industry and made 2017 the first year of Thailand's automotive industry recovery.

In 2018, the Thailand 4.0 policy and economic stimulus policies from the public sector may cause the domestic economy to recover and may be a factor that supports an increase in growth of the Thai automobile industry from 2017. Investments from the public sector, tourism and domestic demand, consumption and private sector expenditures may increase due to an increase in agricultural income from better agricultural prices are heading in a good direction. The public policy implementation by the government sector could result in more money liquidity in the economy system. The automobile market is projected to grow by 10% from 2017.

The Company plans to develop and build confidence for its customers to bring the car to auction and/or auction the car by setting up Action & Action Co., Ltd. in January, 2017 to increase the revenue channel for the Company, as well as to create more communication and social media to build customers' perception and recognition to bring their cars to auction at AUCTION.

Production in 2018 is expected to produce 2 million vehicles which is a growth from the year 2017. The proportion of production in the domestic market is nine hundred thousand vehicles and exports are 1.1 million vehicles. Factors that will affect the automobile industry include foreign trade barrier measures, world oil prices, and the import tax rate in ASEAN nations that is down to 0%. It also includes the projected expansion of the domestic automobile market due to positive factors like the group of car owners who were part of the first car project who are able to come back and buy new vehicles because they were prohibited from selling their vehicle within the first 5 years, as well as the forecasted growth of the GDP. This indicates a growth in the economy.

The Motorcycle Manufacturing Market is predicted to continuously expand due to support factors from both the domestic and export markets. Big Bikes are likely to continuously expand in both exports and domestic markets. This market focuses on high-end customers who have a lower risk of a non-performing loan. It is predicted that agricultural income and consumers in other provinces outside Bangkok will be supported by government policy and these factors have major purchasing power for motorcycles.

In addition, second-hand cars are expected to make a comeback due to the unlocking of first vehicle prohibition which helps the owner to have an opportunity to change vehicles. However, it depends on whether new models of vehicles are launched in the market. If a new model is in the category that customers are looking for, customers will easily make a decision to change the vehicle.



## The competitive landscape of the car market.

Domestic Total sales of Vehicle Statistics for 2012-2018.

In 2012, total sales were 1,436,335 vehicles.

In 2013, total sales were 1,330,668 vehicles (a decrease of 105,667 vehicles or -7.3%).

In 2014, total sales were 881,832 vehicles (a decrease of 448,836 vehicles or -33.7%).

In 2015, total sales were 799,594 vehicles (a decrease of 82,238 vehicles or -9.3%).

In 2016, total sales were 768,788 vehicles (a decrease of 30,806 vehicles or -3.9%).

In 2017, total sales were 871,647 vehicles (an increase of 102,859 vehicles or +13.4%)

Total car sales in Thailand in 2017 was 871,647 vehicles, an increase of 13.4%. This was the first increase of sales over the past five years since 2012, the year that the first car project launched which resulted in a significant rise of vehicle sales volume.

The vehicle market in 2018 is likely to expand. Total sales should be around 9,000,000 vehicles due to positive factors resulting from the promotion and support of investment measures from the government sector, the economic recovery forecast from many sectors, owners of the first car project that gradually surpass the prohibited trade of vehicles under the conditions of the project which makes it possible to purchase new vehicles. This includes car dealerships that are continually launching new vehicles and campaigns that motivate customers to make purchases. The low interest rates on hire purchase loans and the low down payments help customers to speed up their decision to make purchases.

The vehicle category that is expected to grow more than the 2018 overall market includes compact cars, all-purpose vehicles, and pickups trucks.

Besides adjusting marketing strategies to meet the market needs for different type of vehicles in different regions, car dealers and related businesses should create a good image and credibility for its consumers, vehicles and after purchase services, especially the after purchase services. Lately, a group of certain vehicle model owners gathered together to make a complaint to the Office of the Consumer Protection Board (OCPB) about a problem regarding the use of the vehicle. Some vehicle owners were unsatisfied with the problem and used social media to publish the story. This will affect the business and its image in the long run.

In addition to this, the overall picture of the Thai economy for 2018 is likely to improve. The Office of the Fiscal Policy Office (FPO) announced that the economic outlook for the 2018 GDP growth will expand to 3.8%. This is driven by positive factors such as government spending on large projects, election confidence, as well as domestic agricultural income and consumption having a tendency to recover.

## Risk Factor and Risk Management

The Company emphasizes the importance of risk management and continues consistent development by implementing the International Standard Guidelines of COSO, The Committee of Sponsoring Organizations of the Treadway Commission, as a reference standard. The main goal of risk management is determining to manage risks that could affect the corporate achievement. This is done in order to decrease the probability that risks will occur or reduce the impact if an event occurs and/or to obtain business opportunities.

Therefore, the Company's structures of risk management are categorized into 3 levels. These levels are corporate level, field level or business unit level and operational level. The Risk Management Committee (RMC) is comprised of directors that have been appointed to define the policies and the scope of operational risk management. This includes follow-ups, scrutinizing, and giving comments and recommendations regarding the tasks of risk management. In 2017, the Risk Management Committee appointed a group for operational risk management which consisted of the Company's high ranking executives from various business units to closely monitor risk management operations.

Risk factors in the Company's business could significantly impact the Company's business performance and financial status along with the return investment of shareholders. These factors can be summarized as follows:

### 1. Risk of Fire

The Company realized and emphasized the importance of damages caused by fire. As a result, the Company organized preventative measures for the risk of fire by regularly inspecting buildings, facilities and electrical systems. The Company organized preventative training, classes on extinguishing fires, and fire drills for employees. The Company monitored and maintained the functionality of closed circuit cameras at all times, prepared electrical system assessment plans that included all electrical devices at the main office, inspected fuel storage safety, put materials in place, prepared and installed a sufficient amount of fire equipment which covered every area in order to reduce the risk of a fire occurring. The Company also prepared a plan in case an event beyond one's control occurred by having fire insurance to support the unexpected risks. The amount that customers' assets are insured is higher than the property valuation in order to ensure that the Company had prepared a measure to substantially handle the risk of fire. However, the Company has never experienced any major fire damage in the past.

## 2. Risk of Flooding

The Company has all-encompassing flood preventative measures because different locations were prepared above flood water levels in order to stock vehicles in 27 different locations all across the country. Other than convenience for property owners, the Company is able to use these locations for storing assets in the case that some locations are affected by floods in the future. At headquarters, Safety Zone is assigned in case of an emergency by putting up soil shielding lines in order to prevent damages to vehicles and properties at headquarters. In 2011, the Company put up a 2 meter high soil shielding line on a 3 rai plot of land and a 1.5 meter high line on another 6 rai plot of land in headquarter sites. In 2013, the Company expanded the Safety Zone by putting up a 3 meter high soil shielding line on about another 14 rai.

In 2017, the Company has elevated the floor of car receive area, car cleaner area and car inspection area, a total of 6 areas. Moreover, the inner road was built as a flood protection lines. Large pumps were installed and the drainage way system was improved.

The Company has purchased insurance that covered properties, cars, motorcycles and furniture for headquarter sites as well as 27 other storage locations all across the country. The Company also prepared a process for flood preventative measures. This began by inspecting the availability of equipment, personnel and reporting the incidents to authorized person to direct the act. As a result, the Company concluded that the Company could manage the risk of flooding at a good level. However, the Company had never been impacted from any previous flood.

## 3. Risk from a Group of Major Shareholders that Influence the Company's Business Operations

As of February 9, 2017, the Sila family were shareholders that owned 299.93 million shares of the Company shares which is equivalent to 54.53% of the 550 million shares of registered capital and paid-up capital (at a par value of 0.25 Baht). This is greater than 50% of the registered and paid-up capital. This group of shareholders could potentially have the power to control and influence the operations as well as the resolutions of the shareholders' meeting for general business activities, except for crucial agenda items where the voting resolution requires three quarters of the shareholders to approve.

However, the Company realized the importance of having a balance of power, the Company has measures that prevent this group of shareholders from exercising unlimited power by appointing a board of directors that are not major shareholders or Company executives but are 3 independent directors. These 3 independent directors equal 42.86% of the total number of directors that serve on the board of directors. They are able to examine and review operations, balance the power on behalf of minor shareholders to a certain extent and also scrutinize all issues before being proposed to the Meeting of Shareholders.

#### 4. Risk from Reliance on Property Owners as a Source of Auction Items

The Company's core assets for auction services are cars and motorcycles. These assets made up to 88% of the Company's total revenue over the past three years. In 2015, 2016 and 2017, the Company obtained most of its automobiles from juristic entity owners. These were mostly financial institutions that extended leasing facilities and put seized vehicles from defaulting customers up for auction. The number of cars offered by the top three owners made up 61% of the company's total successfully auctioned cars in 2015, 2016 and 2017. The policy of these major car leasing operators is that they do not auction their seized automobiles from costumers who defaulted on payment in order to have business transparency. However, the Company could be exposed to risk in the event that these owners conducted their own vehicle auction business or offered vehicles to other auction houses, thus potentially hurting the Company's business operations.

Nonetheless, the Company's management believes that the above risk is not likely to happen because the major financial institutions who are major customers have policies to focus heavily on their core activities and embrace transparency in auctions. Conducting their own auctions would only turn them into leasers and auctioneers at the same time and could possibly cause disputes with customers who demand transparency in practice. Regarding the risk in using other auction houses, the Company is confident that the competitive edge that the Company has accumulated through more than 26 years of experience in this business and its good service should provide a solid base for retaining these massive customers who have a long standing trust and business relationship with the Company. This includes a focus on providing quality service and reliability. For instance, the Company provided more than 27 vehicle storage areas across the country and free pre-auction check-up services at headquarters and at the Rangsit Branch. After the auction, the Company also guarantees a refund within 24 hours if the buyers do not receive the properties as specified. This creates trust in the Company's management and certainly makes a barrier for new players and competitors to enter this space.

In addition to this, the Company has policies to reduce such risk by developing better and more effective information technology system whereby the property owners are able to trace auction results immediately. Information about vehicle stock, the number of vehicles remaining in inventory and period of stock can all be traced. This helps in planning the next auction. The Company also emphasizes providing good quality service by developing E-Auction, Mobile Auction and E-Onsite system to increase customers and property owners' satisfaction. The Company plans to increase procurement from businesses and individuals by enforcing marketing channels and strategies such as providing pre-auction expert consulting for appraisal and looking after properties so they do not incur any damage.

#### 5. Risk from Properties Being Lost, Damaged and Stolen while under the Company's Possession

Most auction items are cars and motorcycles that are seized from defaulting customers. According to the leasing contract, owners have a certain period of time to redeem their seized items. As a result, such items are unable to be immediately used for auction. According to the contract agreement between the Company and the financial institute,

seized cars and motorcycles are under the Company's possession to be auctioned and these automobiles will be stored at the Company's storage facilities under the Company supervision. Before auctions, the seized vehicles will be stored at the Company's storage facilities. Cars are stored for 1-45 days and motorcycles for 1-15 days. The Company is also responsible for moving those vehicles to the auction venues. This could create a possible risk because the Company would be held liable for any damages or loss to any vehicles under its supervision.

The Company has taken measures against potential damages resulting from accidents or any damages to vehicles under the Company's possession by installing surveillance cameras at storage sites, implementing strict access controls, hiring out-sourced 24 hour security guards at all storage location sites. In the case that damages occur due to an act of the security guards or their negligence, as stated in the contract, the security company is responsible to reimburse damages to the property and the Company. The Company also purchased insurance for the sum insured of 2,091 million Baht. This covered the Company's properties and storage location sites all over the country and 435 million Baht sum insured to cover all properties for a storage site of companies affiliated with financial institutes. To prevent unnecessary damage during transportation, the Company requires that the contractors that are hired to transport the vehicles provide insurance that covers damage to vehicles and covers full liability of the contractors and the sub-contractors. Through these measures, the Company is confident that it is able to reduce the risk of loss or damage to the vehicles to a certain extent. The past three years have seen no case of damage as such.

#### 6. Risk from Credit Terms Granted to Buyers

To promote business with customers, the Company granted privileges to qualified bidders. Since July 1, 2013, VIP Cards have been given to customers who have contact with the Company in order to encourage greater bidding. Since July 1, 2014, the Company has revised the privileges to reduce the risk of default payment from customers who can take the properties out before making full payment as follows:

Criteria	Deposit	Payment	Payment to take car out
Card No. 8	None	None	None
Card No. 7	None	None	Pay in Cash, transfer, cashier check or draft
Card No. 6	None	None	Allowed to pay with a check
Card No. 1 (Former auction customers)	Required to pay	Required to pay	Pay in cash, transfer, cashier check or draft
Card No. 9 (First time car auction customers. Able to bid on 1 car per card)	Required to pay	Required to pay	Pay in cash, transfer, cashier check or draft

1. The auctions at the head office and Rangsit locations are subject to payment no later than 4 working days after the auction.
2. Mobile auctions and up-country branch customers are subject to payment no later than 3 working days after the auction.
3. Customers paying by advanced pay checks are subject to payment no later than 2 working day after the auction.

The Company is fully aware of such risks and made attempts to mitigate it. As a basis for the consideration of granting privileges to bidders, the Company analyzed the bidder's statistical records in regards to transaction volume, characteristics, consist contact with the Company and payment records with no default history. Besides this, the Company withholds the vehicle registration books and does not deliver them to buyers until full payment has been made. This should prevent the risk of undesirable reselling or retransferring of the vehicles. Since some of the bidders also offer their vehicles for auction with the Company, the Company can confiscate those vehicles as a guarantee. The measures and criteria in granting the above privileges are subject to revision and amendment. Customers with non-conforming behaviors shall be withheld.

Currently, the Company reviews credit for bidders every year without increasing credit limits. Bidders' credit is regularly reviewed for revision.

## Legal Disputes

As of December 31, 2017, the Company did not have any legal disputes that can have significant negative effect on its business and its properties which accounted for over 5% of shareholders.

### **Obligation to issue debenture in the future**

The Company does not have any obligation to issue debenture in the future.

### **Information about debenture or bill**

The Company does not have any obligation to issue debenture or bill for its business operation.

## General Information and References

<b>Name of stock company:</b>	Union Auction Public Company Limited (“Company”)
<b>Stock Quote:</b>	AUCT
<b>Type of Business:</b>	Auction Service
<b>Registered Capital:</b>	137,500,000 baht consist of paid-up common stock: 550,000,000 shares, valued 0.25 baht per share
<b>Number of Employees:</b>	337 persons (as of December 31, 2017)
<b>Address of Head Office:</b>	518/28 Soi Ramkhamhaeng 39 (Thepleela 1), Wangthonglang sub-district, Wangthonglang district, Bangkok 10310
<b>Company registration Number:</b>	0107555000341
<b>URL / Website:</b>	<a href="http://www.auct.co.th">www.auct.co.th</a>
<b>Telephone:</b>	02-934-7339 - 49
<b>Fax. :</b>	02-935-6202
<b>Investor Relations:</b>	02-934-7339 - 49 Ext. 148
<b>References</b>	
<b>Registrar of Securities:</b>	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building (near Chinese Embassy), Tower A, 14 Floor, 93 Rachadapisek Road, Dindaeng, Bangkok 10400, Thailand Tel: 02-009-9380 to 02-009--9398
<b>Auditor :</b>	PricewaterhouseCoopers ABAS Co., Ltd. Bangkok City Tower, 15th fl., 179/74-80 South Sathorn, Tungmahamek sub district, Sathorn district, Bangkok 10120 Tel: 02-344-1000

### 6.2 Other Important Information None

Investors can find more information of the Company’s securities in the Filing document (Form 56-1) in

[www.sec.or.th](http://www.sec.or.th) or [www.auct.co.th](http://www.auct.co.th)



## Shareholders

As of February 9, 2018, the top 10 major shareholders of the Company are as follows :

No.	Shareholder Name	No. of shares	% of capital
1.	<b>Sila Family</b>		
	Mr. Pakphoom Sila	137,499,000	25.00
	Miss Thidarat Sila	137,495,000	25.00
	Mr. Thepthai Sila	19,936,300	3.62
	Mrs. Wipha Sila	5,000,000	0.91
	Mrs. Pannee Sila	250,000	0.05
	<b>Total shares of Sila family</b>	<b>300,180,300</b>	<b>54.58</b>
2.	<b>Sareewiwatthana Family</b>		
	Miss Pitchsinee Sareewiwatthana	24,561,400	4.46
	Miss Pimsiri Sareewiwatthana	14,000,000	2.55
	Mrs. Waranee Sareewiwatthana	6,700,000	1.22
	Mr. Paiboon Sareewiwatthana	500,000	0.09
	<b>Total shares of Sareewiwatthana family</b>	<b>45,761,400</b>	<b>8.32</b>
3.	<b>Yoadjarust Family</b>		
	Mr. Suvit Yoadjarust	3,616,200	0.66
	Mr. Nutthavut Yoadjarust	1,580,000	0.29
	Miss Nutthida Yoadjarust	1,500,000	0.27
	<b>Total shares of Yoadjarust family</b>	<b>6,696,200</b>	<b>1.22</b>
4.	Mr. Thaweechat Churangkul	6,615,400	1.20
5.	Thai NVDR Co., Ltd.	6,245,000	1.13
6.	Miss Malee Kittichoochot	5,200,000	0.94
7.	Mr. Sintu Wathwaruth	3,506,000	0.64
8.	Mr. Somboon Kitthawornsawat	3,500,000	0.64
9.	Miss Sauwaluck Chaidejsuriya	2,407,400	0.44
10.	Other Minor Shareholders	169,888,300	30.89
	<b>Total</b>	<b>550,000,000</b>	<b>100.00</b>

# Management

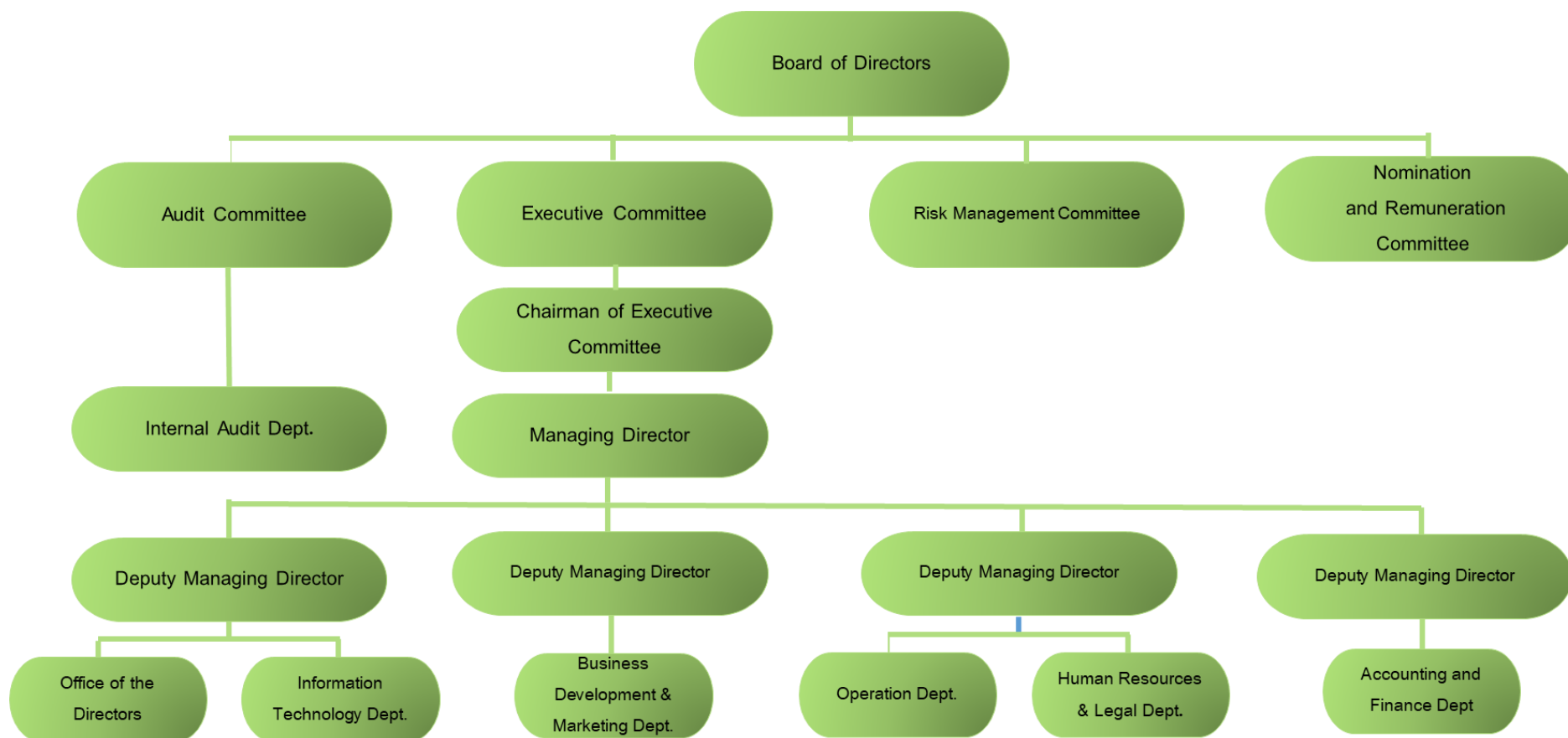
## Management Structure

The management team structure of the Company consists of 5 groups of committees, which are Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Executive Board.

# Organization Structure

Union Auction Public Company Limited

As at 30 December. 2017



## Management Structure & Board of Directors

### Board of Directors

Board of Directors consists of 7 persons as of December 30, 2017 as follows:

Full name	Position
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana	Chairman of Board of Directors / Nomination and Remuneration Committee
2. Assoc. Prof. Dr.Sauwanee Thairungroj	Director / Chairman of Audit Committee / Vice Chairman Nomination and Remuneration Committee / Independent Director
3. Assoc. Prof. Dr.Montri Sokatiyanurak	Director / Audit Director / Chairman of Nomination and Remuneration Committee / Independent Director
4. Mr. Sarawut Charuchinda <sup>/1</sup>	Director / Audit Director / Risk Management Director / Independent Director
5. Mr. Suvit Yoadjarust	Director / Chairman of Risk Management Committee / Chairman of Executive Board
6. Mr. Thepthai Sila	Vice Chairman of Board of Directors / Risk Management Director / Executive Director / Managing Director
7. Mr. Varunyoo Sila	Director / Risk Management Director / Executive Director / Deputy Managing Director

Note : <sup>1</sup> Mr. Sarawut Charuchinda resigned from the company's director and all position, effective from December 31, 2017. The Board of Directors Meeting no. 5/2017, held on December 18, 2017 has passed the resolution to appoint Mrs.Wilaiwan Srisamruat as the company's director , independent director, member of audit committee and risk management committee, effective from January 1<sup>st</sup>, 2018 onwards, in replacement of Mr.Sarawut Charuchinda, the resigning director.

The Board of Directors Meeting no. 1/2018, held on February 28, 2018 has appointed Miss Ampaporn Lakruangsup to be the Company Secretary.

### Authorized Directors on behalf of the Company

As of December 30, 2017, the authorized Directors who can sign on behalf of the Company are Mr. Thepthai Sila or Mr. Varunyoo Sila co-signing with Mr. Suvit Yoadjarust, total in 2 persons with the Company's seal affixed.

