



สหการประมูล
UNION AUCTION

ANNUAL REPORT 2018

“ 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.

MISSION

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 "

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Message from the Board of Directors

2018 was the year that the dedicated work of employees and executives began to show results. This was also supported by the recovery of the automotive industry which caused Union Auction Public Limited Company to be able to provide more auction services as well as additional services. This clearly resulted in better performance in which a greater dividend payment can be forwarded to the Shareholders.



For 2019, the Board of Directors and the Management are confident that it will be the year that Union Auction Public Limited Company will be able to fully provide business services due to its readiness that is always improving. This year the Company is likely to see growth in both the business and operating results. This includes another year of excellent profits and dividends.

On behalf of the Board of Directors, I would like to express our gratitude to the shareholders, executives, employees, trade partners, customers and stakeholders who have always supported the Company.

On behalf of the Board of Directors, I would also like to assure you that the Company will conduct business in accordance with the principles of good corporate governance so that the business will grow steadily, consistently and sustainably.

A handwritten signature in black ink, appearing to read 'Paiboon Sareewiwatthana'.

(Assoc. Prof. Dr. Paiboon Sareewiwatthana)

Chairman of the Board of Directors

Report of Risk Management Committee

The Risk Management Committee performed its duties as specified in the scope of authority, duties and responsibilities of the Risk Management Committee. The Risk Management Committee stipulated the risk management policy, prepared a risk management plan, assessed risks, managed the Company's business risk, monitored the progress of the implementation of the risk management plan, and provided advice and recommendations regarding risk management.

In 2018, the Risk Management Committee held a total of 3 meetings, which can be summarized as follows:

Considered the annual risk management plan of the Risk Management Working Group. The Risk Management Working Group consists of executives from various related departments who assessed risks, prioritized the importance of risks, determined the impact of risks, and determined how to manage this risk at an acceptable level.

Followed up and reviewed the implementation of the risk management plan which is under the established risk management policy and framework. The Risk Management Committee ensured that the Company has systematic and effective risk management by assigning a Risk Management Working Group to monitor and review risk management in order to achieve the set objectives.

Reviewed and updated the risk management manual to meet current standards in order to respond to risk management in a timely manner.

Reviewed the scope of authority, duties and responsibilities of the annual Risk Management Committee.

Considered giving comments and approval to the preparation of corporate risk list to be in accordance with the business direction, the strategic plan and corporate goals.

Reported the results of the whole organization's risk management to the Board of Directors.

The Risk Management Committee is confident that the Company's risk management is consistent and efficient and is in accordance with the principles and guidelines for good corporate governance as well as has an adequate and appropriate internal control system, and complies correctly with the laws and regulations related to business operations.



A handwritten signature in black ink, appearing to read 'Suwit Yoadjaras'.

(Mr. Suvit Yoadjaras)

Chairman of the Risk Management Committee

Report of Nomination and Remuneration Committee

In 2018, 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 2018 for the Board of Directors, the Audit Committee, the Risk Management Committee and the 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 directors 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.
3. The Nomination and Remuneration Committee reviewed the scope of authority, duties and responsibilities of the Nomination and Remuneration Committee for the year in the Meeting No. 2/2018 on December 20, 2018 in order to ensure that the Nomination and Remuneration Committee performed their assigned duties and responsibilities completely in accordance with the criteria and guidelines of the Securities and Exchange Commission.

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.

A handwritten signature in blue ink, consisting of stylized, cursive letters.

(Assoc.Prof. Dr. Montri Sokatiyanuruk)
Chairman of the board of Nomination and Remuneration Committee

Report of Executive Committee

2018 was a pleasant year in which the Company's performance has grown and reflected on the efficiency of the operation in accordance with the Company's plan. This includes business performance and development in various aspects such as service areas, clear marketing strategies and direction, development of personnel and innovative services, etc., in order to create sustainable returns. This year, the Company presented the Company's presenter, presented a new auction application, changed the Company's logo to be modern, and organized marketing events to reinforce the professionalism of the auction business.



The Company continues to adhere to code of ethics, good governance and good corporate governance principles. In addition, the Company also maintains a prudent business approach in which the main goal is to create strong and sustainable growth for the Company as well as maintain policies that focus on the Company's responsibility to society and the community along with the proper use of resources.

On behalf of the Board of Directors, executives and employees of the Company, I would like to express my gratitude for your continued support of the Company and be assured that the Company will continue to maintain the guidelines that will grow business operations continually and steadily in order to continue creating sustainable value for stakeholders and society.

A handwritten signature in black ink, appearing to read 'Suwit Yodcharust'.

(Mr. Suwit Yodcharust)

Chief Executive Officer

BOARD OF DIRECTORS

Assoc. Prof Dr. Paiboon Sareewiwatthana

Director/ Chairman of the Board / Nomination & Remuneration Director



Mr. Suvit Yoadjarust

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



Mr. Thepthai Sila

Director / Managing Director / Executive Director/
Risk Management Committee



Mr. Sarawut Charuchinda

Director / Executive Director / Risk Management Director



BOARD OF DIRECTORS

Mr. Varunyoo Sila

Director / Executive Director / Deputy