### Scope of duties and responsibilities of Board of Directors

1. Establish business vision, business direction, business administration to align with the law, the objectives, Articles of Association and resolutions of shareholders to bring the best benefits to shareholders and business value.
2. Consider and approve the policy, strategy, financial objective, business plan, budget and human resource development of the Company. Also ensure on the operations efficiency according to the plan, budget and resource deployment of the Company.
3. Set up the accounting system, financial statement report and accounting audit which disclose the correct, transparent and credible information and manage to have the efficient internal control system and internal audit.
4. Ensure the Company's risk management to be in the level that can drive the Company's sustainable growth.
5. Ensure that the Board of Directors, Audit Committee, Risk Management Committee and Nomination and Remuneration Committee operate according to the specified policy.
6. Organize the shareholder meeting as the Annual General Meeting within 4 months after the Company's fiscal year end and arrange the Extraordinary General Meeting when necessary.
7. Evaluate the performance of each committee and Managing Director.
8. Evaluate the performance of the Board of Directors every year in 2 forms: the overall performance of the board and the individual performance, and bring up the result for consideration in the board meeting.
9. Identify the clear roles, duties and responsibilities of the Board of Directors, committees and executives.
10. Select the qualified directors as proposed by Nomination and Remuneration Committee for the approval from the shareholder meeting.
11. Appoint or advise the committees or executive directors to consider or operate on any issues as appropriate.
12. Propose the list of accounting auditor and audit fees to the shareholder meeting for the appointment approval.
13. Arrange the company annual report and disclose the financial statement to declare the financial status and business performance of last year to the shareholder meeting.

The BOD meetings are scheduled for every 3 month and are reserved in advance. Extra meetings can be arranged as necessary. If there is any case that any director can gain or lose benefits from or have conflicts of interest with the Company or subsidiaries, he/she shall not have the right to vote in that case.

Moreover, the committees have duty to ensure the company comply with the law of Securities and Exchange, the Stock Exchange of Thailand (SET) Act, such as the connected transactions, the acquisition or disposition of assets according to the regulations of SET or the Securities and Exchange Commission (SEC) Act, the Capital Market Commission or the law related to the Company's business.

## Audit Committee

As of December 30, 2017, the Company's Audit Committee consists of 3 directors as follows:

Full name	Position
1. Assoc. Prof. Dr. Saowanee Thairungroj	Chairman of Audit Committee
2. Assoc. Prof. Dr. Montri Sokatiyanurak	Audit Director
3. Mr. Sarawut Jarujinda <sup>1/</sup>	Audit Director

**Note:** <sup>1/</sup> He is the audit committee with knowledge and experiences in financial statement audit of the Company. He graduated his Bachelor Degree in Accounting from Chulalongkorn University and MBA-Finance from University of Mississippi, USA.

Mr. Sarawut Charuchinda resigned from the company's director and all position, effective from December 31, 2017. The Board of Directors Meeting no. 5/2017, held on December 18, 2017 has passed the resolution to appoint Mrs. Wilaiwan Srisamruak as the company's director, independent director, member of audit committee and risk management committee, effective from January 1<sup>st</sup>, 2018 onwards, in replacement of Mr. Sarawut Charuchinda, the resigning director.

Mr. Rungpan Salee is the Secretary of Audit Committee.

### Scope of duties and responsibilities of Audit Committee

1. Review the preparation of financial reports of the Company and incorporate with external auditors to obtain the credible financial report with the reliability and adequacy of information disclosure according to the generally accepted accounting standards.
2. Review the process to ensure that the Company conforms to policies, rules, practices, regulations and other laws relevant to the Company's business.
3. Review and propose to appoint the independent persons to be the Company's accounting auditors, propose for the audit fees and attend the meeting with accounting auditors without the Management's participation for at least once a year.
4. Review the connected transactions or transactions possible to have conflicts of interest to comply with the law and SEC's Act to ensure such transactions are reasonable and bring benefits to the Company.
5. Review the internal control system and ensure the process to conform with the Company's risk management and supervise the management team to improve the operations to reduce the risks in all aspects.
6. Follow up, evaluate and report the practice of good corporate governance.
7. Review the appropriateness of the assets maintenance and ensure its physical existence.
8. Assess the effectiveness of the Company's resources deployment.
9. Specify the scope of work of the internal audit, provide the comments on the annual audit plan and evaluate the audit result of the internal auditor.
10. Appoint the external advisor for the advice and assistance in the audit process.
11. Approve the designation, relocation, dismissal and set the remuneration of the internal audit directors.

12. Perform any other tasks assigned by the Board of Directors.

### The Nomination and Remuneration Committee

As of December 30, 2017, the Company's Nomination and Remuneration Committee consists of 3 directors as follows:

Full name	Position
1. Assoc. Prof. Dr. Montri Sokatiyanurak	Chairman of Nomination and Remuneration Committee
2. Assoc. Prof. Dr.Sauwanee Thairungroj	Vice Chairman of Nomination and Remuneration Committee
3. Assoc. Prof. Dr. Paiboon Sareewiwatthana	Nomination and Remuneration Director

**Note:** Director no.1 and no.2 are the Company's Independent Directors.

### Scope of duties and responsibilities of the Nomination and Remuneration Committee

1. Set the criteria or procedures to nominate the Directors or Managing Director to propose to the Board of Directors with transparency.
2. Specify the qualification of the replaced directors in order to meet the requirement of related regulations and law and also specify the procedures to propose the qualified candidates with full support to the Board of Directors.
3. Select the qualified candidates for the new directors or nominate Managing Director.
4. Propose how to evaluate performance of directors and committees, follow up, finalize and report the final result to the Board of Directors in order to improve their performance efficiency.
5. Review, consider and propose to the Board of Directors the structure, roles, responsibilities, and working instruction of the Board of Directors and committees to keep them updated.
6. Establish succession plan of Managing Director and top executive directors of the Company and propose to the Board of Directors for consideration.
7. Set up and propose to the Board of Directors the process and criteria of remuneration for committees and Managing Director which are fair and based on the Company's performance.
8. Evaluate the performance of the Board of Directors and Managing Director to identify the remuneration before proposing for Board of Directors' approval every year.
9. Review the budget of salary increase, change in salary and remuneration of the Board of Directors, Executive Board, and Management team to propose for Board of Directors' approval.
10. Review, study and catch up with the changing trend of remuneration of the Board of Directors, Executive Board and Management team by comparing with other companies in the same industry.

Board of Directors also requires the Nomination and Remuneration Committee to have meetings at least twice a year.

## Risk Management Committee

As of December 30, 2017, the Company's Executive Board consists of 4 directors as follows:

Full name	Position
1. Mr. Suvit Yoadjarus	Chairman of Risk Management Committee
2. Mr. Sarawut Jarujinda	Risk Management Committee Directors
3. Mr. Thepthai Sila	Risk Management Committee Directors
4. Mr. Varunyoo Sila	Risk Management Committee Directors

## Scope of duties and responsibilities of the Risk Management Committee

1. Review to approve the policy, framework, strategy, criteria, plan and risk management guideline.
2. Monitor the development of risk management framework.
3. Review the strategy and the overall risk management of the Company to meet the changing situation.
4. Set up the risk alert system for every type of risks and the risk management principles to reach the acceptable risk level.
5. Assess the risk potential and its impact in order to manage the risk priority.
6. Monitor the risk indicating and risk assessment process.
7. Assess the risks and approve the risk management plans.
8. Report the risks and the plans to manage them to the Board of Directors.
9. Perform any other tasks assigned by the Board of Directors

## Executives Board

As of December 30, 2017, the Company's Executives Board consists of 3 directors as follows:

Full name	Position
1. Mr. Suvit Yoadjarus	Chairman of Board of Directors
2. Mr. Thepthai Sila	Executive Director
3. Mr. Varunyoo Sila	Executive Director

**Note:** The Board of Directors Meeting no. 5/2017, held on December 18, 2017 has passed the resolution to appoint Mr.Sarawut Charuchinda as the company's executive director, effective from January 1<sup>st</sup>, 2018.



### Scope of duties and responsibilities of the Executive Board

1. Identify the strategy, policy, financial objective, business plan, budget, human resource development and executive power for Board of Directors' approval.
2. Follow up and review the operations, plans, budget, and human resource development to ensure the efficiency and the alignment with the policy and plan.
3. Identify the standard business administration system, human resource development system, financial system, information system and corporate structure.
4. Provide the policy, advice and suggestion to Managing Director for the important decision making issues.
5. Screen, support and manage the risks of the Company as follows:
  - a. Support the risk management policy to ensure it is implemented all over the company.
  - b. Review the policy, framework, strategies, plans and risk management guideline and propose to the Risk Management Committee for approval.
  - c. Manage the risk according to the policy, framework, strategies, and plans as assigned by Risk Management Committee and review risk management guideline regularly.
  - d. Manage the significant risks and report to Risk Management Committee.
6. Prioritize the decision making result of the Board of Directors to further implement effectively.
7. Review the meeting agenda before proposing to the Board of Directors.
8. Report the company's performance to the Board of Directors.
9. Assess and approve business transactions in compliance with their limited authority.
10. Study the feasibility of all projects.
11. Have authority to approve the investment in fixed assets, loaning or other investment, borrowing or applying for credits from financial institutions. Have authority to approve the budget as assigned by the Board of Directors. The scope of approval includes the advanced budget or expenses, contingent liabilities/ aval/ guarantee, the working plan/ budgeting/ procurement of products and services for sales promotion, and the procurement and maintenance of assets.
12. Perform any other tasks assigned by the Board of Directors.

The scope of Executive Board's approval shall not include any cases of which Board of Directors or its member may have a conflict of interest, gain or loss of benefits in any aspects with the Company and/or subsidiaries or give authority to other persons to perform on their behalf. It also excludes the cases that need approval from shareholders in the connected transaction and the acquisition and disposition of the Company's and/or subsidiaries significant assets in order to be in compliance with the regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, or the law related to the Company's business.

## Executives

As of December 30, 2017, the Company's Executives are as follows:

Full Name	Position
1. Mr. Suvit Yoadjarus	Chairman of Executives Board
2. Mr. Thepthai Sila	Managing Director
3. Mr. Varunyoo Sila	Deputy Managing Director
4. Mrs. Anchalee Bhakkalin	Deputy Managing Director, Finance & Accounting Dept.
5. Mr. Phaophonng Tamsamrit	Deputy Managing Director, Operation Dept.
5. Mr. Kriangsak Dhammaraksa	Assistant Managing Director, Information Technology Dept.
6. Ms. Chittra Jantrakrui	Assistant Managing Director, Legal & Human Resources Dept.
7. Mr. Nithid Sopon	Assistant Managing Director, Operation
8. Mr. Sutee Samathi	Assistant Managing Director, Business Development & Marketing Dept.
9. Miss Poonsil Kaewchamngong	Acting Assistant Managing Director, Office of the Directors

**Note :** Mr. Phaophonng Tamsamrit terminated from Deputy Managing Director, Operation Dept. effective on December 31, 2017.

### Scope of duties and responsibilities of Managing Director

1. Manage the Company's business by the objectives, principles, policy, rules, regulations, orders and resolutions from the meetings of Board of Directors, Executive Board, and shareholders.
2. Set up the business policy, business plan, objectives and budget to propose for Board of Directors 'approval.
3. Report the operational performance following the approved plan and budget every 3 month.
4. Manage the business in compliance with the approved policy, plan and budget.
5. Put in a position, appoint, dismiss, transfer, promote, demote, reduce salary or wage, disciplinary punish or dismiss employees according to the assigned authority.
6. Have authorization to sign in any juristic contracts and legal documents in contact with external organizations or persons to perform any action deemed necessary on behalf of the Company.

7. Set up the working conditions and operational practices for employees in compliance with the principles, regulations or orders assigned by the Board of Directors.
8. Have authority to authorize or assign others to perform some specific actions as long as such authorization complying with the principles, regulations or orders assigned by the Board of Directors
9. Have authority to approve the investment in fixed assets, loaning or other investment, borrowing or applying for credits from financial institutions, the advanced budget and expenses, contingent liabilities/ aval/ guarantee, the working plan/ budgeting/ procurement of products and services for sales promotion, and the procurement and maintenance of assets budget as assigned by the Board of Directors
10. Perform any other tasks assigned by the Board of Directors.

The Managing Director or the person authorized by Managing Director shall not approve or get involved with or join the business that he/she may have conflicts of interest, gain / loss of benefits in any aspects with the Company or subsidiaries. Any authority to do the acts that could lead to conflicts of interest between Managing Director or a stakeholders and the Company as specified in the law and the Securities and Exchange Commission or the Stock Exchange of Thailand Act shall not deem to be under the authority of Managing Director to judge or vote by himself/herself or his/her authorized person. Such acts shall be proposed for approval from the Audit Committee and Board of Directors and/or shareholder meeting (depend on the case) in compliance with the regulations of the Company and the law.

## Remuneration of Directors and Executives

### (a) Remuneration in cash

#### Directors

The Annual General Meeting 2017 on April 25, 2017 had resolution of remuneration for directors and executives. The remuneration of Board of Directors is as follows:

Position	Monthly remuneration (Baht)
Chairman of the Board	40,000
Chairman of Audit Committee	35,000
Vice Chairman	35,000
Audit Director	30,000
Director	30,000

The annual bonus for the board and audit committee shall be considered based on the company's performance in 2016, in total of not exceeding 2.60 million Baht. The executive directors shall not receive any bonus for the director position.

In 2017, the Company held Board of Directors and Audit Committee meetings and the remuneration is as follows:

Name	Position	Remuneration <sup>/N</sup> (baht)	
		Director	Audit Director
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana	Chairman of the Board	1,080,000	-
2. Assoc. Prof. Dr. Sauwanee Thairungroj	Chairman of Audit Committee	-	920,000
3. Assoc. Prof. Dr. Montri Sokatiyanurak	Audit Director	-	760,000
4. Mr. Sarawut Charuchinda	Audit Director	-	760,000
5. Mr. Suvit Yoadjarust	Director / Chairman of Executives Board	-	-
6. Mr. Thepthai Sila	Vice Chairman / Managing Director	-	-
7. Mr. Varunyoo Sila	Director / Deputy Managing Director	-	-

**Note:** Remuneration of Directors include monthly and annual remuneration.

### Executives

By the end of the year 2017, the Company has 10 executives. The remuneration for the directors and executives are paid in form of salary, social security, provident fund, life insurance, bonus and retirement benefit, totaling of 24,888,222 Baht in 2017 .

(b) Remuneration in other than cash

-none-

Record of attendance in committee's meetings in 2017

Name	Board				
	Board of Directors	Nomination & Remuneration Committee	Audit Committee	Risk Management Committee	Executive Board
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana	5/5	2/2	-	-	-
2. Assoc. Prof. Dr. Sauwanee Thairungroj	5/5	2/2	4/4	-	-
3. Assoc. Prof. Dr. Montri Sokatiyanurak	5/5	2/2	4/4	-	-
4. Mr. Sarawut Charuchinda	5/5	-	4/4	3/3	-
5. Mr. Suvit Yoadjarust	5/5	-	-	3/3	22/ 22
6. Mr. Thepthai Sila	3/5	-	-	2/3	18/ 22
7. Mr. Varunyoo Sila	4/5	-	-	3/3	21/ 22

## Corporate Governance

Shareholders have the ownership right to control the company's operations with the appointed Board of Directors acting on their behalf and having the right to decision making of important changes of the company. Companies should encourage shareholders to exercise their rights; thus, the Company has established this principle to protect the rights of shareholders and provide convenience in equally-exercising their lawful rights or other rights beyond those required by law such as shareholders hold common rights: the equitable right to receive profit share and dividend payment, receive equitable treatment on the Company's stock buyback, and independently buy, sell, and transfer their own shares

Shareholders have the right to control the Company's operations with the appointed Board of Directors acting on their behalf and the right to decision-making of important matters of the company at the Annual General Meeting (AGM) every year, such as, revision of the Memorandum of Association or the company's regulations, selection of auditors, and approval of Balance Sheet and Profit and Loss Statement, dividend payment, and issuance of securities for capital increase and decrease, etc

### Holding of Shareholders' Meeting

In regard to the 2017 Shareholders' Meeting, the Company held the Annual General Meeting (AGM) on Tuesday April 25<sup>th</sup>, 2017, at 10.00 on the meeting room at Union Auction Public Co. Ltd., 518/28 Soi Ramkhamhaeng 39 (Thepleela 1) Wangthonglang, Bangkok, 10310. A total attendees and proxy of 568, accounted for 379,577,702 shares or 69.01 percent of total shares, including altogether the Chairman and members of the Board of Directors and members of the Audit Committee, seven (7) directors total, as well as senior executives and the Company's independent auditor altogether performed the Shareholders' Meeting. As the Chairman acted as the meeting's Chairman and conducted the meeting with full legal compliance by adhering to the following steps:

#### Pre AGM

1. Through the communicating channel of the Stock Exchange of Thailand (SET), the Company had disclosed a letter and welcomed nominations for appointment of directors by all shareholders, in which shareholders must submit a written nomination letter to the Board of Directors within a dateline set by the Company along with the following: relevant documents to his/her shareholding status; nominee's acceptance letter by the nominated individual and qualification documents, in which the nominee must possess qualifications and no legal prohibiting characters in

accordance to the Public Company Act; the right to propose meeting's agenda as well as supporting reasons to the agenda proposed and related documents through the Company's website ([www.auct.co.th](http://www.auct.co.th)). Thereafter, the Board of Directors established the selection requirements for the meeting's agenda and nominees for the appointment of directors. In case that proposed agendas were selected, the Company would inform in the meeting's invitation as the agenda by shareholders; in case of rejection, the Company would provide explanation to shareholders at the meeting.

2. Shareholders could also submit questions through the website prior to the meeting. For the 2015 AGM, no agendas and nominees for Independent Director position were proposed by shareholders.
3. Disclosed the meeting's schedule and agenda to shareholders through SET's communicating channel and the Company's website 30 days prior to the meeting date. Mailed the meeting's invitation specifying place, date, time, rules, procedures, proposed agendas to the meeting along with details and explanations, the Board of Directors' input on each agenda, proxies, Annual Report, and other related information to all shareholders as of book closing date, not less than 14 days prior the meeting and announced on newspaper advertisement to invite shareholders for three consecutive business days prior to the meeting. Shareholders could download the meeting invitation, meeting documentations, and the Annual Report

available in both Thai and English at the Company's website ([www.auct.co.th](http://www.auct.co.th)).

4. The Company allowed shareholders who were not available to attend the meeting to authorize proxy to their behalf or to the Independent Director of the Company, in which the Company would inform the name of every eligible Independent Director of the Company for receiving the authorization through Proxy, in which the Company delivered types A, B, and C along with the meeting invitation and could also be download on the Company's website including the notification of required documents or proofs and recommendations on proxy authorization, in which the B-typed Proxy allowed shareholders to establish their exercise of voting right on each agenda.

#### **The Day of AGM**

1. The company had provided equitable convenience to all shareholders, promoted to attract shareholders and, especially, institutional investors to join the meeting, and provided sufficient service staffs which allowed shareholders to register as early as 8:30, approximately two (2) hours prior to the meeting. The Board of Directors, all executives, and the Company's independent auditor were altogether presented at the meeting.
2. For the registration and evaluation of vote-counting, the Company leveraged a barcode system by a credible company who has been trusted by listed companies; furthermore, the Company also invited



legal advisors to join the meeting as the witness of vote counting.

3. For transparency and auditability, voting ballots were available for each agenda.
4. Prior to the meeting, the meeting's Chairman had personally informed the total number of attendees, which comprised of attendees both in person and with proxy, and the explanation of the voting procedure with voting ballots.
5. The meeting's Chairman conducted the meeting in accordance to the agendas stated on the meeting's invitation without changes and did not seek considerations of other non-preapproved agendas.
6. The meeting's Chairman allowed for explanations and discussion on each agenda and for equitable rights of shareholders to provide questions, suggestions, and recommendations, in which the Company had noted relevant topics on the meeting's minutes for shareholders' review.
7. The resolution of each agenda, through voting rights, was based on the majority vote, in which one (1) share was equal to one (1) vote.
8. Prior to concluding resolutions of each of the agendas, the meeting's Chairman allowed shareholders to ask questions and seek explanations.
9. Shareholders were allowed to vote for appointment of directors individually.
10. In case of additional shareholders joining the meeting, the Company would recount the total number of shareholders and shares. The additional shareholders could vote on only agendas whose resolutions had not

been identified. Each of agenda's resolutions would be summarized and communicated by the meeting's Chairman.

11. The meeting's Chairman would inform voting results by specifying the total shares voted: agree, disagree, and not voting.

#### **Post AGM**

1. Post meeting, the Company disclosed the meeting's resolutions through SET's communicating channel which included details of resolutions and voting result of each agenda.
2. The Company ensured the recording of the meeting from start to finish and performed the minutes of the Shareholders Meeting accurately and thoroughly, especially the voting procedures and method of counting votes, to include the voting results of agreeing, not-agreeing, and not-voting, and the suggestions and questions provided by every shareholder. The record was available, both in Thai and English, on the Company's website, [www.auct.co.th](http://www.auct.co.th), within 14 days after the meeting.
3. The Company realized the importance of disclosing information accurately, completely, and transparently to investors, shareholders, related parties, and general public interest through SET's communicating channel and the Company's website. If there are any questions, suggestions, or recommendations, please contact the *Investor Relations Officers* by telephone number at 02-9347344 ext. 148 or email at [ir@auct.co.th](mailto:ir@auct.co.th); the Company welcomed and would

consider and leverage every suggestion and recommendation for the improvement and development of the Company's operations.

## Section 2: The Equitable Treatment of Shareholders

Every shareholder, executive and non-executive, including Thai or foreign, majority or minority, institutional or individual, should receive equitable and fair treatment, which builds the confidence for shareholders that the Board of Directors and the management would appropriately care the monetary usage of leverage shareholders' funds, a critical factor that leads to the confidence to invest in a company.

Therefore, the Company has prescribed the governance of matters as the operational guidelines to ensure that, for shareholders' confidence, the Company operates with equitable treatment, with all shareholders receiving the common rights as a shareholder indifferently.

### Pre-AGM Providing of Information

In 2017, the Company held the Annual General Meeting (AGM) and provided equitable treatment to all shareholders as the following:

1. The Company allowed minor shareholders to propose additional meeting's agenda and nominees for appointment of directors during the AGM. In 2017, the Company had disclosed a letter to shareholders through the communicating channel of the Stock Exchange of Thailand (SET) in order to allow the minor shareholders to propose matters for consideration to become meeting's agenda and to propose nominees for appointment of directors in accordance to recruit

procedures three (3) months prior to the AGM, as required by the Company, on the Company's website, <http://investor-th.union-auction.com/>

2. The Company has a policy to support all shareholders to attend the meeting, including non-major and institutional ones, by selecting a conveniently-commuting place for the event to enable multiple alternative routes.
3. The Company had informed SET of the meeting's schedule, agenda, and the input of the Board of Directors, including regulations applicable to the meeting, voting procedures, and voting rights and communication through the Company's website, <http://investor-th.union-auction.com/>, for advanced notification to shareholders one (1) month prior to the meeting.
4. The Company had mailed the meeting's invitation to shareholders, both in Thai and English, not less than 14 days prior to the meeting.
5. For the 2017 AGM, the Company did not allow for non-preapproved agendas.
6. The Company allowed shareholders who were not available to attend the meeting to authorize proxy for another individual to attend the meeting and vote on their behalf by completing type-B proxy, which was delivered with the meeting's invitation; the shareholders could demand the direction of the authorized vote. Furthermore, the Company provided an alternative by providing two (2) eligible Independent Directors for receiving the attending and voting authorization from the non-attending

shareholders. For the 2017 AGM, no shareholders authorized proxy to the Company's Independent Director.

7. For transparency and auditability, the resolution of each agenda, through voting rights, was based on the majority vote, in which one (1) share was equal to one (1) vote.
8. In order to allow shareholders to their right of appointing new directors individually during the 2017 AGM, approval of appointment of directors to replace other directors at end of term, allowed shareholders to their right of appoint new directors individually in which the Company collected voting ballots from all attended shareholders in all voting cases: agreement, disagreement, and not-voting.

#### **Internal Control of Information**

The Company has policy and control on how directors and executives use inside information that is not publicly disclosed and stock trading for their own benefits as follows:

- The Company has provided the information to the directors and executives about their duties to report their own, spouses' and immature children's holding of the Company's securities to the Securities and Exchange Commission according to section 59 and the penalty of the Securities and Exchange Act of B.E. 2535.
- The Company requires the directors and executives to report their new holding or their exchanged holding of the Company's stock to SEC according to section 59 of the Securities and Exchange Act of B.E. 2535 within

3 working days from the transaction day and send the copy of the report to the Company on the same day as sending to the Securities and Exchange Commission.

- The Company has policy that directors, executives and employees in the functions related to the inside information, which can influence the stock price change hold their trade of the Company's shares for at least 30 days prior to the disclosure of financial statements or inside information and should wait for at least 24 hours after the disclosure. The inside information is also prohibited to be disclosed to other persons.
- Should there be any insider trading breaching the rule, the Company has identified the disciplinary penalty based on the nature of offense, the intention of the act and the critical degree. It starts from the written warning, wage deduction, suspension without pay or expulsion. The maximum degree of penalty, expulsion, shall be applied to the executives or related persons who take advantage on insider trading or tend to cause the damage to the Company or shareholders.

### **Section 3: The Role of Stakeholders**

#### **3.1 Respecting the Rights of Other Stakeholders**

The Company emphasized the importance of rights of every stakeholder group. These groups included shareholders, business partners, competitors, creditors, government sectors, employees, even the community, society and environment. There stakeholders were diverse and as a result, the Company stipulated a stakeholder

treatment policy concerning the following needs of the various stakeholder groups.

**Shareholders:** The Company supported shareholders in exercising their fundamental rights and determined to bring utmost satisfaction to its shareholders. This was done with a consideration for sustainable growth, increased product value and giving an appropriate, consistent return of investment. The Company conducted its business in accordance with the following corporate governance principles.

- The Company operates and conducts its business responsibilities by faithfully applying knowledge and management skills to the best of its ability. The Company cautiously makes fair decisions that bring the greatest benefit to each shareholder.
- The financial status, non-financial status and Company trends are reported to shareholders fairly, regularly and with complete honesty.
- The Company does not use any inside information that has not been disclosed to the public for the benefit of the Company or any other relevant parties. The Company protects confidential business information that any unaffiliated person could use to bring damage to the Company.
- damage to the Company.

**Employee:** The Company determined to develop the organization to be a learning center, create a good corporate culture and work atmosphere, promote team work, give fair remuneration and create a safe workplace and work environment. The Company emphasized employee training and developing employee capabilities. The Company paid

attention to employee comments and suggestions from all levels equally. Corporate culture was defined and enhanced with an awareness that every employee is a key component that brings success, advancement, and sustainable growth to the Company. Below are the Company's guidelines.

- The Company complies with laws and regulations regarding employees and carries out universal fundamental human right principles in which there is no discrimination in regards to race, gender, age, skin color, religion, disability, family name, place of education or any status that is not directly related to business operations. The Company pays respect to individuality and human dignity.
- The Company manages human resources in order that they are aligned with the Company's strategies and business goals. A clear, fair and transparent process for human resource management system aligned with the Company's direction is organized. This process is comparable to other leading businesses.
- Every overseer is responsible for managing their own department's human resources. This is done under the system and guidelines of human resource management. Overseers avoid any unfair treatment that could affect the stability of the employee's position.
- All development of human resources, organizations, overseers and employees must comply with the following:
  - The Company will choose and promote people who are good, competent, professional and

continually improve their knowledge and skills in order to be more effective in their responsibilities.

- Overseers have the responsibility of planning, following-up, evaluating, giving feedback and promoting personnel development equally.
- Employees have equal opportunities in developing their skills.
- Employees receive fair remuneration through career advancement. Remuneration is based on the quality and success of the employee's performance, attitude and potential.
- The appointing, rewarding or removing of employees must be done honestly and in accordance with the employee's competence, ability, behavior and suitability.
- The Company regularly monitors and maintains a safe working environment to protect the employee's life and property.
- The Company listens to the comments and suggestions of employees in every position equally by providing channels that employees are able to inform the Company regarding actions that are against the Company's work, regulations, orders, announcements or laws.

**Competitors:** The Company treated business competitors in accordance with the law, international competition principles and adhered to fair competition regulations as described below.

- The Company carries out business under competitive regulations with liberty and fairness.

- The Company does not seek confidential information of its business competitor in a dishonest or inappropriate manner.
- The Company does not destroy the reputation of competitors through accusations, slander and attacks without any truth.

**Business Partners:** The Company considered carrying out its business fairly and faithfully, protecting the interests of business partners, strictly complying with joint agreements and regulations and adhering to business ethics. The guidelines are stated below.

- The Company does not take or offer any inappropriate remuneration to its business partners.
- The Company strictly complies to conditions that it has with business partners. In the case that the Company is unable to comply with the conditions, the Company will rush to inform business partner in advance in order to find a resolution together by using reasonable principles.
- The Company seriously and regularly keeps the information of its business partners and does not use business partner's information for the benefit of the Company or any other relevant parties.

**Customers:** The Company determined to bring satisfaction and confidence to its customers along with anyone that received products and good service. The Company continued to increase product quality standards and maintained good and sustainable relationships with customers as stated below.

- The Company determines to improve the quality of products and service in order to consistently meet the needs of customers.
- The Company discloses accurate and up to date news and information regarding its products and services.
- The Company always keeps customer information confidential and does not take advantage of customer information for the benefit of the Company or any other relevant parties.

Creditors: The Company complied with agreement conditions fairly, treated creditors fairly and made payments on time. These were the guidelines.

- The Company strictly maintains and complies with agreement conditions regarding payment terms and other conditions with the creditors.
- The Company accurately reports its complete financial status to creditors in accordance with the loan contract agreement and corporate governance principles.

**Community, Society and the Environment:** The Company conducted its business with responsibility towards the community, society and the environment in regards to safety, quality of life, natural resource preservation and efficient energy use promotion. The Company was aware of the quality of life of the community and society around the Company. The Company gave back to the community and society by making contributions out of a portion of its profit. The Company was aware of business operations that could affect environment according to the following guidelines.

- The Company considers options regarding the use of natural resources without impacting or having as little impact as possible on the environment, society, and quality of life.
- The Company regularly contributes some profit to build society and the environment.
- The Company earnestly creates a consistent awareness of social and environmental responsibilities among all employee levels.
- The Company places an importance of business activities with business partners whose intentions regarding the environment, community and society are aligned with the Company.
- The Company brings long and short term benefits to people in every level of society.
- The Company joins and supports any activities that are aligned with the development policies for society and country. This includes campaign policies, prevention policies and promotion policies.
- The Company gives accurate information that creates understanding and pays attention to the problems that affect the surrounding community in order to be able to immediately solve the problems. This builds a good foundation in which the Company and society can live together without creating any conflicts and bringing mutual benefits.

#### **Anti –Corruption Policies**

The Company placed importance on measures that prevented corruption because corruption is a matter that

every sector faces and determined to adhere to these measures with visible conduct. The Company established written anti-corruption policies and this promulgation was put into effect on October 1, 2016. An “Anti-Corruption Group” was appointed to oversee this matter.

### **Policies**

The Company determined to comply with the laws regarding that prevent and oppose corruption, bribery of government officials, foreign government officials and public sector officials. The Company also prevented and opposed any acts that violated laws and corporate governance. People at all levels within the Company had to oppose and avoid any such actions.

### **Guidelines**

1. Employees of all departments had to comply with the Company's anti-corruption policies and business ethics by refraining from any form of direct or indirect corruption.
2. Directors and Company employees must not be negligent when notified of any form of corruption related to the Company by reporting any suspicious behavior to their supervisor or a person in charge. They must co-operate with any investigations. When any questions arose, they needed to consult their supervisors or any authorized person who had the responsibility of monitoring and following-up with business ethics via the provided channels.
3. The Company upheld justice and protected corporate agent who declined to participate in any kind of corruption and reported acts of corruption related to the

Company under measures that protect the complainant or protect anyone who cooperated by reporting corruption as stipulated in the Company's whistleblower procedures.

4. A person who performed an act of corruption impeached the Company's ethics. They needed to be disciplined as was stipulated in the Company's regulations and they could be penalized according to the law if such an act was illegal.
5. The Company realized the importance of broadcasting, giving knowledge and creating mutual understanding regarding the compliance of these issued anti-corruption policies to people who are affiliated with the Company or may affect the Company.

### **Political Contributions**

Political contribution is defined as giving financial support, giving materials and/or joining political campaigns and supporting the involvement of employees in attending political activities on behalf of the Company in order to receive a business advantage. This does not include employees that attended political activities according to their own individual liberties. However, claiming to be the Company's agent as well as bringing the Company's assets, equipment or tools for the benefit of advancing political parties is prohibited.

The Company's policy was to operate its business neutrally, remain neutral politically and refrain from supporting any professional politician from any political party. The Company will not contribute any finances or

materials to political parties, politicians or any political election representatives in order to receive a business advantage through political contributions as stated in the first paragraph.

### **Charitable Contributions**

Charitable contributions may put the Company at risk because charitable contributions involve expenses that do not give any visible return and could be misused as a claim to support corruption. The Company defined policies and regulations regarding charitable contributions and the assessment process in order to prevent charitable contributions from being used for any hidden agendas. The details are listed below.

1. Proof needed to be shown that donations were in accordance with the objectives of charitable projects, procedures achieves the project's objectives and the benefits that these projects created were beneficial to society and in accordance with the objectives of corporate social responsibility (CSR).
2. Proof needed to be shown that donations were for charitable purposes only and these donations did not benefit any person or agency other than receiving general acknowledgment of good conduct. Examples included logo attachment and announcing the Company's name in the location that the activity was held or in the media for public relations.

### **Sponsorship**

Sponsorship was another public relation method used by the Company. This method was different from

charitable contributions which were done to promote the Company's business, brand and reputation. This method could create risk because financial payments for these services were difficult to assess and follow-up. Financial sponsorship could be misused and could lead to bribes. Thus the Company established policies and regulations regarding sponsorship. The review processes and details regarding prevention are listed below.

1. Proof needed to be shown that sponsorships were requested in relation to activities mentioned in the projects, done in order to achieve the project's objectives, and were done in order to create benefits for society and in accordance with corporate social responsibility (CSR).
2. Proof needed to be shown that any sponsorship could be calculated as amount of money such as the value of sponsoring a place to stay and food. This must not be done for the mutual benefit of any person or agency other than other than receiving general acknowledgment of good conduct.
3. Regarding sponsors, request forms needed to be prepared that indicated the name of the person who received the sponsorship and the objectives of sponsorship. Every document regarding sponsorship needed to be submitted to an authorized person who had the ability to approve according to the Company's authority and rank.

### **Gifts, Hospitality and Other Expenses**

The Company realized that building good relationships with business allies was important and



continued to lead the Company to success. Employees were able to give gifts, hospitality and/or other expense forms to anyone and/or receive gifts, hospitality and/or other expenses forms from anyone that aligned with the following conditions.

1. Gifts were not intended to control, mislead or payback anyone in order to gain an advantage through any inappropriate conduct and there was no obvious exchanges or hidden purposes in order to acquire help or benefits.
2. Gifts were in compliance with relevant laws and regulations.
3. Giving was done behalf of the Company not in the employee's name.
4. Gifts were not in the form of cash or cash equivalents such as gift vouchers or complimentary cards.
5. Gifts were given in appropriate circumstances such as small gifts during the Songkran festival, Chinese New Year or New Year's all of which are common traditions.
6. The type and value of the gift was appropriate for the time and place. For example, when the Company submitted a bid, employees must not take any gifts or hospitality gifts from the Company as a part of the bid submission.
7. Gifts needed to be given publicly, not privately.
8. Employees could receive gifts that had a value that did not exceed 2,000 Baht. In the case that an employee cannot refuse a gift that has a value more than 2,000 Baht, the employee must inform their supervisor by using a gift report and give the gift to the secretary of

the managing director in order to reward the employee or make an appropriate charitable contribution.

### **Risk Assessment**

The Company's executive directors needed to prepare a control self-assessment (CSA) that covered all the risks that could occur as a result of regular fraud or corruption and reviewed the current risk preventative measures to see their appropriateness in order to be able to prevent risk within acceptable levels.

### **Human Resources**

The Company will use its anti-corruption policies as part of the Company's human resource management. This included selection, training, evaluating, remunerating and promoting employees.

### **Training and Communication**

#### **Employees**

All Company employees will be notified in order to acknowledge the Company's anti-corruption policies. Training will be held in order make the Company's executive directors and employees aware of the importance of these policies. Any changes or additions made to the Company's anti-corruptions policies will be displayed on the Company's website.

Intermediaries, Business Intermediaries, Representative Distributors/Service Providers and Other Relevant Persons

The anti-corruption policies will be communicated to agents, business intermediaries, distributors/service providers and other relevant persons from the time business relationships are formed and later when appropriate. The Company supports that agents, business intermediaries, distributors/service providers and other relevant persons adhere to the same corporate social responsibilities in the same manner as the Company.

#### **Following-Up and Revisions**

If any changes are made to the anti-corruption policies, they will be reviewed by the human resource department and proposed to the audit committee and the board of directors in order to be approved. The human resource department is responsible for monitoring and conducting business activities in line with these policies and giving consistent advice. Any changes made to these policies must be done as soon as possible.

#### **Penalties**

Penalties must be done in accordance with the Company's code of conduct and/or in accordance with any relevant laws.

#### **3.2 Filing complaints or information**

The Company has the policy to allow all stakeholders to contact the Company through many channels for better care of all. The contact can be made according to the complaints handling process via following channels:

**Letter: The Company Secretary**  
**Union Auction Public Company Limited**

518/28 Soi Ramkhamhaeng 39 (Thepleela 1),  
Wangthonglang sub-district, Wangthonglang  
district, Bangkok 10310

**Website:** <http://www.auct.co.th>

**Tel:** 02-934-7339-49

**Fax:** 02-935-6202

The employees can contact directly to the Board of Directors and the Executives via the company's e-mail.

#### **3.3 Channels of Communication**

The Board of Directors authorizes the company's Management team to be in charge of the communications and the disclosure of information that is accurate, complete and timely to investors and other relevant groups via various channels, such as brochure, newspaper, radio, television, meeting, press conference, website, e-mail which can send and receive information fast and accurately. The investor relation department is responsible for such matter.

#### **3.4 Investor Relations**

The Company has set up the Investor Relation team to be responsible for communication with investors, shareholders, analysts and interested people.

Investor Relations contact

**Address** Union Auction Public Company Limited

518/28 Soi Ramkhamhaeng 39 (Thepleela 1),  
Wangthonglang sub-district, Wangthonglang district,  
Bangkok 10310

**Email** [investor@auct.co.th](mailto:investor@auct.co.th)

**Web site** <http://www.auct.co.th>

**Fax:** 02-935-6202

**Tel:** 02-934-7344-8

#### **Section 4: Disclosure and Transparency**

The Company acknowledges that the information disclosure of financial statements and general information need to be

accurate, complete, timely and transparent in compliance with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The other significant information that may affect the price of the Company's securities which in turn impacts on the decision making of the Company's investors and stakeholders shall be published to and be accessible to by the Company's shareholders, investors and public via channels and media of SEC and SET as well as the Company's website, <http://www.auct.co.th>

#### **4.1 Financial Report**

Board of Directors is responsible for the Company's financial statement and information published in the annual financial statement. Such financial statements are arranged according to the generally accepted standard accounting in Thailand that is suitable and consistent. The information in financial statement shall be disclosed at sufficient level. Audit Committee shall review and audit the quality of the financial report and internal control system, including the significant information disclosure in the financial statement notes.

#### **4.2 Director's Transaction**

- 1) The Company has the policy that Directors reveal every report of share buying and selling and the securities holding of the company.
- 2) The Company has the policy that Directors have to report their conflict of interest to the Audit Committee.
- 3) The Company has the policy that the report of significant transaction needs to get approval from the Audit Committee.

#### **4.3 Disclosure and Transparency**

#### **Disclosure Policy**

The Company realizes the significance of management and business undertakings in accordance with the Corporate Governance Principles. To promote information disclosure, which is accurate, complete, transparent and equitable, in compliance with the regulatory requirements, the Company deems it appropriate to formulate the Company Disclosure Policy for pursuance by directors and management.

#### **Authorized Spokespersons**

Chief Executive Officer, Managing Director and Deputy Managing Director have authority to consider and make decisions on content of significant information for public disclosure. Anyone of them shall be able to disclose information by himself / herself or assign relevant parties to handle this task.

#### **Dissemination of Information**

The Company information shall be accurate, transparent, equitable, reliable, straightforward, clear, easy and punctual.

The disclosure of information in any regulatory report requirements shall meet the deadline and frequency as specified by laws or government agencies, classified by types of information.

Information that influences the price of the Company stock or affects investment decisions or affects shareholders' benefits, shall be disclosed after submission to the Stock Exchange of Thailand (SET)

#### **Prohibited Activities and Remedial Actions**

There shall be prohibition of release of confidential business information or information that may lead to loss of benefits and competitiveness or information on pending negotiations

or information based on exaggerated projections and/or irrational promotion. Improper wording or styles of presentation that may misdirect the price movement of the Company stock shall be avoided.

In cases where there are disclosures of information which is inaccurate, erroneous, deviated from facts or under misinterpretation or mistranslation in any significant way, Chief Executive Officer, Managing Director and Deputy Managing Director shall clarify all facts for correct understanding immediately.

#### **Management of Leaks of information or Rumors**

In any significant events, when there are news reports deviating from the facts pertaining to the Company or reports with reference to inaccurate information or leaks of significant information to a third party or untimely disclosure of information, which may lead to rumors that affect the stock price and/or performance of the Company, either positively or negatively, Chief Executive Officer, Managing Director and Deputy Managing Director shall report all significant information and facts to the Stock Exchange of Thailand (SET) for the correct understanding immediately.

#### **Protection against Abuse of Inside Information Access to Company's Information**

The Company would not provide special treatment to any shareholders. All shareholders, including minor and institutional shareholders, have equitable right to access the Company's information in accordance to the Equitable Disclosure of Information Policy and have sufficient information through the Company's disclosing channel.

Telephone: 02-9347339 – 49 ext. 148

Website : [www.auct.co.th](http://www.auct.co.th)

Investor Relations : [ir@auct.co.th](mailto:ir@auct.co.th)

The Chairman of Executive Board would pertain to inside information, and the Company's Top Management would pertain to the Company's management approaches and policies. All personnel must keep confidential of their responsible information. The Company would not disclose the significant information that have not yet been disclosed to the public to unapproved employees, personnel or related personnel (including medias and analysts) until the information is displayed to the public as adhered to the following requirements:

1. Prohibited executives and personnel with insider information, including investor-relation personnel, to use the information for benefits of oneself and/or others, which is equivalent to take advantage of other shareholders, such as insider trading, and to trade within one (1) month prior to disclosing of financial statement or other relevant information until the Company discloses the information to SET.
2. The Company would communicate information to investors, analysts, relevant investing parties, and shareholders through communicating agents appointed by the Company with the investor-relation personnel acts as the main coordinator in communicating and coordinating with analysts, investors, and other personnel requesting for financial information, operating results, the Company's financial status, and other operations with impacting to the Company.
3. Avoid providing information related to operations impacting share price or leading to benefits for specific individual during the Quiet Period, or the preparation period of financial statements to SET which is one (1) month prior to the official disclosure through SET's

communicating channel. As an exception, when an issue or situation leads to incorrect financial information on the operating results, leading to misunderstanding of the person who uses the information, the Company would display the information to SET.

## **Section 5: Responsibilities of the Board of Directors**

### **1. Board of Directors' Structure**

The Board of Directors consists of persons with knowledge, expertise and experience beneficial to the business and committed to conduct the efficient administration for the quality growth and sustainability of the business. The business administration focuses on ethics and utmost benefits for shareholders. The Board of Directors identifies the policy, vision, mission, objectives and supervises the executive team to align with such policy in compliance with the law, regulations and resolutions of the shareholder meeting with responsibility, caution, honestly, transparency according to the good corporate governance.

Currently the Company's Board of Directors consists of 7 directors, three of which are Audit Directors who shall bring balance to the vote on any cases in compliance with the regulations of SEC and SET.

According to the Company's articles of associations in the annual general meeting, one third of the directors shall retire from the committee. If the number of directors cannot be divided in full three parts, it can be the closest rounded number. The list of the one third retired directors in the first and second year after the company registration shall be selected by casting lots. After that, the directors who have held the position for the longest of time shall retire. The directors who retire from office by rotation can be re-elected.

The Company also appointed 3 sub-committees which are Audit committee, Risk Management Committee and Nomination and Remuneration committee to operate on the specific cases and proposed to the Board of Directors for consideration or acknowledgement within the assigned authority extent.

The Company has segregated the roles and responsibilities of the Board of Directors and the Executives. The Board of Directors identifies the policy and supervises the Executives to perform according to the policy while the Executives administrate the Company in all functions to operate according to the policy. So the Chairman of the Board and Managing Director shall not be the same person. Both of them have to be selected by the Board of Director as the most qualified candidates.

The Company has a Secretary to the Board of Directors to provide the advice on regulations that Committees need to know, to conduct the Committee's activities and to coordinate with other functions to ensure the resolutions of committees which are implemented. The secretary's duties also include the organization of the Board of Directors meetings, shareholder meetings, preparation of the minutes of Board of Directors meetings, shareholder meetings, and the Company's annual report and also store the significant documents required by law.

### **2. Roles, Duties and Responsibilities of Committee**

The Company's Board of Directors consists of individuals who have knowledge, skills, and expertise in various fields, apart from the acceptable leadership. The Board of Directors shall participate in setting up the vision, mission, strategy, business direction and shall regulate the Company's business administration to ensure the compliance with the

law, objectives, article of associations and resolutions of the shareholder meetings.

### 2.1 Regulatory Policy

The Company has set the regulatory policy for the Company's business in writing. Such policy and practice shall be reviewed regularly as appropriated. Moreover, after the common shares of the Company are registered in the SET, the Company shall follow the rules and regulations of SEC and SET and/or Market for Alternative Investment (MAI). The report of Company's practices shall be published in the Annual Report and Annual Registration Statement (Form 56-1). The Company encourages every director and secretary to take any training course relevant to the business administration provided by the Thai Institute of Directors Association (IOD), SET and other institutions to enhance their knowledge and expertise to further develop the Company's business administration.

### 2.2 Business Ethics

The Company has set up the Code of Business Ethics for Board of Directors, Executives and employees as the guidelines for their practices to accomplish the Company's mission with honesty and ethics. They include the practices towards the Company, all stakeholders, public and society. The monitoring system has also been set up.

The Company has announced and informed every employee to ensure their acknowledgement and strict practices.

### 2.3 Conflict of Interest

The Board of Directors shall consider the report done between any persons who have conflicts of interest carefully and reasonably. The Board of Directors has set up the policy on the conflicts of interest transactions based on the principle that any decisions on business transactions must be made at the same standard as a person of ordinary prudence, shall do with general partner, with no influence on trading negotiation from the executive director status or any related persons. All transactions shall be conducted with respects to the highest interests of the Company only. Any actions that may lead to conflicts of interest must be avoided. The person who is relevant to or connected with the case to be considered is obliged to acknowledge the Company on his/her relationship to or connection with such matter. He/she is not permitted to join the party which judges the case and does not have the approval authority in such particular transactions.

The Audit Committee shall report to the Board of Directors the connected transactions and the transactions containing conflicts of interest that have been carefully considered and been in compliance with the regulations of SET and/or SEC. Such information shall be disclosed in the financial statements, the annual report and the annual registration statement (form 56-1).

In 2017, the company had significant transactions with related parties which was defined as assets acquisition as follows :

Purchaser	Union Auction Public Company Limited
-----------	--------------------------------------

Seller Sahakarn Holding Company Limited, engaged in real estate business.

Relationship of Authorized directors of Union Auction related parties Public Company Limited and Sahakarn Holding Company Limited as follows :

1. Mr. Thepthai Sila

2. Mr. Varunyoo Sila

Type of assets 1. Van Mercedes Benz VITO, price acquisition 1,700,000 Baht (VAT excluded)

(Car) For the management travel to meetings or business contacts.

2. Sedan Mercedes Benz S500E, price 5,200,000 Baht (VAT excluded)

To use as the managing director car.

The Board of Directors and all three directors of the Audit Committee considered the transactions as reasonable and is benefit of the company. Moreover, the purchase prices are conform the market prices.

## 2.4 Internal Control System

The Company realizes the importance of the internal control system in both executive and operation levels. In order to control the shareholders' capital and the Company's assets, the Company has set up the operational guidelines to increase the efficiency of the internal control system. These guidelines become the operational policy and identify the duties and operational power of the operators and the executives in writing. The duties of operators, supervisors and assessors are segregated. The policy also controls the Company's assets deployment to maximize its benefits.

The Company appointed the Audit Committee to review that the internal control system and the internal audit are appropriate and efficient for the business, and the assets are efficiently deployed.

In order to prevent the potential damage or fraud, the Company shall outsource the internal auditor to observe and monitor the internal control system and review the significant matters consistently. He/she shall coordinate with the Company's internal audit function and report to Audit Committee on the sufficiency and efficiency of the internal control system that covers the operations and Compliance Control, risk management and the significance given to the abnormal issues. The suggestions to improve the internal control system shall be provided in order to assure that the Company has the efficient system and supports the credibility to the Company's financial statement.

## 2.5 Risk Management

The Company has the risk management committee to consider and set up the direction to prevent the risks from internal and external factors that can cause the damages to the Company.

## 2.6 Report of Committee

The Audit Committee shall review the financial statement with the Accounting and Finance department and accounting auditor. The financial statements shall be reported to the Board of Directors on the quarterly basis.

The Board of Directors is responsible for the

Company's financial statements and information (report the committee's responsibility for financial statements) appeared in the annual report. Such financial statements

are prepared in accordance with generally accepted accounting principles and are audited by the Company's auditors. The disclosure of significant information, both financial and non-financial information, is based on the complete and consistent facts.

### 3. Board Meeting

The Company sets up the regular board meeting every 3 month. The extraordinary meeting shall be called upon if necessary with clear agenda. The relevant documents must be delivered to the board at least 7 days in advance so that the board can have sufficient time to study the information before the meeting, except for any emergency cases. In the meeting, the Chairman of Board and Managing Director shall identify the meeting agenda together and consider the issues to be conducted in the Board meeting.

Each director shall have opportunity to propose the issues to be considered for the meeting agenda. When considering each topic, Chairman of the board who is also a chairman of the meeting shall provide opportunities to directors to express their opinions independently. In some meetings, the top management may attend the meeting as relevant in order to provide the detail information that can be useful and to acknowledge the policy directly in order to cascade to the operations efficiently. The resolutions of the meeting rely on the majority vote. One director has one vote. The directors who are also stakeholders shall not attend the meeting and/or not vote in that matter. If the votes are tied, the chairman of the meeting shall give one more votes as the casting vote.

In 2017, the Company arranged 5 board meetings. The Company assigned the Secretary of the Board of Directors to attend every board meeting. He/she took the minutes of

meeting and Chairman of the Board signed for approval. The minutes shall be presented as the first topic in the next meeting's agenda. He/she shall be responsible for the information or documents related to the meetings storage should they be needed later.

### 4. Term in Position

The Board of Directors term in position is in compliance with the Public Limited Companies Act BE 2535. The Independent Directors term in position is 3 years and can be continued for no longer than 3 terms unless they get the unanimously vote from the Nomination and Remuneration Committee for their high contribution to the company and their term in position do not make them lose their independence. It shall also get approval from the Board of Directors and Shareholders.

### 5. Remuneration

The Company has remuneration policy for directors and executives motivation. The Nomination and Remuneration committee shall set the rate based on the Company's business performance and in line with the same type of business/ industry and suitable for each director/ executive role and responsibility. The Company shall set the rate of remuneration to be competitive in the same industry in order to sustain the quality executives. The executives who are assigned for additional roles and responsibilities shall receive additional remuneration. The remuneration for directors is transparent and approved by the shareholder meeting. The remuneration for executive directors shall be disclosed in compliance with the SEC's regulations.



## 6. Director and Executive Development

The board has policy to provide support and convenience for the training and corporate governance in order to continuously improve the operations. When there are any changes in the director positions or new director appointment, the management shall provide the relevant documents and information and arrange the orientation of the business nature and business direction to the new directors. In summary, the directors and executives attended the 2017 seminars as follows:

In 2017, the directors and executives attend the seminars as follows :

Assoc. Prof. Dr. Sauwanee Thairungroj

23, 30 July 2017 : Advance Audit Committee Program, Thai Institute of Directors )

Ms. Anchalee Bhakkalin

13 March 2017 : In-depth New Writing of CPA Report, Dept. of Business Development Commerce Ministry

15 March 2017 : Updated Tax and Auditing Tax Guideline of Tax Officer in 2017, Dharmniti Office of Management Development co., Ltd.

16 October 2017 : Accounting Practices for Employee Benefits : TAS 19, conducted by Actuarial Business Solutions Co., Ltd.

10 November 2017 : Tax in Digital Era, Dharmniti Office of Management Development co., Ltd.

19 November 2017 : Understand Each Thai Financial Reporting Standards of 2017 Class 2/60 ; Leases , by Federation of Accounting Professions

20 December 2017: Trend of TFRS 2016 and 2017 Class 3/60 , by Federation of Accounting Professions

Miss Chittra Chantakui

29 April – 1 July 2017 : Managing People for Organizational Success Class 2, Faculty of Commerce and Accounting, Thammasat University

16 October 2017 : Accounting Practices for Employee Benefits : TAS 19, conducted by Actuarial Business Solutions Co., Ltd.

25 – 26 December 2017 : Occupational Safety and the working environment, Human Resources Dept., Union Auction Pcl.

Mr. Nitid Sopon

16 October 2017 : Accounting Practices for Employee Benefits : TAS 19, conducted by Actuarial Business Solutions Co., Ltd.

Mr. Kriangsak Dhammaraksa

23 March 2017 : Digital marketing) , by Ready Planet Co.,Ltd.

## 7. Report

The Board of Directors is responsible for financial statement report and general information report to shareholders and other investors and ensures. It is accurate, complete, transparent and has reasonable explanation with supporting figures in the aspect of the operation policy, future potential and the success and challenge of the business.

1) The Board of Directors understands and supports the compliance with the professional standard of auditing practice.

2) The Board of Directors reflects its responsibility in the financial report disclosure in the annual report every year, together with financial statement and auditor report include.

3) The Board of Directors understands and supports the compliance with the professional standard of auditing practice.

3.1) It is an action in compliance with the law that requires the Board of Directors to prepare the true and reasonable financial statement and operation performance in the previous.

3.2) It is responsible to manage to get the accurate and complete accounting data that is sufficient to maintain the company's assets and to reflect the concerned points in order to prevent the corruption or abnormal operation.

3.3) It is the confirmation that the Company follows the generally accepted accounting standards, exercises the proper accounting policy and consistently practices it, and uses its reasonable judgment on the financial statement preparation.

## **8. Succession Plan**

The Board of Directors manages to have the succession plan for executive positions by developing the talents for their knowledge and capabilities to be ready for the succession of key positions in the future. The criteria were set systematically.

## **9. Board self-assessment**

The Board of Directors sets the self-evaluation for the directors once a year which focuses on the performance based on the good corporate governance. The Board of Directors will review the result of director's performance for further improvement and development.

## **10. New director orientation**

The Board of Directors provides the orientation to all new directors before acting so that they know the expectation of their roles, duties and responsibilities, the company's policy and operational guideline for the corporate governance. They should understand the business nature and various operational aspects of the company. In 2017, there was no new director.

## **11. The Board and Executive Positions in other firms**

The Board of Directors the passed the resolution regarding the board and executive positions in other companies that they cannot take a position as a director or executive in other companies or businesses which can cause conflict of interests with the company.

## **12. Contact with the Executives**

The Board of Directors supports the top executives to attend the meetings with the board and present the information of their own area to the board meetings. The Board of Directors can get the information and comments directly from the responsible executives while the executives have opportunity to learn and understand the view point of the board.

Moreover, the Company sets up the meeting of the executive committee every week. In this session, the executive director will regularly follow up and share comments with top executives.

## **13. Producing of Stakeholding Report of Directors, Executives, and Relevant Parties**

The Company requires producing of stakeholding report of directors, executives, and relevant parties as fundamental for governance of stakes held at the director and executive levels, requires directors and executive to produce such

report, and requires the Company Secretary to be responsible for record keeping, leveraged for investigations and governance on conflict of interests. Pertaining changes, executives are responsible to report the changes to only the Company Secretary.

#### **14. Producing of Changes in Investment Holdings Report**

For internal control, the Company requires that its directors and executives, including their spouses and children under the legal age, when their investment holdings of Union Auction Public Co. Ltd. change, must inform the Company, report the changes to the Securities Exchange Commission Thailand (SEC) and the Stock Exchange of Thailand (SET), as required by Clause 59 and of the Securities and Exchange ACT B.C. 2535, within three (3) days starting from the date of buying, selling, or transferring, and be responsible to report buying, selling, and holding of the Company's shares during the following Board Meeting. Every quarter and at year end, Office of Company Secretary would create a letter prohibiting directors or divisions with insider information from disclosing the information to external personnel or those unrelated and from buying and selling of the Company's shares within 45 days, from the book closing date to the reporting date to SET or prior to financial statements being disclosed to the public, in order to prevent inappropriate use of insider information, in which throughout the past year the directors and executives had strictly complied.

#### **15. Nomination of Directors, independent directors and Executives**

##### **Nomination of Directors and independent directors**

The Nomination and Remuneration Committee shall nominate the candidates of directors who comply with the section 68 of Public Company Limited Act B.E. 2535 and the Securities and Exchange Commission Act or the Capital Market Commission Act relevant to the business. Other qualifications in other aspects shall also be taken into account, such as knowledge, expertise and experience relevant to the business itself and the benefits of the business.

Remuneration and Nominating Committee is responsible for nominating individuals qualified to be the Company's directors and propose for an appointment to the Board of Directors to fill the vacancy for reasons other than retirement by rotation or propose to the Shareholders' Meeting for further consideration. Shareholders of the Company also have the opportunity to nominate qualified individuals for election as directors in advance according to the rules prescribed by the Company.

Shareholders have the Right to Vote for the Appointment of Directors According to the Following Criteria:

1. The number of votes each shareholder has is commensurate with the size of their shareholding – i.e. one vote per share.
2. Each shareholder must exercise all the votes that he or she has when appointing one individual or several individuals to be director(s), but shall not split his/ her votes among different individuals or groups.
3. Those individuals receiving the highest number of votes shall be elected to serve as directors depending on the number of vacancies available at the time. In the event of more than one person receiving the same number of votes for the last vacant position, the chairman of the meeting shall have a second and casting vote.

4. At shareholder's meetings, any director can be dismissed from the Board of Directors before his/ her term is up, if there is a resolution of no less than three-quarters of the number of shareholders in attendance and who have the right to vote. Moreover, the shareholders who vote must collectively hold no less than half the total number of shares owned by the voting shareholders present at the meeting.

In assuming the position of Director and/or Independent Director, each director will receive all important information about the Company, along with the Articles of Association of the Company related to the roles and responsibilities of the Board of Directors, as well as advice concerning the laws, rules, regulations and conditions relating to being a Director of a listed company on the Stock Exchange of Thailand. The person will also receive an orientation of the Company's business.

If there is a vacancy on the Board of Directors for any reason other than a retirement by rotation, the Board of Directors shall elect a person who has the qualifications and possesses no prohibited characteristics under the law as a substitute director, unless the remaining term of office of the vacating director is less than two months. The newly-appointed director shall hold office only for the remaining term of office of the director whom he or she replaces. Such appointment must be approved by a vote of not less than three-fourths of the number of subsisting directors.

Each independent director may hold the position of independent director for no more than a maximum of nine consecutive years from the date of the 2015 Annual General Meeting of Shareholders, unless he or she is re-elected by a shareholders meeting to hold such position in excess of nine

consecutive years based on the reasons and necessities as proposed by the Company

#### **Nomination of Executive Board**

The Board of Directors appoints the Executive Board by selecting from directors or top executives of the Company who have capability to administrate the normal business operation and administration of the Company. They shall also be able to set up the policy, business plan, budget, administrative structure and examine and monitor the operations to be in line with the company's policy.

#### **Nomination of Executives**

The Board of Directors and/or authorized persons from Board of Directors shall consider and appoint the Executives from the staff who have experience, knowledge and expertise in relevant fields.

#### **Audit Fees**

At the end of accounting period of December 31, 2017, the Company paid the audit fees to Pricewaterhouse Coopers ABAS Co., Ltd. for 1.87 million baht.

The individual or business related to the auditors and the audit firms are not related to the Company

## Common Shares Held by Directors & Executives

Name	Position	As of Jan 20, 2017	As of Feb 9, 2018	Increase (Decrease)
1.Assoc. Prof. Dr. Paiboon Sareewiwatthana <sup>/1</sup>	Chairman of Board of Directors	7,200,000	7,200,000	-
2.Assoc. Prof. Dr.Sauwanee Thairungroj	Chairman of Audit Committee / Independent Director	-	-	-
3.Assoc. Prof. Dr.Montri Sokatiyanurak	Audit Director / Independent Director	-	-	-
4.Mr. Sarawut Charuchinda	Audit Director / Independent Director	-	-	-
5.Mr. Suvit Yoadjarust	Director / Chairman of Executive Board	6,388,800	3,616,200	-2,772,600
6.Mr. Thepthai Sila <sup>/2</sup>	Vice Chairman of BOD / Managing Director	23,999,000	24,936,300	937,300
7.Mr. Varunyoo Sila	Director / Deputy Managing Director	-	-	-
8.Mrs. Anchalee Bhakkalin	Deputy Managing Director, Account & Finance	-	-	-
9.Mr. Phaophonng Temsamrit	Deputy Managing Director, Operation Dept.	-	-	-
10.Mr. Kriangsak Dhammaraksa	Assistant Managing Director, Information Technology	-	-	-
11.Ms. Chittra Chantakui	Assistant Managing Director, Human Resources and Legal Dept.	-	-	-
12.Mr. Nitid Sopon	Assistant Managing Director, Operation Dept.	30,000	30,000	-
13.Mr. Sutee Samathi	Assistant Managing Director, Business Development and Marketing	8,000	8,000	-
14.Miss Poonsil Kaewchamngong	Acting Assistant Managing Director, Office of the Directors	10,000	10,000	-

**Note:**

/1 Include spouse 6,700,000 shares

/2 Include spouse 5,000,000 shares

## Corporate Social Responsibility

Union Auction Public Co., Ltd. aim to develop sustainability to our business to ensure short and long-term benefit of its stakeholders, mutual and consistent growth of business partners or alliances with the Company, and well-being of the community and society.

To enhance business's growth together with the stakeholders, the Company realizes the importance of promoting creating of shared value and social responsibility by its personnel; hence, sustainability development has been embedded as part of daily assignment, business operations, and organizational culture with clear director in strategies. However, the Company cares for results, implementations, customers, and personnel's development, creation of innovations and attaining and retaining of relationships with business partners by considering impacts from business operations to all stakeholders not only in terms of economics, community, and society but also environment in accordance to the following concept of building a sustainable organization:

### 1. Business Fairness

#### 1.1 Fairness in business competition

The Company has policy to operate the business with transparency and open for the audit at all levels. The Company has no policy to take advantages on its competitors by playing unfair games, such as distorting the business information to make customers or trade counterparts misunderstand in order to make use of its advantages on competitors in the same type of business.

#### 1.2 Fairness to trade counterparts

The Company has policy to do business honestly and to be responsible for every trade counterpart fairly. Every automobile of the Company's auction services is guaranteed for its engines and exterior condition. Trade counterparts include customers both buying from and selling to the Company through the auctions.

### 2. Human rights respect

#### 2.1 Human rights respect for internal corporate

The Company respects the human rights and provides the equal treatment to every person in the corporate according to the working contract, regardless of gender, nationality, religion, or any others that could lead to the lack of unity or inequality. The Company also encourages the promotion for employees according to their individual capability regardless of other factors.

## **2.2 Human rights respect for external corporate**

The Company maintains the respect to other parties related to its corporate. The treatment to trade counterparts or business partners shall not take the nationality, religion or other factors into consideration.

## **3. Fair Treatment to Employees**

### **3.1 Equal employment**

The Company has the regulations of the equal and fair employment following the employment contracts and does not discriminate the origin of employees or others, such as educational institution, etc. The Company hires the employees based on their educational degrees, qualifications that meet the requirement of each position. The contracted hiring rate complies with the generally accepted standard.

### **3.2 Convenience and safety in the work place**

The Company has set the security system in the work place following the international standard and has provided the basic welfare for employees in the Company, such as drinking water, water closet, canteen, relaxing area, etc.

In the year 2016, the Company in conjunction with Bangpakok 9 International had conducted annual health check up for employees whereby the programs were selected to match with their age. In order to protect them from severe disease, Cervical Cancer screening had been conducted for women and Prostate cancer screening for men who had age more than 35 years. In addition, the Company implement additional health care program with special discount rate as well as publicized healthy news and activities to all employees. The news were focus on seasonal health protection and illness from the office environment i.e. office syndrome, diabetes, and high blood pressure etc.

### **3.3 Career Path**

The Company realizes the importance of employee's career path in the Company. The promotion of each employee depends on his/her own potential. The Company encourages the employees to attend the training course to develop their potential and skills which, as a result, will enhance their performance on their duties. The Company shall also consider and support the promotion of their career without obstruction or discrimination on each individual.

## **4. Responsibility for Consumers**

### **4.1 Safety for trade counterparts**

The Company has set the auction sites that are clean and safe for customers, both coming to sell and coming to buy the vehicles at the auction. The Company provides the waiting area in the air-conditioned room and the auction sites based on the convenience and safety of customers. The free drinks are of service along the auction process.

#### **4.2 Product information**

The Company prepares the information documents of each auctioned vehicle for the interested bidders. The Company is responsible for every vehicle that the bidder wins from the Company's auction, with the guarantee for the ownership transfer. If the bidder finds any problem on the ownership transfer, the Company shall accept the return of that vehicle.

### **5. Environment Conservation**

#### **5.1 Resource conservation for sustainability**

The Company has campaign to encourage employees to reduce the usage of disposable materials that have the effect on environment, such as the amount of paper used in the operations and the meetings, to replace by electronic mails, and also to maximize the value and efficiency of energy consumption in the corporate.

#### **5.2 Pollution Prevention**

The Company intends to conserve the environment and prevent the pollution around the company by watering the vehicle storage facilities and the streets in and outside the Company's area to reduce the dust pollution. During the auction, the vehicles shall start the engines and keep them on as necessary only in order to reduce the pollution of exhausted gases and noise within the Company and neighborhood area.

### **6. Community and Social Development**

#### **6.1 Role in Labor Market**

The Company has played the important role in the labor market of the country for more than twenty years in the auction business. The Company has strictly complied with the rules and regulations of the Ministry of Labor regarding the labor law in order to continuously support the community's growth and strength.

#### **6.2 Contribution to the Community**

The Company has arranged to have the police inspection points in the Company's area in order to prevent the potential dangers to the Company and the community in neighborhood area. The main objective is to encourage the well living together and safety of the community.

The Company maintained a clean environment in the Company's alley entrance to ensure cleanliness and safety. The Company worked alongside a Wangthonglang district agency and telecommunications companies to get rid of the vines wrapped around telephone lines and to keep power cables from dangling in order to ensure the safety of car users on roads in these areas.

#### **6.3 Contributions to Society**

Early in 2017, the Company cooperated with customers to donate money in order to provide food, clothes and appliances for flood victims in Laem District, Hua Sai, Nakhon Si Thammarat.



### **The Innovation Derived from Social, Environmental and Stakeholders' Responsibility**

Development of a new auction management system.

The Company developed software to support new auction patterns and developed a modern information technology system to support data services for both buyers and sellers.

Bidding with the application system.

The Company developed a new auction pattern to meet the needs of bidders and increase transparency in order to build both the buyers and sellers confidence. The focus is on using software technology to change auction patterns from raising bidding cards to bidding through the application system.

The E-Auction system was developed, improved and used over the past 5 years to accommodate bidders who want to participate in bidding from any location that has internet access. Online bidders see a live video feed and hear the audio from the auction site via the Application. The Company used to rent software from overseas that was very expensive. In the middle of 2016, the Company started using the E-Auction system that the Company developed and it was successful. The system has been continually developed for the convenience of bidders.

In 2017, the E-Auction system was developed to support a mobile bidding system for bidders for greater convenience.

E-Onsite is a system that was developed by the Company in 2017 to accommodate auction participants who wish to bid via an Application at the auction site. The Company aims to reverse bidding patterns to a whole digital bidding system through the Application. Through the use of the application, the bidder's behavioral data will be collected at every stage and this increases transparency and the ability to monitor at all times.

Managing the Beautiful Cellular Numbers Auction for the year 2017, NBTC.

The Company developed bidding software on the Application via mobile devices. This was the first time that the entire auction was done using the mobile bidding system in Thailand. The Company successfully managed the auction and was entrusted by the NBTC to conduct all three auctions in 2017. This was in accordance with the intentions of the NBTC to respond to Thailand's government policy 4.0.

### **8. Business expertise appliance to social organizations**

The Company has applied the innovation and business expertise to social organizations, such as the auction of the vehicles that belong to the governmental agencies, with the focus on the benefits of the governmental agencies and social organizations.

## Internal Control

The Company placed a continuous emphasis on internal controls, realizing that internal controls are an important key to enabling the Company's business operations to achieve its goals efficiently and effectively. Implementing resource and property protections, reporting financial information and working in compliance with laws and regulations protect and reduce the risk of any acts that bring damage to the Company. The board of directors defined the roles and responsibilities of committee boards and executive management distinctly which included supervising to make sure they operated according to their roles and responsibilities. Corporate structure and line authority was clearly stated in order to have balance of power and have pertinent internal controls. The business goals and the Key Performance Indicators (KPI) were also stipulated in order to examine the effectiveness of the operations and regularly follow-up the business's performance compared to the Company's goals.

This included corporate governance policies, business ethics, the code of conduct for directors, executives and employees, anti-corruption policies, written policy of notification of clues and complainant protection. It included consistent support of employees to work in good conscience by providing annual employee training in order to conduct business with transparency and with fairness to all stakeholders. It monitored a follow up process, stipulated prominent penalties, reviewed and prepared operation manuals for each system in a written form in order to be used for operational guidelines. This enabled the business to be agile and systematic by considering the scope of roles, responsibilities and the appropriate internal control systems.

The board of the Company stipulated that the internal committee be responsible for the appropriate and effective supervision of the internal control systems, risk management systems and good corporate governance systems. The committee also monitored compliance to relevant laws and regulations, prevention of any conflicts of interest, preparation of connected transactions, care for and efficient use of any property in order to prevent any corruption or misconduct. The Company organized assessment processes and balances by appointing an outsourced independent internal audit and internal audit division to review and examine the efficiency and adequacy of the internal control systems. This included risk management and good corporate governance systems of business operations for every department in the Company. This was done by complying with the international standards of the internal control systems of the Committee of Sponsoring Organizations of the Tread way Commission (COSO) and Enterprise Risk Management along with the regulations and guidelines of the Stock Market of Thailand and the Thai Institute of Directors (IOD). These were applied in internal controls, risk management and the monitoring and supervision in order to be more complete so that the Company is as efficient and effective as possible.

## **Risk Assessment**

The Company realized the importance of risk management which could affect business operations from both external and internal factors. In this regard, the Company appointed a risk management committee to be responsible to monitor and supervise Company risk in order to be aligned with the Company's acceptable target levels. Risk management policies were defined for everyone to follow. This was done by assessing and managing any risks from both external and internal factors. This covered risk from all areas such as operational strategies, finances, compliance with laws and regulations and any situation regarding corruption risk. The operational risk management group is responsible for reporting the results of the risk assessment to the board of directors and reviewing any changes to external and internal factors that could affect the corporation every year.

## **Control Activities**

The Company organized internal control measures that complied with the risks and business types by clearly allocating responsibilities for each position and organizing and reviewing manuals and operational procedures regularly to fit with corporate structure and present business operations. Especially in the area of critical risks to prevent and decrease mistakes in areas such as financial transactions, auctions, procurements and property care. The internal audit division reviewed the operational results in order to regularly align them with the rules and regulations and the operational manual. This ensured that the internal control system were sufficient, appropriate and effective. Information technology was also implemented to enable the business operations to be faster and more effective.

Moreover, the Company stipulated policies, rules and regulations concerning connected transactions follow the same direction. For example, major shareholders, directors, executives and relevant people were to be accurate, transparent and fair and consider the Company's greatest benefit in regards to the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

## **Information and Communication**

The Company paid attention to information technology and communication systems for the collection of information, evaluation of information and the saving and follow up of information in order to provide significant information, used for business decisions and management, that is accurate, sufficient, timely for directors, executives, employee, shareholders, customers and stakeholders. The Company also stipulated a safety policy for information technology and using data.

The Company provided a communication channel so that both external and internal recipients could have access to the information quickly and conveniently. For example, an internet system was used as a communication channel in order to broadcast information, policies, rules and regulations, manual and operational procedures and Company news. It was also used to receive information about corruption (whistle blowing) through various channels provided by the Company.

## **Monitoring Activities**

The board of directors organized a follow up and evaluation system for all aspects of the internal control system and risk management. For example, it was used to immediately solve problems which could significantly affect the Company's status and reputation in areas such as accounting and finance, operations, laws and regulations compliance, property care and fraud. The board of directors assigned an audit committee to monitor and review the internal audit system through an independent internal auditor and an internal audit division. They audited and evaluated the operation results in order to ensure that any information found in an inspection would be examined, reviewed and improved appropriately and immediately. In regards to financial accounting internal controls, certified auditors would make assessments and proposed the assessment results to the audit committee for regular quarterly and annual consideration. The assessment results from the certified auditors, outsourced independent internal auditors and the in-house internal audit division found no significant mistakes.

### **Internal Audit**

The internal audit committee supervised an authorized, outsourced, independent internal auditor and an in-house internal audit division. They performed their duties with confidence and gave a free and fair consultation regarding the assessment and evaluation of the sufficiency of the internal control systems. This covered the Company's operational processes and a report was given to the audit committee every quarter. They also followed up with the results regarding the improvement of operational processes appropriately and regularly especially in matters of significance and high risk. They acknowledged the report regarding unusual activities such as corruption, operational errors in order to find the causes and establish preventative measures so that no damages would reoccur and to ensure that the business operations of the Company's internal control systems were sufficient, appropriate and effective. Simultaneously, they managed risk so that risk was at an acceptable level for the Company and the risk was in line with good corporate governance of the Company so that the objectives of the Company's operations were achieved and they complied with the audit committee's charter, the internal auditor's ethical guidelines for business operations. They reviewed the operations to be appropriate every year.

## Related Party Transactions

In the year 2017, the company has significant transactions with related parties, who may have conflict of interest as follows :

- 1) In terms of management remuneration mainly comprised salary and bonus for management and directors.

	2017	2016
	Baht	Baht
<b>Salaries and other short-term benefits</b>	24,472,440	22,690,369
<b>Retirement benefits</b>	415,782	1,143,126
	24,888,222	23,833,495

- 2) Transactions with related parties which was defined as assets acquisition.

<b>Purchaser</b>	Union Auction Public Company Limited
<b>Seller</b>	Sahakarn Holding Company Limited, engaged in real estate business.
<b>Relationship of related parties</b>	Authorized directors of Union Auction Public Company Limited and Sahakarn Holding Company Limited as follows :  <ol style="list-style-type: none"> <li>1. Mr. Thepthai Sila</li> <li>2. Mr. Varunyoo Sila</li> </ol>
<b>Type of assets acquisition (Car)</b>	<ol style="list-style-type: none"> <li>1. Van Mercedes Benz VITO, price 1,700,000 Baht (VAT excluded)  For the management travel to meetings or business contacts.</li> <li>2. Sedan Mercedes Benz S500E, price 5,200,000 Baht (VAT excluded)  To use as the managing director car.</li> </ol>

The Board of Directors and all three directors of the Audit Committee considered the transactions as reasonable and is benefit of the company. Moreover, the purchase prices are conform the market prices.

### **Needs and Reasons for related party transactions**

The Company appointed the Audit Committee to provide consideration of related party transactions based on the needs for such transactions and the reasonable rate charged and to disclose the type and value of such transactions of the Company and individuals who may have conflicts of interest under the Act and regulations of the Securities and Exchange Commission and the Securities Exchange of Thailand's Act.

### **Procedures of related party transaction approval**

The Company has set the procedures to control related party transactions of individuals and corporates that may be stakeholders or have conflicts of interest in the future according to the Act of the Securities and Exchange Commission. The Audit Committee shall provide opinion on the needs of such transaction and its reasonable price based on the normal condition of trades in the market and price comparison with external cases. In the case that the Audit Committee does not have expertise on such case, the independent expert or the Company's accounting auditor will be appointed to give opinions to support the decision making of the Board of Directors and/or Audit Committee and/or shareholders. The individual who may have conflicts of interest or be stakeholder of the related party transaction shall not be entitled to vote for the transaction approval. The Company shall also disclose the information of connected transactions, the significant purchase or sales of assets and the related party transactions of related individuals and corporates according to the regulations of SEC and standard accounting principles of The Institute of Certified Accountants and Auditor of Thailand.

### **Policy and potential of related party transactions in the future**

The Company, its subsidiaries, its associates and related party transactions of related individuals and corporates may have a chance to conduct related party transactions with individuals who may have conflicts of interest in the future. In the case of normal business transaction and business support transaction under the normal trading condition, the Company states in the policy that such transactions shall comply with the normal conduct in the aspect of market price. The price comparison can be made against the external case that complies with the regulations approved by the Company's BOD and the Securities and Exchange Act. This shall be followed strictly and the price and conditions of the transactions shall be stated clearly, transparently and shall not cause any transfer of benefits.

In the case of new transactions or changes in price and conditions, the internal audit shall audit the information and report to the Audit Committee for the consideration on the reasonableness of price and transaction every quarter. In the case of normal business transaction or business support transaction without any trading condition and other related party transactions, the Company will follow the standard and procedures of related party transactions approval as stated above. The loan issued to related parties, such as major shareholders or the companies of major shareholders will not be granted in the future.

### **Guidelines of related party transaction disclosure audit**

In order for the Company to completely disclose the information of related party transaction which may have conflicts of interest, the Company has set the following guidelines:

- 1) The Company informed directors and executives to acknowledge the Company of their shares holding and their executive positions in other companies. Such information is now kept at Accounting and Internal Audit departments. The Company also requested the executives and board of directors, should there be any change in their shares holding or positions in any companies, to inform the Company within 1 month after such change is effective.
- 2) Accounting department will audit the accounting report every month end to check if the Company has any related party transaction according to the Securities and Exchange Act, section 89/1 and to check if there is any related individuals with potential conflicts of interest as listed. The report will be provided to Internal Audit department for the fair price audit accordingly.

## Report of Audit Committee



The audit committee performed its duties as set out in the Audit Committee Charter, in accordance with the regulations of the Stock Exchange of Thailand, and performed its duties as assigned by the Board of Directors. In 2016 the audit committee held four meetings. The summary is as follows:

1. **1 Review of the Financial Statements.** The audit committee reviewed significant accounting data of the Company's quarterly and annual financial statements for the Year 2016. This included the disclosure of important information regarding the Company by meeting with external auditors and the Company's executive management before disclosing any information to the Stock Exchange of Thailand and the general public. The committee also gave notice and advice to ensure that accounting processes and financial reporting procedures were accurate, complete, reliable, met the required accounting standards and that the financial statements disclosed sufficient information in a timely manner. The audit committee reviewed and gave advice concerning connected transactions and transactions regarding accounts receivable that could affect the financial reports. This ensured that the financial data was complete, accurate, reliable, and sufficient and was in compliance with the legally required accounting standards and regulations.
2. **Review of Connected Transactions.** The audit committee reviewed connected transactions and transactions that had potential conflicts of interest in order to ensure that the Company complied stringently with all regulations and guidelines. According to the review, there were no unusual transactions of any significance. The connected transactions were normal business transactions for the Company. Moreover, the audit committee reviewed the



process for preparing connected transactions, especially connected transactions between major shareholders, in order to make the preparation of connected transactions more transparent.

3. **Review of Risk Management.** The audit committee reviewed the Company's assessment of risk management by considering the Company's targets, internal control systems and acknowledgment of risk management carried out by the Company's executives. Every time the audit committee held a meeting, the audit committee gave advice and followed up with the report of the independent internal auditor. This included a report from the Office of Internal Controls to consider the sufficiency, the appropriateness and the effectiveness of internal controls including the management of major risks in business operations. The result of the assessment indicated that the Company operated all aspects of its business sufficiently and appropriately.
4. **Review of Internal Controls and Internal Audit Systems.** The audit committee reviewed the results of the internal control assessment in the area of operational systems since the process of planning, reporting and following up began and corresponded with the independent internal auditor's advice that included a report from the office of internal audit for improving the efficiency and effectiveness. The audit committee is of the opinion that the internal audit was conducted sufficiently, appropriately and was truly effective.
5. **Review of Good Corporate Governance.** The review acknowledged and proposed instructions to Company management in order to comply with the regulations and requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. This included a report regarding the results of the corporate governance assessment from the Thai Institute of Directors Association (IOD) which was in accordance with the principles of corporate governance and guidelines of the Stock Exchange of Thailand.
6. **Review of Compliance with the Law.** The audit committee reviewed and monitored the operations of the Company's businesses in order to be aligned with the laws regarding the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand and the laws concerning the Company's business operations. In 2016, the audit committee found no indications that the Company intended to be in non-compliance with the laws and regulations concerning the Company's business.
7. **Considered the Nomination of the Auditor for the Year 2017.** The audit committee considered the competence, ability, experience, and the independent results in performing the responsibilities of the auditor over the past year. This included the appropriateness of the auditor's fee. The audit committee proposed to the Board of Directors that PricewaterhouseCoopers ABAS Limited be the Company's auditor for the year 2017 in order to make a proposal to the Meeting of Shareholders for the consideration of the approval of the auditor.

Summarizing the year 2016, the audit committee is of the opinion that the Company appropriately prepared financial reports in accordance with generally accepted accounting principles, sufficiently disclosed any connected transactions and operated its business in accordance with the Securities and Exchange Act and the laws and regulations of the Stock Exchange of Thailand. Therefore, the appropriateness of the internal audit systems, the internal control systems and risk management ensures that the financial data is complete, accurate and reliable with sufficient disclosed information

On behalf of Audit Committee



(Associate Professor. Dr. Sauwanee Thairungroj)

Chairman of Audit Committee

## Management Responsibility for the Financial Statements

The Board of Directors of Union Auction Public Company Limited is responsible for the Company's financial statements and the financial information as appeared in 2017 financial report. The financial statements were prepared according to the generally accepted accounting standard in Thailand. The appropriate accounting policy was selected and practiced regularly. The significant information disclosure in the notes of financial statements was sufficient, transparent and beneficial for shareholders and general investors.

The Board of Directors appointed the Audit Committee which comprises of highly qualified independent directors to audit the quality of financial statements and assess the internal control system. The directors' opinion is in the Audit Committee's report which is included in this annual report.

The Board of Directors has opinion that the Company's internal control system can create the confidence that the Company's financial statements correctly reflect the significant financial status and performance.



( Assoc. Prof. Dr. Paiboon Sareewiwatthana )  
Chairman of the Board



( Mr. Thepthai Sila )  
Managing Director

## Key Financial Information

### Union Auction Public Company Limited

(Unit : Million Baht)

Statement of Comprehensive Income For the year ended 31 December	Cost method			Equity method
	2015	2016	2017	2017
Revenue from services	718.72	601.83	559.50	559.50
Cost of services	357.03	320.60	307.42	307.42
<b>Gross profit</b>	<b>361.69</b>	<b>281.23</b>	<b>252.08</b>	<b>252.08</b>
Other revenue	5.34	5.66	3.80	3.80
Selling and services expenses	35.87	31.52	28.40	28.40
Administrative expenses	94.38	95.81	93.62	93.62
<b>Operating profit</b>	<b>236.78</b>	<b>159.56</b>	<b>134.86</b>	<b>134.86</b>
Share of loss of investment in a joint venture	-	-	-	3.67
<b>Profit before finance costs and income tax</b>	<b>236.78</b>	<b>159.56</b>	<b>134.86</b>	<b>131.19</b>
Finance costs	0.28	-	-	-
<b>Profit before income tax</b>	<b>236.50</b>	<b>159.56</b>	<b>134.86</b>	<b>131.19</b>
Income tax	48.86	33.95	27.25	27.25
<b>Net profit for the year</b>	<b>187.64</b>	<b>125.61</b>	<b>107.61</b>	<b>103.93</b>
<b>Other comprehensive income</b>				
Actuarial gain on defined benefit plan	1.15	-	4.79	4.79
<b>Total comprehensive income for the year</b>	<b>188.79</b>	<b>125.61</b>	<b>112.40</b>	<b>108.73</b>

Net profit for the year attributable to:				
Owners of the parent	187.64	125.61	107.61	103.93
Non-controlling interests	-	-	-	-
<b>Profit for the year</b>	<b>187.64</b>	<b>125.61</b>	<b>107.61</b>	<b>103.93</b>
Total comprehensive income for the year attributable to:				
Owners of the parent	188.79	125.61	112.40	108.73
Non-controlling interests	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>188.79</b>	<b>125.61</b>	<b>112.40</b>	<b>108.73</b>
<b>Earnings per share</b>	<b>0.34</b>	<b>0.23</b>	<b>0.20</b>	<b>0.19</b>

(Unit : Million Baht)

Statement of Financial Position	Cost method			Equity method
	2015	2016	2017	2017
Investment in a joint venture, net	-	-	5.10	1.43
Total assets	751.11	580.62	606.69	603.02
Total liabilities	300.95	153.35	155.01	155.01
Total equity	450.16	427.27	451.68	448.01
Retained earnings Unappropriated	114.91	92.02	116.43	112.76

## Financial Ratio

Financial Ratio	Cost method			Equity method
	2015	2016	2017	2017
<b>Liquidity Ratio</b>				
Current Ratio	1.62	2.35	2.52	2.52
Cash flow Current Ratio	0.89	0.35	1.40	0.81
Account receivables Turnover	9.98	8.98	10.79	11.18
Average Debt Collection Period	36.57	40.66	33.83	32.63
Account Payable Turnover	1.64	1.90	3.15	3.21
Average Payment Period	222.95	192.25	116.01	113.76
<b>Profitability Ratio</b>				
Gross Profit Margin	50.32	46.73	45.05	45.05
Net Profit Margin	32.94	26.51	24.10	24.10
Net Profit Ratio	25.92	20.68	19.07	18.42
Return on equity	41.26	28.63	23.92	23.75
<b>Efficiency Ratio</b>				
Return on Asset	32.35	23.96	22.30	22.79
Return on Fixed Asset	328.36	220.95	131.24	164.91
Asset Turnover	0.99	0.91	0.93	0.95
<b>Financial Ratio</b>				
Debt to Equity Ratio	0.67	0.36	0.34	0.35
Commitment Coverage Ratio	0.80	0.30	1.23	1.20
Payout Ratio (%)	105.52	118.22	81.77	84.66
<b>Other Ratios</b>				
Book value per share (Baht)	0.82	0.78	0.82	0.81
Earning per share (Baht)	0.34	0.23	0.20	0.19

Dividend per share (Baht)	0.36	0.27	0.16	0.16
Par value per share (Baht)	0.25	0.25	0.25	0.25
No. of shares ( million shares)	550	550	550	550



## Management Discussion and Analysis

### Business Performance Analysis

#### Service Revenue

Service revenue for the year 2017 was 559.50 million Baht (2016: 601.83 million Baht), which was a decrease of 42.83 million Baht or a decrease of 7.0%, due to the decline of the overall automobile industry over the past years. This affected the car auction business because it is a downstream business. However, the Company tried to reduce the impact by trying to increase the number of customers, both in terms of assets owners and bidders. In addition to this, auctions were extended to other assets and the Company continued to provide services for government agencies. For the motorcycle auction business, the Company was able to increase its revenue from 2016 by 21.8% as a result of the increase in the circulation of the motorcycle market. This included an increase in the number of asset owners and bidders as well.

( Unit: Million Baht)

Revenue	2015		2016		2017	
	Millions of Baht	Percentage	Millions of Baht	Percentage	Millions of Baht	Percentage
Auction - Vehicles	563.75	78.44	487.00	80.92	434.16	77.60
Auction – Motorcycles	47.82	6.65	46.93	7.80	57.19	10.22
Moving Income	80.83	11.25	59.69	9.92	60.21	10.76
Other Auction Income	26.32	3.66	8.21	1.36	7.93	1.42
<b>TOTAL</b>	<b>718.72</b>	<b>100.00</b>	<b>601.83</b>	<b>100.00</b>	<b>559.50</b>	<b>100.00</b>

#### Number of Cars Auctioned Off

#### between 2015 – 2017

Cars Auctioned Off	64,561	53,961	48,892
Motorcycles Auctioned Off	36,337	38,267	47,392

The Company expanded its online auction customers through the development of an online E-Auction system by making it more convenient and easy to use. The Company developed an auction program in order to hold auctions through the Company's website at [www.auct.co.th](http://www.auct.co.th) by using the Real Time Auction method. This online, real time auction allows bids to happen at the

same time as the on-site auction at the actual location. This is the first online auction system in Thailand. Bidders are able to see visually and hear the audio of the live auction atmosphere at the auction site. Bidders can express their willingness to bid against other bidders as the auctioneer informs each bid adjustment through the online auction. The percentage of online cars auctioned off between 2016 and 2017 rose to 5.6% and 8.6% respectively. The number of online motorcycle auctions also increased and the percentage of online motorcycles auctioned off increased from 0.7% in 2016 to 5.3% in 2017.

In 2015, revenue from other auctions resulted from auction holding income from government agencies such as the NBTC, AMLO and some private agencies, etc. In 2016 and 2017, revenue from other auctions resulted from auction holding income from government agencies such as the NBTC and some private agencies, etc.

Category	List	2016	2017
Vehicles	Number of Vehicles Auctioned Off Online	2,838	4,083
	Online Car Auctioned Off Percentage	5.6%	8.6%
	Total Price for Online Cars Auctioned Off (Millions of Baht)	664	978
	Total Price Percentage for Online Auctioned-off	5.7%	8.9%
Motorcycles	Number of Motorcycles Auctioned Off Online	192	1,705
	Online Motorcycles Auctioned Off Percentage	0.7%	5.3%
	Total Price for Online Motorcycles Auctioned Off (Millions of Baht)	6	48
	Total Price Percentage for Online Auctioned Off	0.8%	5.6%
Total	Number of Automobiles Auctioned Off	3,030	5,788
	Online Automobiles Auctioned Off Percentage	3.9%	7.3%
	Total Price for Online Automobiles Auctioned Off (Millions of Baht)	670	1,026
	Total Price Percentage for Online Auctioned Off	5.4%	8.7%

### Other Revenue

Other Revenue derived mainly from bank deposit interest decreased due to the declining deposit interest rate in the money market. In 2016 and 2017, the deposit interest rates ranged between 0.85%-1.65% per annum and 0.80%-1.3% per annum, respectively.

### Cost of Services

Between 2015 and 2017, the total cost of services equaled 357.03 million Baht, 320.60 million Baht and 307.42 million Baht respectively. The primary cost of services was vehicle expenses. This included moving vehicles to auction, salary and employee expenses, rental of facilities and equipment related to auctions, an increase in the depreciation on assets from branch expansion investment.

Cost of Services	2015		2016		2017	
	Millions Of Baht	Percentage 1/	Millions Of Baht	Percentage 1/	Millions Of Baht	Percentage 1/
Vehicles Expenses 2/	100.23	13.95	80.94	13.45	82.15	14.68
Salary and Employee Expenses	52.24	7.27	67.09	11.15	69.32	12.39
Rental of Facilities and Equipment Related to Auctions 3/	67.59	9.40	63.41	10.54	61.20	10.94
Depreciation	22.99	3.20	30.81	5.12	34.10	6.10
Cost of Holding Auctions 4/	70.71	9.84	42.60	7.08	21.69	3.88
Security Expenses	19.74	2.75	21.01	3.49	20.88	3.73
E-auction System Expenses	12.88	1.79	4.12	0.68	3.49	0.62
Others	10.64	1.48	10.63	1.77	14.57	2.60
<b>Total</b>	<b>357.03</b>	<b>49.68</b>	<b>320.60</b>	<b>53.27</b>	<b>307.42</b>	<b>54.95</b>

1/ Percentage of service revenue

2/ Vehicle expenses were wages paid to moving companies that transferred vehicles that were up for auction from storage facilities to other locations in order to wait for auction or be put up for auction. This included the rental of vehicles for regular maintenance checkups at the storage facilities.

3/ The rental of facilities and equipment related to auctions was the rental of facilities that were used to store cars and motorcycles, and the rental of auction sites in Bangkok and other provinces. It also included equipment such as photocopiers, audio equipment, tents, etc.

4/ The cost of holding auctions was expenses related to the cleaning of cars brought to auction, the filling of cars after they had been auctioned so that the auctioned car had enough fuel to be driven to a gas station, daily wages of auction employees, decorations for the auction site, etc.

### The Cost of Sales and Services and Administrative Expenses

Between 2015 and 2017, the Company's cost of sales and services and its administrative expenses decreased from 130.25 million Baht, 127.33 million Baht and 122.02 million Baht respectively. The primary expenses were salary, depreciation, office supplies, advertising expenses etc.

( Unit : Millions of Baht)

The Cost of Sales and Services and Administrative Expenses	Cost Method				Equity Method	
	2015		2016		2017	
	Millions of Baht	Percent	Millions of Baht	Percent	Millions of Baht	Percent
Cost of Sales and Services	35.87	4.99	31.52	5.24	28.40	5.08
Administrative Expenses	94.38	13.13	95.81	15.92	93.62	16.73
Total Cost of Sales and Services and Administrative Expenses	130.25	18.12	127.33	21.16	122.02	21.81

### Profitability

In the years 2016 and 2017, the Company's profit decreased from the year 2015. This was the result of the contraction of the overall automobile industry, especially the decrease in the number of confiscated vehicles after the Debt Collection Act became effective in 2015. The Company's net profit for the years between 2015 and 2017 was 187.65 Million Baht, 125.61 Million Baht and 107.61 Million Baht respectively. This was equal to 26.11% , 20.87% and 19.23%, respectively.

(Unit: Millions of Baht)	Cost Method						Equity Method	
	2015		2016		2017		2017	
	Millions of Baht	Percent	Millions of Baht	Percent	Millions of Baht	Percent	Millions of Baht	Percent
Gross Profit	361.69	50.32	281.23	46.73	252.08	45.05	252.08	45.05
Profit from Operations	236.78	32.94	159.56	26.51	134.86	24.10	134.86	24.10
Net Profit	187.65	26.11	125.61	20.87	107.61	19.23	103.93	18.58
Annual Comprehensive Income	188.79	26.27	125.61	20.87	108.73	19.43	112.40	20.09

In 2017, the Company shared a loss totaling 3.68 million Baht from a joint ventured investment in Action & Auction Company Limited. This resulted in a decrease of net profit that showed the cost of investment using the equity method at 103.93 Million Baht which was a decrease of 3.68 million Baht compared to the cost method. The Company aims to increase the expansion of its customer base (End Users) in order to bring their vehicles to auction at the Company. This operation would generate a positive outcome for the Company in the coming years. At the same time, the Company reviewed its employee benefit obligations under the new actuarial structure after the organizational restructuring in 2017. This resulted in profit earning from the estimated employee benefit plan which equaled 4.79 Million Baht. This was shown in in other comprehensive income items in 2017.

## Financial Analysis

(Unit: Millions of Baht)

Statement of Financial Position	Cost Method			Equity Method
	2015	2016	2017	2017
Total Assets	751.11	580.62	606.69	603.02
Joint Ventured Investment -Net	-	-	5.10	1.43
Total Liability	300.95	153.35	155.01	155.01
Owners' Equity	450.16	427.27	451.68	448.01
Unappropriated Retained Earnings	114.91	92.02	116.43	112.76

## Total Assets

In 2017, the Company's total assets equaled 603.02 million Baht according to the equity method (2016: 580.62 Million Baht), which was an increase of 22.40 million Baht or an increase of 3%. Major changes are listed as follows:

- Short-term investments which are bank fixed deposits increased by 23.89 million Baht compared to the year 2016. This accounted for 31.01% of the total assets.
- Net Property, Plant and Equipment decreased by 0.83 million Baht when compared to 2016. This represented 41.16% of the total assets. In 2017, some of the assets were written off due to the termination of the lease.  
The sale of some assets resulted in a profit from the disposal of assets. This equaled 1 Million Baht (2016: 0.7 Baht million).
- In 2017, the Company invested in Action & Auction Company Limited, a joint ventured company, in the amount of 5.10 Million Baht. The Company holds 50.988% of the shares.

Action & Auction Company Limited had operating losses in 2017 which was the first year of its business operations. The total amount of operating loss was 7.20 million Baht. As a result, the remaining net amount invested in joint venture investment according to the Equity Method for the year ending 2017 was 1.43 million Baht. The total asset value using the Equity Method was 603.02 million Baht and 606.69 million Baht using the Cost Method.

### Total Liabilities

In 2017, the total amount of liabilities was 155.01 million Baht (2016: 153.35 million Baht), an increase of 1.66 Million Baht or 1%.

The major changes are listed as follows:

- Accounts payable and other payables increased by 3.79 Million Baht when compared to the year 2016. This accounted for 16.20% of the total liabilities.
- Most accounts payable were vehicle expenses that needed to be paid back to property owners which was due within 4-7 days from the auction.
- Non-current liabilities increased by 3.50 million Baht from 2016. This represented 11% of the total liabilities. Most of them were deposits.

Internet bids increased by 3.01 Million Baht after the development of the online auction system and more customers were interested in membership registration in order to use online auction services.

### Owner's Equity

#### Registered and Paid-Up Capital

The total amount of registered ordinary shares is 550,000,000 shares (2016: 550,000,000 shares) with a par value of 0.25 Baht per share (2016: 0.25 Baht per share). All shares were issued and are fully paid.

**Legal reserves:** According to the Public Limited Companies Act BE 2535, the Company's legal reserve shall be at least 5% of the net profit after deduction of the deficit brought forward (if any) until this legal reserve worth is no less than 10% of the registered capital. This reserve cannot be used for dividend payment<sup>11</sup>. Presently, the Company has full provision for its legal reserve at 13.75 million Baht of paid up capital.

At the end of the years between 2015 and 2017, the Owner's Equity of the Company was 450.16 million Baht, 427.27 million Baht and 448.00 million Baht, respectively. In 2016 and 2017, the Company had paid-up capital of 137.50 million Baht. The business operations of the Company always gained profit but the amount of Owner's Equity decreased. The main reason was because of the dividend payment to shareholders. In the year 2015, the Company paid dividends twice in the amount of 104.50 million Baht and 93.50 million Baht on April 8, 2015 and September 8, 2015 respectively.

During the year 2016, the Company paid dividends twice in the amount of 93.50 million Baht and 55 million Baht on April 12, 2016 and September 7, 2016 respectively.

During the year 2017, the Company paid dividends twice in the amount of 66 million Baht and 22 million Baht on May 9, 2017 and September 7, 2017 respectively.

#### Commitment and Contingent Liabilities as of December 31, 2017

1. The Company entered into lease agreements related to the lease of land in order to be used as facilities and advertising for a period of 1 to 30 years. The Company is obliged to pay the rental fee within one year in the amount of 48.73 million Baht. For more than one year but not exceeding 5 years in the amount of 190.01 million Baht and more than 5 years in the amount of 114.68 million Baht. The total is 353.42 million Baht.
2. The Company has letters of guarantee issued by local commercial banks for electricity guarantee of 0.33 million Baht and the guaranteed performance of contracts for auctioning at 7.80 million Baht. This totaled 8.13 million Baht.
3. The Company was approved for an overdraft credit of 35 million Baht from three financial institutions to use as working capital. The overdraft credit approval is guaranteed by a fixed deposit of 26 million Baht.
4. The Company has contract commitments regarding auctions that are in accordance with auctions for 180 unrelated companies and 10 commercial banks. The terms began in May 2006 and continue to December 2019. The Company must comply with the significant conditions in the contract such as processing fees.

#### Liquidity Analysis

(Unit: Millions of Baht)	2015	2016	2017
Profit from Operating Activities before Changes to Assets and Liability Operations	262.29	198.61	176.25
Net Cash Received (spent) on Operating Activities	246.40	58.16	153.48
Net Cash Received (spent) on Investing Activities	(179.69)	(111.04)	(70.08)
Net Cash Received (spent) on Financing Activities	(202.80)	(148.50)	(87.99)
Cash and Cash Equivalent increase (decrease) Net	(136.08)	(201.38)	(4.59)
Cash and Cash Equivalent as of ending period	250.10	48.72	44.12

## Cash Flow

Between 2015 and 2017, the Company's net cash flow is derived from (used in) operating activities in the amount of 246.40 million Baht, 58.16 million Baht and 153.48 million Baht respectively. Changes in cash flow from the Company's operating activities were based on changes to the receivables and payables list at the end of the period. This was due to vehicle receivables and payables from auctions that have not yet reached the payment's due date. In 2015, the Company generated cash from positive operations due to an increase in profit compared to the previous year and there were many vehicle debtors that the Company had not yet reached the payment due date. As a result, the Company has a large cash flow from its operations waiting to be paid back to its vehicle debtors when the due date arrives. In 2016 and 2017, the Company had positive operations due to the business operations that generated net profit and the Company has not yet used the majority of cash from account receivables for vehicle expenses received at the end of the year in order to pay accounts payable back because the payment was not due yet.

The Company had a net cash flow (used in) in investing activities. Between 2015 and 2017 it was (179.69) million Baht, (111.04) million Baht, and (70.08) million Baht respectively. For the year 2015, cash spent in investing activities was (179.69) million Baht which was due mainly to an increased amount of cash flow that was invested in short-term deposits and the Company invested in branch expansion in different provinces such as Suratthani, Songkla, Ubonratchathani, Udonthani, etc. In 2016, the amount of cash used in investing activities was (111.04) million Baht. This was due mainly to cash flow investments in short-term deposits and construction expenses for the auction site at the Phitsanulok branch. In 2017, the amount of cash used in investing activities was (70.08) million Baht. This was because the Company used its cash flow to invest in short-term deposits and invest in flood prevention projects as well as improving the area at headquarters.

Between 2015 and 2017, the net cash flow from (used in) fund raising activities was (202.80) million Baht, (148.50) Million Baht and (87.99) million Baht respectively.

The outlook of changes in the Company's cash flow is mainly from cash flow from operating activities. Between 2015 and 2017, the Company's net cash flow changes were (136.08) million Baht, (201.38) million Baht and (4.59 million Baht) respectively. As a result, the Company had cash and cash equivalents at the end of the period that equaled 250.10 million Baht, 48.72 million Baht and 44.12 million Baht, respectively.



# Auditor's Report

## Independent Auditor's Report

To the Shareholders and the Board of Directors of Union Auction Public Company Limited

## My opinion

In my opinion, the equity method financial statements and the cost method financial statements of Union Auction Public Company Limited (the Company) present fairly, in all material respects, the financial position of the Company in which the above methods is applied as at 31 December 2017, and its financial performance in which the above methods is applied and its cash flows in which above methods is applied for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

## What I have audited

The equity method financial statements and the cost method financial statements comprise:

- the equity method and cost method statements of financial position as at 31 December 2017;
- the equity method and cost method statements of comprehensive income for the year then ended;
- the equity method and cost method statements of changes in equity for the year then ended;
- the equity method and cost method statements of cash flows for the year then ended; and
- the notes to the equity method and cost method financial statements, which include a summary of significant accounting policies.

## Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the equity method financial statements and the cost method financial statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the equity method financial statements and the cost method financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the equity method financial statements and the cost method financial statements of the current period. I determine one key audit matter: Service fee from auction services. The matter was addressed in the context of my audit of the equity method financial statements and the cost method financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p><b>Service fee from auction services</b></p> <p>The Company provides asset auction services. It has various branches and throughout the year holds additional nationwide auction tours. The assets auctioned are mainly vehicles, including motorcycles, which were seized by financial institutions. The auctions are open to the general public. The Company holds several auctions at the branches and the nationwide auction tours each month. A large number of vehicles are auctioned during the year. Revenue from auctions service fee is recognised at the end of the auction and is recorded at an agreed fixed rate for each vehicle.</p> <p>I identified revenue from auctions service fee as a Key Audit Matter because although each transaction is small the Company has several branches and a large number of revenue transactions. As a result to risk related to the completeness and occurrence of revenue recognition at each branch and from the nationwide tours.</p>	<p>The key audit procedures I carried out regarding this matter were:</p> <ul style="list-style-type: none"> <li>Understanding the controls system that applies to auctions and revenue recognition at branches and testing of the controls in the following areas: <ul style="list-style-type: none"> <li>Testing, in all branches, the controls on the transferring and recording of revenue data from the auction system through journal vouchers to the general ledger in order to check that these transactions were accurate and complete.</li> <li>Testing the controls on revenue recognition by examining auction documents signed by buyers against the auction reports. I checked the transactions actually occurred and were completely recorded. The testing covered all branches.</li> <li>Observing related internal controls at some sample branches. The controls included the procedures and processes of auctions and revenue recording. I examined auction documents signed by buyers against the auction reports.</li> </ul> </li> <li>Checking the completeness of the revenue recognition by comparing the auction reports of the entire year against the journal vouchers and the general ledger. I also examined the revenue shown on the auction reports with the receipts and analysed the relationship between number of auctioned vehicles and revenue recognised during the year. I found that the information was consistent.</li> </ul>

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the equity method financial statements and the cost method financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the equity method financial statements and the cost method financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the equity method financial statements and the cost method financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the equity method financial statements and the cost method financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

### **Responsibilities of the directors for the equity method financial statements and the cost method financial statements**

The directors are responsible for the preparation and fair presentation of the equity method financial statements and the cost method financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of equity method financial statements and the cost method financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the equity method financial statements and the cost method financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the equity method financial statements and the cost method financial statements**

My objectives are to obtain reasonable assurance about whether the equity method financial statements and the cost method financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these equity method financial statements and the cost method financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the equity method financial statements and the cost method financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the equity method financial statements and the cost method financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the equity method financial statements and the cost method financial statements, including the disclosures, and whether the equity method financial statements and the cost method financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control if I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the equity method financial statements and the cost method financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Nattaporn Phan-Udom

Certified Public Accountant (Thailand) No. 3430

Bangkok

28 February 2018

## Financial Position

### Statement of Financial Position

As at 31 December 2017

	Notes	Equity method	Cost method	
		financial statements	financial statements	
		31 December	31 December	31 December
		2017	2017	2016
		Baht	Baht	Baht
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	7	44,118,783	44,118,783	48,721,791
Short-term investments	8	187,016,150	187,016,150	163,131,336
Trade and other receivables	9	51,854,000	51,854,000	48,189,875
Other current assets, net		998,259	998,259	1,240,670
<b>Total current assets</b>		<b>283,987,192</b>	<b>283,987,192</b>	<b>261,283,672</b>
<b>Non-current assets</b>				
Restricted deposit at bank	10	34,130,900	34,130,900	32,860,899
Investment in a joint venture, net	11	1,426,568	5,099,800	-
Leasehold improvement, buildings and equipment, net	12	248,189,347	248,189,347	249,016,207
Intangible assets, net	13	21,823,992	21,823,992	23,871,922
Deferred tax assets, net	14	9,246,942	9,246,942	6,968,222
Other non-current assets		4,212,426	4,212,426	6,620,469
<b>Total non-current assets</b>		<b>319,030,175</b>	<b>322,703,407</b>	<b>319,337,719</b>
<b>Total assets</b>		<b>603,017,367</b>	<b>606,690,599</b>	<b>580,621,391</b>

The accompanying notes are an integral part of these equity method and cost method financial statements.

	Notes	Equity method	Cost method	
		financial statements	financial statements	
		31 December	31 December	31 December
		2017	2017	2016
		Baht	Baht	Baht
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Trade and other payables	15	97,710,394	97,710,394	93,920,580
Income tax payable		10,867,976	10,867,976	12,631,988
Other current liabilities		4,294,566	4,294,566	4,701,127
<b>Total current liabilities</b>		<b>112,872,936</b>	<b>112,872,936</b>	<b>111,253,695</b>
<b>Non-current liabilities</b>				
Employee benefit obligations	16	7,342,696	7,342,696	10,805,657
Other non-current liabilities		34,796,680	34,796,680	31,291,697
<b>Total non-current liabilities</b>		<b>42,139,376</b>	<b>42,139,376</b>	<b>42,097,354</b>
<b>Total liabilities</b>		<b>155,012,312</b>	<b>155,012,312</b>	<b>153,351,049</b>
<b>Equity</b>				
Share capital	17			
Authorised share capital				
Ordinary shares, 550,000,000 shares				
at par value of Baht 0.25 each		137,500,000	137,500,000	137,500,000
Issued and paid-up share capital				
Ordinary shares, 550,000,000 shares				
at par value of Baht 0.25 each		137,500,000	137,500,000	137,500,000
Premium on share capital	17	183,998,784	183,998,784	183,998,784
Retained earnings				
Appropriated - legal reserved	18	13,750,000	13,750,000	13,750,000
Unappropriated		112,756,271	116,429,503	92,021,558

Total equity	448,005,055	451,678,287	427,270,342
Total liabilities and equity	603,017,367	606,690,599	580,621,391

The accompanying notes are an integral part of these equity method and cost method financial statements.



**Union Auction Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2017**

		Equity method financial statements	Cost method financial statements	
		31 December 2017 Baht	31 December 2017 Baht	31 December 2016 Baht
	Notes			
Revenue from services	6	559,495,931	559,495,931	601,829,182
Cost of services	6	(307,419,773)	(307,419,773)	(320,602,852)
<b>Gross profit</b>		<b>252,076,158</b>	<b>252,076,158</b>	<b>281,226,330</b>
Other operating income		3,807,175	3,807,175	4,962,641
Gain on sale of fixed asset		997,473	997,473	698,997
<b>Profit before expenses</b>		<b>256,880,806</b>	<b>256,880,806</b>	<b>286,887,968</b>
Selling and services expenses		(28,401,089)	(28,401,089)	(31,515,662)
Administrative expenses		(93,618,150)	(93,618,150)	(95,811,791)
<b>Total expenses</b>		<b>(122,019,239)</b>	<b>(122,019,239)</b>	<b>(127,327,453)</b>
<b>Operating profit</b>		<b>134,861,567</b>	<b>134,861,567</b>	<b>159,560,515</b>
Share of loss of investment in a joint venture	11	(3,673,232)	-	-
<b>Profit before finance costs and income tax</b>		<b>131,188,335</b>	<b>134,861,567</b>	<b>159,560,515</b>
Finance costs		-	-	-
<b>Profit before income tax</b>		<b>131,188,335</b>	<b>134,861,567</b>	<b>159,560,515</b>
Income tax	21	(27,253,433)	(27,253,433)	(33,952,354)
<b>Net profit for the year</b>	<b>6</b>	<b>103,934,902</b>	<b>107,608,134</b>	<b>125,608,161</b>
<b>Other comprehensive income</b>				
Actuarial gain on defined benefit plan	16	4,794,751	4,794,751	-
<b>Total comprehensive income for the year</b>		<b>108,729,653</b>	<b>112,402,885</b>	<b>125,608,161</b>

Net profit for the year attributable to:

Owners of the parent	103,934,902	107,608,134	125,608,161
Non-controlling interests	-	-	-
	<u>103,934,902</u>	<u>107,608,134</u>	<u>125,608,161</u>

Total comprehensive income for the year  
attributable to:

Owners of the parent	108,729,653	112,402,885	125,608,161
Non-controlling interests	-	-	-
	<u>108,729,653</u>	<u>112,402,885</u>	<u>125,608,161</u>

Earnings per share 22

Basic earnings per share	0.19	0.20	0.23
--------------------------	------	------	------

The accompanying notes are an integral part of these equity method and cost method financial statements.

Union Auction Public Company Limited

Statement of Changes in Equity

For the year ended 31 December 2017

Equity method financial statements					
Notes	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Total equity Baht
			Appropriated - legal reserved Baht	Unappropriated Baht	
Opening balance as at 1 January 2016	137,500,000	183,998,784	13,750,000	114,912,297	450,161,081
Dividend paid 19	-	-	-	(148,498,900)	(148,498,900)
Total comprehensive income for the year	-	-	-	125,608,161	125,608,161
Closing balance as at 31 December 2016	137,500,000	183,998,784	13,750,000	92,021,558	427,270,342
Opening balance as at 1 January 2017	137,500,000	183,998,784	13,750,000	92,021,558	427,270,342
Net profit for the year				103,934,902	103,934,902
Dividend paid 19	-	-	-	(87,994,940)	(87,994,940)
Other comprehensive income					
Actuarial gain on defined benefit plan 16	-	-	-	4,794,751	4,794,751
Total comprehensive income for the year	-	-	-	4,794,751	4,794,751
Closing balance as at 31 December 2017	137,500,000	183,998,784	13,750,000	112,756,271	448,005,055

Union Auction Public Company Limited

# Statement of Changes in Equity

For the year ended 31 December 2017

Cost method financial statements					
Notes	Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		Total equity Baht
			Appropriated	Unappropriated	
			- legal reserved Baht	retained earnings Baht	
Opening balance as at 1 January 2016	137,500,000	183,998,784	13,750,000	114,912,297	450,161,081
Dividend paid	19	-	-	(148,498,900)	(148,498,900)
Total comprehensive income for the year	-	-	-	125,608,161	125,608,161
Closing balance as at 31 December 2016	137,500,000	183,998,784	13,750,000	92,021,558	427,270,342
Opening balance as at 1 January 2017	137,500,000	183,998,784	13,750,000	92,021,558	427,270,342
Net profit for the year	-	-	-	107,608,134	107,608,134
Dividend paid	19	-	-	(87,994,940)	(87,994,940)
Other comprehensive income					
Actuarial gain on defined benefit plan	16	-	-	4,794,751	4,794,751
Total comprehensive income for the year	-	-	-	4,794,751	4,794,751
Closing balance as at 31 December 2017	137,500,000	183,998,784	13,750,000	116,429,503	451,678,287

**Union Auction Public Company Limited**

**Statement of Cash Flows**

**For the year ended 31 December 2017**

	Notes	Equity method	Cost method	
		financial statements	financial statements	
		31 December	31 December	31 December
		2017	2017	2016
		Baht	Baht	Baht
<b>Cash flows from operating activities</b>				
Profit before income tax		131,188,335	134,861,567	159,560,515
Adjustments for:				
Depreciation expenses	12	40,316,762	40,316,762	37,931,822
Amortisation expenses	13	2,948,764	2,948,764	2,862,491
Unrealised loss on short-term investments	8	-	-	2,700
Gain on disposals of equipments		(997,473)	(997,473)	(698,997)
Fixed assets written off	12	447,635	447,635	-
Provisions for employee benefits	16	1,507,080	1,507,080	1,987,133
Interest income		(2,827,401)	(2,827,401)	(3,037,962)
Share of loss from a joint venture	11	3,673,232	-	-
<b>Changes in operating assets and liabilities</b>				
Trade and other receivables		(3,807,076)	(3,807,076)	37,711,869
Other current assets		242,411	242,411	416,200
Other non-current assets		2,408,044	2,408,044	3,767,991
Trade and other payables		3,789,814	3,789,814	(149,888,747)
Other current liabilities		(406,561)	(406,561)	(513,271)
Provisions for employee benefits expenses utilised	11	(175,290)	(175,290)	-
Other non-current liabilities		3,504,983	3,504,983	5,898,920
Cash generated from operating activities		181,813,259	181,813,259	96,000,664
Interest income received		2,970,352	2,970,352	3,037,321

Income tax paid	(31,296,162)	(31,296,162)	(40,878,626)
Net cash generated from operating activities	153,487,449	153,487,449	58,159,359

The accompanying notes are an integral part of these equity method and cost method financial statements.

Union Auction Public Company Limited  
Statement of Cash Flows (Cont'd)  
For the year ended 31 December 2017

	Notes	Equity method	Cost method	
		financial statements	financial statements	
		31 December	31 December	31 December
		2017	2017	2016
		Baht	Baht	Baht
<b>Cash flow from investing activities</b>				
Increase in restricted deposit at bank		(1,270,001)	(1,270,001)	-
Cash paid for short-term investments	8	(146,658,459)	(146,658,459)	(80,139,061)
Cash received from short-term investments	8	122,773,645	122,773,645	12,037,710
Cash paid for investment in a joint venture		(5,099,800)	(5,099,800)	-
Cash paid for purchases of leasehold improvements buildings and equipment		(40,264,505)	(40,264,505)	(42,508,661)
Cash received from sales of equipments		1,324,438	1,324,438	1,341,877
Cash paid for intangible assets	13	(900,835)	(900,835)	(1,772,935)
Net cash used in investing activities		(70,095,517)	(70,095,517)	(111,041,070)
<b>Cash flows from financing activities</b>				
Dividend payment	19	(87,994,940)	(87,994,940)	(148,498,900)
Net cash used in from financing activities		(87,994,940)	(87,994,940)	(148,498,900)
Net decrease in cash and cash equivalents		(4,603,008)	(4,603,008)	(201,380,611)
Opening balance of cash and cash equivalents		48,721,791	48,721,791	250,102,402
Closing balance of cash and cash equivalents	7	44,118,783	44,118,783	48,721,791

The accompanying notes are an integral part of these equity method and cost method financial statements.

# Notes to the Financial Statements

## 1 General information.

Union Auction Public Company Limited (“the Company”) is a public company limited which has incorporated in Thailand.  
The address of the Company’s registered office is as follows:

512/28, Ramkhamheng 39 (Tepleela 1), Wangthonglang, Bangkok 10310.

The Company has become a listed company of the Stock Exchange of Thailand since 9 August 2013.

The Company’s principal business is providing auction services for assets.

The Company has 8 branches which are located as follows:

Branch 1 at 49/24 Moo 2, Tumbon Lumpakkood, Amphor Thanyaburi, Pratum Thani.

Branch 2 at 325/2 Moo 7 Tumbon Nongkway, Amphor Hangdong, Chiangmai

Branch 3 at 3320/4 Mitrapap Road, Tumbon Naimaun, Amphor Maung Nakornratchasima, Nakornratchsima

Branch 4 at 33/2 Moo 1 Tumbon Thathongmai, Amphor Kanjanadit, Suratthanee

Branch 5 at 6 Moo 9 Tumbon Nongkinplain, Amphor Varinshamrap, Ubonratchathanee

Branch 6 at 313 Moo 5 Tumbon Thachang, Amphor Bangklaum, Songkla

Branch 7 at 142/4 Moo 1 Soi Ban nongbua, Tumbon makkheng, Amphor Maung Udonthanee, Udonthanee

Branch 8 at 788/9 Moo 7 Tumbon Samo Khae, Amphor Maung Phisanulok, Phisanulok.

These financial statements were authorised for issue by the Board of Directors 28 February 2018.

## 2 Accounting policies



The principal accounting policies applied in the preparation of these financial statements are set out below:

## 2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## 2 Accounting policies (Cont'd)

### 2.2 Revised financial reporting standards and related interpretations

2.2.1 Revised financial reporting standards and interpretation are effective on 1 January 2017 which are relevant and have a significant impact to the Company :

TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 38 (revised 2016)	Intangible assets
TFRS 11 (revised 2016)	Joint arrangements

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28 (revise 2016) in addition to measurement at cost or at fair value (when announced) previously allowed. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 28 (revised 2016), the significant change is the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and perform a consolidation at the level of the investment entity associate or joint venture.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

IFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Company. The Company has not yet adopted these revised standards.

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes
IFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.

- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The Company management has assessed and considered that the above revised standards will not have a material impact on the Company except for disclosure.

## 2 Accounting policies (Cont'd)

### 2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements

#### Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

#### (1) Accounting under equity method

##### Joint venture

A joint venture is a joint arrangement whereby the Company has rights to the net assets of the arrangement. Interest in joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

If the ownership interest in joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in joint ventures is recognise in profit or loss

The Company's share of its joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in joint ventures equals or exceeds its interest in the joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the joint ventures, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures

The Company determines at each reporting date whether there is any objective evidence that the investments in the joint ventures are impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of joint ventures in profit or loss.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(2) Separate financial statement

In the separate financial statements, investments in joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect charges in consideration arising from astringent consideration amendments in cost of investment. Cost also includes direct attributable cost of investment.

## 2 Accounting policies (Cont'd)

### 2.4 *Foreign currency translation*

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Company's functional presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting

from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

## **2.5 Cash and cash equivalents**

In the equity method and cost method statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdraft is presented as liabilities in the statement of financial position.

Restricted cash is not included in cash and cash equivalents.

## **2.6 Trade accounts receivable**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end.

The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

## **2.7 Leasehold improvements, buildings and equipment**

An item of leasehold improvements, buildings and equipment is stated at cost less any accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight line method to write-off the cost of each asset to its residual value over the estimated useful life or the lease contract period if shorter as follows:

Leasehold improvements	Lease period
Buildings	Lease period
Building improvements and facilities	5 years

Furniture and fixtures	5 years
Office equipments	5 years
Vehicles	5 years

The average lease period is between 1 years to 20 years.

## 2 Accounting policies (Cont'd)

### 2.7 Leasehold improvements, buildings and equipment (Cont'd)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

### 2.8 Intangible assets

#### Leasehold right of land

Leasehold right of land with definite life is stated at cost less any accumulated amortisation and any accumulated impairment losses (if any). Amortisation is calculated on a straight line basis over their estimated useful lives of 3 - 20 years.

#### Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, not exceeding a period of 10 years.

### 2.9 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.10 Leases

### **Where the Company is the lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of vehicles where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

## **2 Accounting policies (Cont'd)**

### **2.11 Employee benefits**

The Company operates certain pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Company has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

#### **Legal severance service**

The Company has a legal obligation in respect of pay schemes according to labour laws. Typically defined benefit the plan define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated

future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

#### **Provident funds**

The Company operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trustee-administered fund. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged to the statement of income in the year to which they related.

### **2.12 Provisions**

The Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## **2 Accounting policies (Cont'd)**

### **2.13 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (if any) are shown in equity as a deduction, net of tax, from the proceeds.

### **2.14 Revenue recognition**



Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. Major revenue is the service fee from auction services of assets especially from vehicles and motorcycles.

Service fee from auction service is recognised at the end of the auction. Commission income is recognised at the time when successfully identified the purchaser from the auction process according to the contract.

Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income is recognised using the effective interest method.

#### **2.15 Dividend distribution**

Dividend distribution to the shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders.

#### **2.16 Income tax**

The current income tax charge is calculated on the basis of the tax laws enacted and recorded by accrual basis.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## **2 Accounting policies (Cont'd)**

### **2.17 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

## **3 Financial risk management**

### **Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of markets and seeks to minimise potential adverse effects on the financial performance.

### **3.1 Interest rate risk**

Interest rate risk occurred from the changes in market interest rates which it may impact to the Company's income and operating cash flows. However, the Company's income and operating cash flow are not substantially dependent of changes in market interest rates. In addition, the Company do not have borrowings from external sources. Consequently, the Company has not entered into any financial instruments to protect the interest rate risk.

### **3.2 Credit risk**

The Company has no significant concentrations of credit risks as the receivable are diversified. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Management believe that the maximum credit risk was the value of trade accounts receivable deducted with allowance for doubtful account as presented in the statement of financial position. Normally, trade account receivables as at the period end occurred from the recent auction transactions during the period end in which they have less potential issues from collection. Receivables are settled upon the delivery of vehicles/motorcycles in which the credit terms, are normally short between 4 days and 90 days.

### **3.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

#### **4 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **4.1 Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

###### **a) Allowance for doubtful accounts**

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The allowances for doubtful account are determined through collection experience, and taking into account of change in the current economic environment.

###### **b) Useful lives for leasehold improvements, buildings and equipment and intangible assets**

The Company's management estimates the useful life of assets and residual value of leasehold improvements, buildings and equipment and intangible assets. The annual depreciation charge is sensitive to the estimated useful lives and residual values allocated to each type of asset. Useful lives and residual values are assessed annually and change when necessary to reflect current situation on their remaining useful lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned.

###### **c) Employee benefits**

An independence actuary is hired to calculate the employee benefit obligation for more accuracy. The present value of the employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefits.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 16.

## 5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of return capital to shareholders, issue new shares, or sell assets to reduce debt.

## 6 Segment information

The Company's financial information by revenue segments analysis is as follow:

For the year ended 31 December 2017

	Vehicle auction income Baht	Motorcycle auction income Baht	Transportation income Baht	Other services income Baht	Total Baht
Revenue from service	434,162,585	57,185,556	60,213,255	7,934,535	559,495,931
Cost of services					(307,419,773)
Gross profit					252,076,158
Operating profit					134,861,567
Share of loss of investment in a joint venture					(3,673,232)
Income tax (Note 21)					(27,253,433)

Net profit for the year	103,934,902
-------------------------	-------------

For the year ended 31 December 2016

	Vehicle auction income Baht	Motorcycle auction income Baht	Transportation income Baht	Other services income Baht	Total Baht
Revenue from sale					
and service income	486,996,872	46,928,011	59,688,814	8,215,485	601,829,182
Cost of sale					
and services				(320,602,852)	
Gross profit					281,226,330
Operating profit					159,560,515
Income tax (Note 21)					(33,952,354)
Net profit for the year					125,608,161

7 Cash and cash equivalents

2017 Baht	2016 Baht
--------------	--------------

Cash on hand	360,000	225,000
Deposits with banks - Current accounts	13,021,100	6,868,722
Deposits with banks - Saving accounts	30,660,498	41,434,726
Short-term investments due within 3 months	77,185	193,343
	<hr/>	<hr/>
Total	44,118,783	48,721,791
	<hr/>	<hr/>

Average interest rates on deposits at banks are in the range of 0.38% - 1.05% per annum (2016: 0.38% - 1.10% per annum).

## 8 Short-term investments

Movement of short-term investments can be summarised as follows:

	Fixed deposits due more than 3 months but within 1 year Baht	Trading security Baht	Total Baht
	<hr/>	<hr/>	<hr/>
As at 1 January 2016	94,978,085	54,600	95,032,685
Additions	80,139,061	-	80,139,061
Disposals	(11,985,810)	(51,900)	(12,037,710)
Fair value adjustments	-	(2,700)	(2,700)
	<hr/>	<hr/>	<hr/>
As at 31 December 2016	163,131,336	-	163,131,336
Additions	146,658,459	-	146,658,459
Disposals	(122,773,645)	-	(122,773,645)
	<hr/>	<hr/>	<hr/>
As at 31 December 2017	187,016,150	-	187,016,150
	<hr/>	<hr/>	<hr/>

Fair values of investment are as follow:

	Fixed deposits due more than 3 months but within 1 year	Trading security	Total

	Baht	Baht	Baht
Cost as at 31 December 2017	187,016,150	-	187,016,150
Unrealised gain	-	-	-
	187,016,150	-	187,016,150

Balance of short-term investments as at 31 December are as follows:

	2017	2016
	Baht	Baht
Held-to-maturity:		
- Fixed deposits	187,016,150	163,131,336
Trading security:		
- Equity security	-	-
Total	187,016,150	163,131,336

Fixed deposits are bank deposit accounts due in 3 - 12 months which are due in December 2018 and bears interest rate at 0.80% - 1.30% per annum (2016: 0.85% - 1.65% per annum).

## 9 Trade and other receivables

	2017	2016
	Baht	Baht
Trade receivables - vehicles	31,813,464	26,553,609
<u>Less</u> Allowance for doubtful accounts	(405,000)	(405,000)
Trade receivables, net	31,408,464	26,148,609
Trade receivables from other services	3,400,527	1,991,707
Prepaid land rental expenses	11,243,609	15,327,334
Advances paid	3,205,224	1,774,791
Prepaid expenses	1,975,337	2,040,744

Other receivables, net	298,892	441,792
Interest receivable	321,947	464,898
	<hr/>	<hr/>
Total	51,854,000	48,189,875
	<hr/>	<hr/>

Outstanding trade receivables - vehicles as at 31 December can be analysed according to periods as follows:

	2017	2016
	Baht	Baht
	<hr/>	<hr/>
Current	29,511,624	23,380,012
Overdue less than 3 months	1,896,840	2,743,666
3 - 6 months	-	23,861
6 - 12 months	-	-
Over 12 months	405,000	406,070
	<hr/>	<hr/>
	31,813,464	26,553,609
<u>Less</u> Allowance for doubtful accounts	(405,000)	(405,000)
	<hr/>	<hr/>
Total	31,408,464	26,148,609
	<hr/>	<hr/>

Normally, credit term of trade receivables is between 4 - 90 working days.

#### 10 Restricted deposit at bank

As at 31 December 2017, the Company had outstanding deposit at a bank of Baht 34.13 million (2016: Baht 32.86 million) being used as guarantees for letters of guarantee facility issued by a local commercial bank in respect of electricity usage and contract performance guarantee for auction biddings of Baht 8.13 million (Note 24.2), and guarantees for overdraft facility from 4 financial institutions amounting to Baht 26.00 million (Note 24.3).

#### 11 Investments in joint venture, net

The Company's investment in a joint venture is as follows:

	% of interest	
Nature of	31 December	31 December



Joint venture	Nature of business	relationship	2017	2016
Action and auction Company Limited	Providing sales and services related vehicle and other assets	Shareholder	50.998	-

A joint venture is incorporated in Thailand. All holdings are investments in ordinary shares.

	Equity method financial statements Baht	Cost method financial statements Baht
Investment in a joint venture	1,426,568	5,099,800
<u>Less</u> Allowance for impairment	-	-
Investment in a joint venture, net	1,426,568	5,099,800

Movements of investment in a joint venture is as follows:

	Equity method financial statements Baht	Cost method financial statements Baht
<b>Investment in a joint venture</b>		
Opening net book amount	-	-
Acquisition of investments	5,099,800	5,099,800
Share of loss of investment in a joint venture	(3,673,232)	-
Closing net book amount	1,426,568	5,099,800

On 25 January 2017, Union Auction Public Company Limited acquired 50,998 ordinary shares. The Company holds shares representing 50.998% of the issued share capital. Investment in Action and auction Company Limited is classified as joint venture of the Company because at each board of director meeting, there must be a committee nominated by another partners attend to constitute a quorum.

12 Leasehold improvements, buildings and equipment, net

	Building							
	Leasehold		improvements	Furniture	Office		Construction	
	improvements	Buildings	and facilities	and fixtures	equipment	Vehicles	in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<hr/>								
At 1 January 2016								
Cost	249,037,034	36,242,564	42,613,040	41,706,661	2,413,641	36,943,001	514,490	409,470,431
<u>Less</u> Accumulated								(164,388,18
depreciation	(71,908,866)	(14,684,997)	(29,860,449)	(23,928,186)	(1,745,528)	(22,260,157)	-	3)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value	177,128,168	21,557,567	12,752,591	17,778,475	668,113	14,682,844	514,490	245,082,248
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

For the year ended

### 31 December 2016

Opening net book value	177,128,168	21,557,567	12,752,591	17,778,475	668,113	14,682,844	514,490	245,082,248
Additions	2,758,686	-	311,162	4,183,796	133,240	2,661,300	32,460,477	42,508,661
Disposals	(12)	-	-	(62,568)	(655)	(579,645)	-	(642,880)
Transfers in (out)	1,117,243	-	20,000	35,000	-	-	(1,172,243)	-
Depreciation charge	(20,457,080)	(2,324,664)	(3,927,093)	(5,859,899)	(258,150)	(5,104,936)	-	(37,931,822)
Closing net book value	160,547,005	19,232,903	9,156,660	16,074,804	542,548	11,659,563	31,802,724	249,016,207

### At 31 December 2016

Cost	248,866,797	36,242,564	42,944,202	45,335,407	2,483,760	35,757,727	31,802,724	443,433,181
<u>Less</u> Accumulated depreciation	(88,319,792)	(17,009,661)	(33,787,542)	(29,260,603)	(1,941,212)	(24,098,164)	-	(194,416,974)
Net book value	160,547,005	19,232,903	9,156,660	16,074,804	542,548	11,659,563	31,802,724	249,016,207

12 Leasehold improvements, buildings and equipment, net (Cont'd)

	Building							
	Leasehold		improvements	Furniture	Office		Construction	
	improvements	Buildings	and facilities	and fixtures	equipment	Vehicles	in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
For the year ended								
31 December 2017								
Opening net book value	160,547,005	19,232,903	9,156,660	16,074,804	542,548	11,659,563	31,802,724	249,016,207
Additions	1,558,025	4,301,959	-	4,121,263	206,742	7,303,800	22,772,716	40,264,505
Disposals	(162,554)	-	-	(73,741)	-	(90,673)	-	(326,968)
Write off, net	(334,520)	-	(66,485)	(46,645)	15	-	-	(447,635)
Transfers in (out)	31,746,726	7,792,660	8,259,220	813,303	-	-	(48,611,909)	-
Depreciation charge	(23,174,128)	(2,292,716)	(3,975,859)	(6,100,243)	(206,995)	(4,566,821)	-	(40,316,762)
Closing net book value	170,180,554	29,034,806	13,373,536	14,788,741	542,310	14,305,869	5,963,531	248,189,347

At 31 December 2017

Cost	276,852,663	48,337,183	50,290,742	48,327,086	2,682,861	35,934,620	5,963,531	468,388,686
<u>Less</u> Accumulated depreciation	(106,672,109)	(19,302,377)	(36,917,206)	(33,538,345)	(2,140,551)	(21,628,751)	-	(220,199,339)
Net book value	170,180,554	29,034,806	13,373,536	14,788,741	542,310	14,305,869	5,963,531	248,189,347

**13 Intangible assets, net**

	Lease right on land Baht	Computer software Baht	Installation in progress Baht	Total Baht
<b>At 1 January 2016</b>				
Cost	26,908,746	1,666,145	438,000	29,012,891
<u>Less</u> Accumulated amortisation	(3,608,612)	(442,801)	-	(4,051,413)
Net book amount	23,300,134	1,223,344	438,000	24,961,478
<b>For the year ended</b>				
<b>31 December 2016</b>				
Cost	23,300,134	1,223,344	438,000	24,961,478
Additions	442,935	1,107,000	223,000	1,772,935
Transfer in (out)	-	549,000	(549,000)	-
<u>Less</u> Amortisation charge	(2,617,374)	(245,117)	-	(2,862,491)
Closing net book amount	21,125,695	2,634,227	112,000	23,871,922
<b>At 31 December 2016</b>				
Cost	27,351,681	3,322,145	112,000	30,785,826
<u>Less</u> Accumulated amortisation	(6,225,986)	(687,918)	-	(6,913,904)
Net book amount	21,125,695	2,634,227	112,000	23,871,922
<b>For the year ended</b>				
<b>31 December 2017</b>				
Cost	21,125,695	2,634,227	112,000	23,871,922
Additions	422,835	394,000	84,000	900,835
Write off, net	-	(1)	-	(1)
Transfer in (out)	-	196,000	(196,000)	-
<u>Less</u> Amortisation charge	(2,642,643)	(306,121)	-	(2,948,764)
Closing net book amount	18,905,887	2,918,105	-	21,823,992

#### At 31 December 2017

Cost	27,774,516	3,727,227	-	31,501,743
<u>Less</u> Accumulated amortisation	(8,868,629)	(809,122)	-	(9,677,751)
Net book amount	18,905,887	2,918,105	-	21,823,992

#### 14 Deferred income taxes

Deferred income taxes are calculated in full on temporary differences, using the liability method and using a principal tax rate of 20% (2016: 20%).

All balance of deferred tax assets and deferred tax liabilities are expected to be recovered or settled more than 12 months.

The gross movement and the deferred income tax account is as follows:

	2017	2016
	Baht	Baht
At 1 January	6,968,222	5,123,745
Charged to profit or loss (Note 21)	2,278,720	1,844,477
At 31 December	9,246,942	6,968,222

The movement in deferred tax assets and liabilities during the year is as follows:

	Increase (decrease) to statement of 1 January 2017 Baht	comprehensive income Baht	31 December 2017 Baht
Deferred income tax assets			
Employee benefit obligations	2,161,131	(692,593)	1,468,538



Land rental	3,509,000	143,627	3,652,627
Depreciation	1,298,091	2,683,467	3,981,558
Total deferred income tax assets	6,968,222	2,134,501	9,102,723
<b>Deferred income tax liabilities</b>			
Assets under finance lease obligations	-	144,219	144,219
Total deferred income tax liabilities	-	144,219	144,219
Deferred income taxes, net	6,968,222	2,278,720	9,246,942
		Increase	
		(decrease)	
		to statement of	
	1 January	comprehensive	31 December
	2016	income	2016
	Baht	Baht	Baht
<b>Deferred income tax assets</b>			
Employee benefit obligations	1,763,705	397,426	2,161,131
Land rental	2,935,471	573,529	3,509,000
Depreciation	510,735	787,356	1,298,091
Total deferred income tax assets	5,209,911	1,758,311	6,968,222
<b>Deferred income tax liabilities</b>			
Assets under finance lease obligations	(86,166)	86,166	-
Total deferred income tax liabilities	(86,166)	86,166	-
Deferred income taxes, net	5,123,745	1,844,477	6,968,222

# 15 Trade and other payables

	2017	2016
	Baht	Baht
Trade payables - car	62,434,063	58,384,105
Accrued expenses	30,819,518	31,409,558
Other payables	4,456,813	4,126,917
	<u>97,710,394</u>	<u>93,920,580</u>

Normally, credit term of trade payables - car auction is between 5 - 7 working days.

Accrued expense mainly comprise accrued bonus, rental and services such as cars transportation and car inspection services.

# 16 Employee benefit obligations

The employee benefit obligations are severance pay which represent the estimated present value of the future liability for retirement benefits to present employees, other than benefits provided through the provident fund. The retirement contribution rate is set on the basis of advice received from actuarial advisor.

The amount recognised in the statement of financial position is determined as follows:

	2017	2016
	Baht	Baht
At 1 January	10,805,657	8,818,524
Current service cost	1,244,331	2,363,214
Interest costs	262,749	318,680
Actuarial gain	(4,794,751)	-
Benefit paid during the year	(175,290)	-
Reversal	-	(694,761)
At 31 December	<u>7,342,696</u>	<u>10,805,657</u>

The Company engaged an independent actuary to perform the valuation of net present value of defined benefit obligations in December 2017. The actuarial assumptions used in the valuation have been revised to reflect the current economic situation. This resulted in an actuarial gain of Baht 4,794,751 which was recognised in other comprehensive income.

The amounts recognised in the statements of comprehensive income are as follows:

	2017	2016
	Baht	Baht
Current service cost	1,244,331	2,363,214
Interest cost	262,749	318,680
Actuarial gain	(4,794,751)	-
Reversal	-	(694,761)
Total	(3,287,671)	1,987,133

The principal actuarial assumptions used were as follows:

	2017	2016
	%	%
Discount rate	2.65	2.85
Salary growth rate	6.00	8.05
Turnover rate	11.46 - 34.38	16.50

## 6 Employee benefit obligations (Cont'd)

Sensitivity analysis for each significant assumption disclosed

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Discount rate	0.5%	0.5%	Decrease by 3.09%	Decrease by 2.87%	Increase by 3.30%	Increase by 3.03%
Salary growth rate	1.0%	0.5%	Increase by 6.52%	Increase by 3.34%	Decrease by 5.86%	Decrease by 3.20%
Turnover rate	20.0%	0.5%	Decrease by 14.86%	Decrease by 4.01%	Increase by 20.31%	Increase by 4.24%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis were not changed when compared to the previous period.

## 17 Share capital

	Authorised share capital		Issued and paid-up share capital		
					Premium
	Ordinary shares		Ordinary shares		on share capital
	Share	Baht	Share	Baht	Baht
At 1 January 2016	550,000,000	137,500,000	550,000,000	137,500,000	183,998,784
Issuance of shares	-	-	-	-	-
At 31 December 2016	550,000,000	137,500,000	550,000,000	137,500,000	183,998,784

Issuance of shares	-	-	-	-	-
At 31 December 2017	550,000,000	137,500,000	550,000,000	137,500,000	183,998,784

Total authorised number of ordinary shares is 550,000,000 shares (2016: 550,000,000 shares) with a par value of Baht 0.25 per share (2016: Baht 0.25 per share). All issued shares are fully paid.

#### 18 Legal reserve

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

	2017	2016
	Baht	Baht
At 1 January	13,750,000	13,750,000
Additions during the year	-	-
At 31 December	13,750,000	13,750,000

#### 19 Dividends paid

2017

At the Annual Ordinary Shareholders' meeting for the year 2017 held on 25 April 2017, the shareholders passed a resolution to approve the dividend payment for 550 million shares from the retained earnings of the Company at Baht 0.12 per share, totaling Baht 66.00 million. The Company paid such dividend on 9 May 2017.

At the Board of Directors' meeting held on 8 August 2017, the board passed a resolution to approve interim dividend from the operating result of the Company from 1 January 2017 to 30 June 2017 at Baht 0.04 per share to 550 million shares, totaling Baht 22.00 million. The Company paid such dividend on 7 September 2017.

## 2016

At the Annual Ordinary Shareholders' meeting for the year 2016 held on 30 March 2016, the shareholders passed a resolution to approve the dividend payment for 550 million shares from the retained earnings of the Company at Baht 0.17 per share, totaling Baht 93.50 million. The Company paid such dividend on 12 April 2016.

At the Board of Directors' meeting held on 9 August 2016, the board passed a resolution to approve interim dividend from the operating result of the Company from 1 January 2016 to 30 June 2016 at Baht 0.10 per share to 550 million shares, totaling Baht 55 million. The Company paid such dividend on 7 September 2016.

## 20 Expenses by nature

	2017	2016
	Baht	Baht
Staff costs	120,256,627	118,969,671
Transportation costs	75,766,595	73,314,221
Commission expenses	3,910,326	20,545,587
Land rental expenses	59,759,165	59,705,297
Other auction costs	19,871,276	24,239,248
Security costs	20,930,484	21,061,943
Depreciation (Note 12)	40,316,762	37,931,822
Amortisation (Note 13)	2,948,764	2,862,491

## 21 Income tax

	2017	2016
	Baht	Baht
<b>Current tax:</b>		
Current tax on profit for the year	29,532,153	35,796,831
<b>Deferred tax:</b>		
Origination and reversal of temporary differences (Note 14)	(2,278,720)	(1,844,477)
Total income tax expense	27,253,433	33,952,354

## 21 Income tax (Cont'd)

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	2017	2016
	Baht	Baht
Profit before tax	134,861,567	159,560,515
Tax calculated at a tax rate of 20% (2016: 20%)	26,972,313	31,912,103
Tax effect of:		
Expenses not deductible for tax purpose	309,287	2,055,350
Expense that are deductible at a greater amount from actual expenses	(28,167)	(15,099)
Tax charge	27,253,433	33,952,354

The weighted average applicable tax rate was 22% (2016: 20%).

## 22 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to owner of the parent by the weighted average number of ordinary shares in issue during the year.

	Equity method financial statements	Cost method financial statements	
	2017	2017	2016
Profit attributable to owner			
of the parent (Baht)	103,934,902	107,608,134	125,608,161
Weighted average number			
of ordinary shares (Share)	550,000,000	550,000,000	550,000,000
Basic earnings per share (Baht)	0.19	0.20	0.23

There is no potential dilutive ordinary shares in issue for the year ended 31 December 2017 and 2016.

## 23 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The following significant transactions were carried out with related parties:



### 23.1 Key Management compensation

	2017	2016
	Baht	Baht
Salaries and other short-term employee benefits	24,472,440	22,690,369
Retirement benefits	415,782	1,143,126
	<u>24,888,222</u>	<u>23,833,495</u>

Management remuneration mainly comprise salary for management and director fees for meetings.

## 24 Commitments

### 24.1 Operating lease commitments

The Company has entered into long-term lease agreements in respect of land lease for operation for the period from 1 to 30 years. The future payments under operating lease agreements are as follows:

	2017	2016
	Baht	Baht
Not later than 1 year	48,734,658	46,254,924
Later than 1 year but not later than 5 years	190,006,794	179,135,327
More than 5 years	114,682,462	135,874,893
	<u>353,423,914</u>	<u>361,265,144</u>

### 24.2 Bank guarantees

The Company has commitments in respect of letters of guarantee issued by local bank are as follows:

	2017	2016
	Baht	Baht
Electricity guarantee	330,900	330,900

Guarantees for contract performance used for

the auction biddings

7,800,000	7,930,000
8,130,900	8,260,900

**24.3** As at 31 December 2017, the Company had overdraft facility of Baht 26.00 million (31 December 2016: Baht 25.00 million) from 4 financial institutes which was reserved for the Company's operation.

The overdraft facility is guaranteed by related fix deposits (Note 10).

#### **24.4 Other agreements**

The Company has a commitment for the arrangement of auction biddings provided to 180 non-related companies and 10 local banks for the period from May 2006 to December 2019, the Company is required to comply with significant terms in related agreements such as commission rates.

### **25 Post statement of financial position event**

At the Board of Director's meeting held on 28 February 2018, the Board of Directors approved the additional annual dividend payment from the net profit and retained earnings of the Company as at 31 December 2017 of Baht 0.16 per share to shareholders of 550 million shares, totaling Baht 88 million. The date on which the recorded shareholders are entitled to receive the dividend was fixed to be on 16 March 2018. The dividend payment will be made on 4 May 2018 after obtaining the approval from the 2018 Annual General Shareholders' Meeting.

Later than 1 year but not later than 5 years

More than 5 years

179,135,327	177,697,215
135,874,893	134,550,575
361,265,144	356,268,954

## Details of Directors, Executives and Company Secretary

Assoc. Prof. Dr. Paiboon Sareewiwatthana

Chairman of the Board / Nomination & Remuneration Director

Age (years)	63
Education	<p>Doctoral Degree in Finance, University of Mississippi, USA</p> <p>MBA (Honor), NIDA</p> <p>Bachelor Degree of Engineering, Chulalongkorn University</p>
Related training programs held by the Thai Institute of Directors Association (IOD)	<p>DCP: Director Certification Program Class 12/2001</p> <p>RMP: Risk Management Committee Program Class 3/2014</p>
Work experiences during the past 5 years	
2012-Present	Chairman of the Board / Nomination and Remuneration Committee, Union Auction Pcl.
2016-Present	Chairman of the Board / Independent Director, Chic Republic Pcl.
2014-Present	Chairman of the Board, BT Wealth Industry Pcl.
2013- Present	Chairman of the Board, Thai Packaging Industry Pcl.
2012- Present	Chairman of the Board, UAC Global Pcl.
2005- Present	Arbitrator, The SEC, Thailand
2002 –2015	Chairman of Audit Committee/ Independent Director, May Bank Kim Eng (Thailand) Pcl.
2001-2015	Audit Committee/ Independent Director, Team Precision Plc.
1988- Present	Directors, BRCS Co., Ltd
1984 – Present	Assoc. Prof. Level 9 Faculty of Business Administration, NIDA

**Holding the positions of director / management in other company**

A. Listed company	Chairman of the Board, BT Wealth Industry Plc. Chairman of the Board, UAC Global Pcl.
B. Non-listed company	Chairman of the Board / Independent Director, Chic Republic Pcl. Chairman of the Board, Thai Packaging Industry Pcl. Directors, BRCS Co., Ltd

**Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company** None

**Holding the positions of director / management in other company**

A. Being an executive director, employee, staff or advisor who receives a regular salary	No
B. Being a provider of professional services (e.g. auditor, legal advisor)	No
C. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No

**Criminal record during the past 10 years** None

**Family relationship of the executive with the Company** None

**Shareholding ratio in the Company (percent) (as at 9 February 2018)** 1.31 <sup>/1</sup>

**Board of Directors' Meeting participation during the year 2017** 5 of 5

<sup>/1</sup> Include spouse 6,700,000 shares

Assoc. Prof. Dr. Sauwanee Thairungroj

Chairman of Audit Committee/ Vice Chairman of Nomination and Remuneration Committee/ Independent Director

Age (years)	59
Education	<p>Doctoral Degree in Economics, Washington State University, USA</p> <p>Master Degree in Development in Economics, NIDA</p> <p>Bachelor Degree of Economics, Thammasart University</p>
Related training programs held by the Thai Institute of Directors Association (IOD)	<p>DCP: Director Certification Program</p> <p>Class 21/2002</p>
Work experiences during the past 5 years	
2011- Present	Chairman of Audit Committee/ Vice Chairman of Nomination and Remuneration Committee/ Independent Director, Union Auction Pcl.
2012- Present	President, University of Thai Chamber of Commerce
2012- Apr 2014	Independent Director, Kaset Thai Sugar Industry Pcl.
2011-Oct. 2014	Committee of Financial Institution Policy, Bank of Thailand
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Holding the positions of director / management in other company	
A Being an executive director, employee, staff or advisor who receives a regular salary	No
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	None

Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 9 February 2018)	None
Board of Directors' Meeting participation during the year 2017	5 of 5

Assoc. Prof. Dr. Montri Saktiyanurak

Audit Committee/ Chairman of Nomination and Remuneration Committee/Independent Director

Age (years)	61
Education	<p>Doctoral Degree in Economics, University of Minnesota U.S.A.</p> <p>Master Degree in Economics, University of Minnesota U.S.A</p> <p>Bachelor Degree of Economics, Thammasart University</p>
Related training programs held by the Thai Institute of Directors Association (IOD)	DAP: Director Accreditation Program, 69/2008
Work experiences during the past 5 years	
2011- Present	<p>Audit Committee/ Chairman of Nomination and Remuneration Committee/ Independent Director Union Auction Pcl.</p>
2017- Present	Chairman of the Board, PCN. Co., Ltd.
2016- Present	<p>Chairman of the Board, Thai Plastic Industry (1994) Co.,Ltd.</p> <p>Director, Strong Max inter Co., Ltd.</p>
2015- Present	<p>Chairman of Audit Committee / Independent Director, Megachem Pcl.</p> <p>Audit Committee / Independent Director Baan Suay Group (Suratthani) Pcl.</p>
2014- Present	<p>Chairman of the Board/ Chairman of Audit Committee, TV Thunder Pcl.</p>
2012- Present	<p>Chairman of Audit Committee/ Independent Director, East Coast Furnitech Pcl.</p>
2011 – Present	<p>Chairman of the Board, S.P.C. Precious Metals Co., Ltd.</p> <p>Director, Learn Tech Co., Ltd.</p>
2013- 2017	Chairman of the Board, Ocean Commerce Pcl.
2012- 2013	Independent Director, Cho thavee Pcl.
2011- 2015	Director, Specialty Tech Corp.

2009- 2013	Chairman of Audit Committee/ Independent Director, Siam Global House Pcl.
Holding the positions of director / management in other company	
A. Listed company	Chairman of the Board/ Chairman of Audit Committee, TV Thunder Pcl. Chairman of Audit Committee/ Independent Director, East Coast Furnitech Pcl. Chairman of Audit Committee / Independent Director, Megachem Pcl. Chairman of the Board, PCN. Co., Ltd. Chairman of the Board, Thai Plastic Industry (1994) Co.,Ltd. Director, Strong Max inter Co., Ltd. Audit Committee / Independent Director Baan Suay Group (Suratthani) Pcl. Chairman of the Board, S.P.C. Precious Metals Co., Ltd. Director, Learn Tech Co., Ltd
B. Non-listed company	
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Holding the positions of director / management in other company	
A Being an executive director, employee, staff or advisor who receives a regular salary	No
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	None
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 9 February 2018)	None
Board of Directors' Meeting participation during the year 2017	5 of 5



**Mr. Sarawut Charchjinda**  
Executive Director

Age (years)	60
Education	MBA– Finance University of Mississippi U.S.A. Bachelor Degree of Accounting (2 <sup>nd</sup> Honor) Chlalongkorn University
Related training programs held by the Thai Institute of Directors Association (IOD)	DCP: Director Certification Program, 31/2003 AACP : Advance Audit Committee Program, 19/2015
Work experiences during the past 5 years	
2018- Present	Executive director, Union Auction Pcl.
2012- 2017	Audit Committee/ Independent Director/ Risk Management Director, Union Auction Pcl.
2016-Present	Chairman of Audit Committee/ Nomination and Remuneration Committee/ Independent Director, BT Wealth Industries Pcl.
2016-Present	Chairman of Audit Committee/ Independent Director, Chic Republic Pcl.
2013- Present	Chairman of Audit Committee/ Independent Director, Thai Packaging Industry Pcl.
2012- 2017	Deputy Managing Director/ Chairman of Business Loans, Kiatnakin Bank Pcl.
Holding the positions of director / management in other company	
A. Listed company	Chairman of Audit Committee/ Nomination and Remuneration Committee/ Independent Director, BT Wealth Industries Pcl.
B. Non-listed company	Chairman of Audit Committee/ Independent Director, Chic Republic Pcl. Chairman of Audit Committee/ Independent Director, Thai Packaging Industry Pcl.

Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A Being an executive director, employee, staff or advisor who receives a regular salary	No
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	None
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 30 December 2017)	None
Shareholding ratio in the Company (percent) (as at 9 February 2018)	None

**Note:**

Mr. Sarawut Charuchinda resigned from the company's director and all position, effective from December 31, 2.017.

The Board of Directors Meeting no. 5/2017, held on December 18, 2017 has passed the resolution to appoint Mr.Sarawut Charuchinda as the company's executive director, effective from January 1<sup>st</sup>, 2018.

Mrs. Wilaiwan Srisamruat  
Audit Committee / Independent Director/ Risk Management Director

Age (years)	58
Education	Master of Business Administration National Institute of Development Administration
Related training programs held by the Thai Institute of Directors Association (IOD)	DAP: Director Accreditation Program Class 145/2018
Work experiences during the past 5 years	
2018- Present	Audit Director / Independent Director/ Risk Management Director, Union Auction Pcl.
2017- Present	Accounting & Finance Consultant, บริษัท Teamplast Chemical Co.,Ltd.
2017- Present	Finance Consultant, AP&J Production Co.,Ltd.
2014-2016	CFO Mobile Business, True Corporation Pcl.
2011-2013	CFO Online Business, True Corporation Pcl.
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A Being an executive director, employee, staff or advisor who receives a regular salary	No
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 9 February 2018)	No

**Note:**

The Board of Directors Meeting no. 5/2017, held on December 18, 2017 has passed the resolution to appoint Mrs.Wilaiwan Srisamrual as the company's director , independent director, member of audit committee and risk management committee, effective from from January 1<sup>st</sup>, 2018 onwards, in replacement of Mr.Sarawut Charuchinda, the resigning director.

Mr. Suvit Yoadjarust

Director / Chairman of Executive Director/ Director / Chairman of Risk Management Committee

Age (years)	62
Education	Master Degree of Marketing Communication Management, Suan Dusit Rajabhat University
Related training programs held by the Thai Institute of Directors Association (IOD)	DCP: Director Certification Program Class 109/2014 RMP: Risk Management Program Class 3/2014
Work experiences during the past 5 years	
2013 – Present	Chairman of Executive Director/ Director Chairman of Risk Management Committee Union Auction Plc.
2001 – Present	Managing Director, Quality Syndicate Co., Ltd.
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	Quality Syndicate Co., Ltd.
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A Being an executive director, employee, staff or advisor who receives a regular salary	Yes
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	None
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 9 February 2018)	0.66
Board of Directors' Meeting participation during the year 2017	5 of 5

Mr. Thepthai Sila

Director / Managing Director / Executive Director / Risk Management Committee

Age (years)	58
Education	Bachelor Degree of Public Administration, Ramkhamhaeng University
Related training programs held by the Thai Institute of Directors Association (IOD)	DAP: Director Accredited Program Class100/2013 RMP: Risk Management Program Class 3/2014
Work experiences during the past 5 years	
1991 – Present	Director/Managing Director/ Executive Director/ Risk Management Committee, Union Auction Plc.
2010- Present	Director, At 800 Co., Ltd.
2010- Present	Director, Bliss Khao Kho Co., Ltd
1998- Present	Director, Sahakarn Holding Co., Ltd.
1993- Present	Director, Khao Kho Highland Resort Co., Ltd.
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	Director, At 800 Co., Ltd Director, Bliss Khao Kho Co., Ltd Director, Sahakarn Holding Co., Ltd Director, Khao Kho Highland Resort Co., Ltd
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A Being an executive director, employee, staff or advisor who receives a regular salary	Yes
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	None

Family relationship of the executive with the Company	Father of Mr. Varuyoo Sila
Shareholding ratio in the Company (percent) (as at 9 February 2018)	4.53 <sup>/1</sup>
Board of Directors' Meeting participation during the year 2017	3 of 5

Note : <sup>/1</sup> Include spouse 5,000,000 shares

Mr. Varunyoo Sila  
 Director / Deputy Managing Director / Executive Director / Risk Management Committee

Age (years)	34
Education	MBA, Assumption University  Bachelor Degree of Communication Arts, Assumption University
Related training programs held by the Thai Institute of Directors Association (IOD)	DCP : Director Certification Program Class 166/2012
Work experiences during the past 5 years	
2014- Present	Deputy Managing Director, Union Auction Plc.
2012- Present	Director /Executive Director / Risk Management Committee, Union Auction Pcl.
2010- Present	Director, Sahakarn Holding Co., Ltd.
2010- Present	Director, At 800 Co., Ltd.
2009- Present	Director, Bliss Khao Kho Co., Ltd Director, Khao Kho Highland Resort Co., Ltd
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	Director, Sahakarn Holding Co., Ltd. Director, At 800 Co., Ltd Director, Bliss Khao Kho Co., Ltd. Director, Khao Kho Highland Resort Co., Ltd
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A Being an executive director, employee, staff or advisor who receives a regular salary	Yes
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No



Criminal record during the past 10 years	None
Family relationship of the executive with the Company	Son of Mr. Thepthai Sila
Shareholding ratio in the Company (percent) (as at 9 February 2018)	No
Board of Directors' Meeting participation during the year 2017	4 of 5

Mrs. Anchalee Bhakkalin

Deputy Managing Director, Account & Finance Dept.

Age (years)	61
Education	MBA, Kasetsart University Certification of Public Accountant, Chulalongkorn University Bachelor Degree of Accounting and Finance, Chulalongkorn University Certified Public Accountant (CPA) 3256)
Related training programs held by the Thai Institute of Directors Association (IOD)	DAP: Class 124/2016
Work experiences during the past 5 years	
2017 – Present	Deputy Managing Director, Finance & Account Dept., Union Auction Pcl.
2015 – 2016	Assistant Managing Director, Finance & Account Dept., Union Auction Pcl.
2005 – 2015	Chief Financial Officer U.S. Summit (Overseas) Co., Ltd. and Group
1989 – 2005	Director/Head of Finance Department Dunlop Pillow Thailand Co., Ltd.
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A Being an executive director, employee, staff or advisor who receives a regular salary	No
B Being a provider of professional services (e.g. auditor, legal advisor)	No

C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 9 February 2018)	No

Mr. Phaophon Tamsamrit  
Deputy Managing Director, Operation Dept.

Age (years)	62
Education	Industrial science, King Mongkut's Institute of Technology, North Bangkok.
Related training programs held by the Thai Institute of Directors Association (IOD)	-
Work experiences during the past 5 years	
2017 – Present	Deputy Managing Director, Operation Dept. Union Auction PCL.
2017 – 2016	Assistant Governor, Development and Power Plant Planning, The Electricity Generating Authority of Thailand
2013 – 2015	Assistant Governor, Community Relations and Environment, The Electricity Generating Authority of Thailand
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A Being an executive director, employee, staff or advisor who receives a regular salary	No
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No

Shareholding ratio in the Company (percent) (as at 30 December 2017)	No
--	----

Note : Mr. Phaophong Tamsamrit terminated from Deputy Managing Director, Operation Dept. effective on December 31, 2017.

Mr. Kriangsak Dhammaraksa  
Assistant Managing Director, Information Technology Dept.

Age (years)	46
Education	Master of Science (Major in Information Technology Management) Songkhla Nakarin University Bachelor Degree of Science (Statistics) Sinakarinwirot University
Related training programs held by the Thai Institute of Directors Association (IOD)	
Work experiences during the past 5 years	
2015 – Present	Assistant Managing Director, Information Technology, Union Auction Pcl.
2014	Head of IT Department, Union Auction Pcl.
2016 – Present	Director, Action and Auction Co.,Ltd.
2004 – 2013	Head of IT Development Department, Vanda Frozen Co., Ltd
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	Director, Action and Auction Co.,Ltd
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A Being an executive director, employee, staff or advisor who receives a regular salary	No
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 9 February 2018)	No

Miss Chittra Chantakui

Assistant Managing Director, Human Resources and Legal Dept. r

Age (years)	46
Education	Bachelor of Laws, Ramkhamhaeng University
Related training programs held by the Thai Institute of Directors Association (IOD)	Company Secretary Program (CSP) Class 63/2015
Work experiences during the past 5 years	
2016- Present	Assistant Managing Director, Human Resources and Legal Dept.
	Union Auction Public Company Limited
2014-2016	Legal Manager
	Union Auction Public Company Limited
2004 – 2013	Lawyer, Inthornrak Consultant Co, Ltd.
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A Being an executive director, employee, staff or advisor who receives a regular salary	No
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 9 February 2018)	No

Mr. Nitid Sopon  
Assistant Managing Director, Operation Dept.

Age (years)	46
Education	Master of Business Administration, Eastern Asia University
Related training programs held by the Thai Institute of Directors Association (IOD)	None
Work experiences during the past 5 years	
2015- Present	Assisstant Managing Director, Operation Dept. Union Auction Public Company Limited
1994-2014	Marketing Manager Thai Go-Bay Welding Company Limited
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A Being an executive director, employee, staff or advisor who receives a regular salary	No
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 9 February 2018)	No



Mr. Sutee Samathi

Assistant Managing Director, Business Development and Marketing Dept.

Age (years)	56
Education	Master Degree in Business Administration (MBA) Major: Finance, Ramkhamheng University Bachelor Degree in Economics, Ramkhamheng University
Related training programs held by the Thai Institute of Directors Association (IOD)	-
Work experiences during the past 5 years	
2017 – Present	Assistant Managing Director, Business Development and Marketing Dept., Union Auction PCL.
2016-2017	Executives, Action and Auction Co., Ltd.
1997-2016	Senior Manager, Credit Dept. Floor Plan Business, Kiatnakin Bank PCL.
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	CEO, Action and Auction Company Limited
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A Being an executive director, employee, staff or advisor who receives a regular salary	No
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No

Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 9 February 2018)	0.0014

Miss Poonsil Kaewchamnonng  
Acting Assistant Managing Director, Director Office

Age (years)	52
Education	Bachelor of Business Administration, Ramkhamhaeng University
Related training programs held by the Thai Institute of Directors Association (IOD)	None
Work experiences during the past 5 years	
2016- Present	Acting Assistant Managing Director, Office of the Director Union Auction Public Company Limited
2003- Present	Executive Secretary Union Auction Public Company Limited
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A Being an executive director, employee, staff or advisor who receives a regular salary	No
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 9 February 2018)	0.0018

Miss Ampaporn Lakruangsup  
Company Secretary

Age (years)	57
Education	Master of Business Administration, National Institute of Development Administration
Related training programs held by the Thai Institute of Directors Association (IOD)	-
Work experiences during the past 5 years	
2018- Present	Company Secretary Union Auction Public Company Limited
2016-2017	Consultant, Chic Republic Co.,Ltd.
2013-2015	Company Secretary Union Auction Public Company Limited
2009-2011	Special Project Consultant, Getabec Co.,Ltd.
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A. Being an executive director, employee, staff or advisor who receives a regular salary	No
B. Being a provider of professional services (e.g. auditor, legal advisor)	No
C. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material/ goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 9 February 2018)	No



Union Auction Public Company Limited

518/28 Soi Ramkhamhaeng 39 (Thepleela 1) Wangthonglang Bangkok 10310

Tel : 02-934-7339-49

[www.auct.co.th](http://www.auct.co.th) | [www.facebook.com/UnionAuctionCo](https://www.facebook.com/UnionAuctionCo)

2017

ANNUAL  
**REPORT**  
2017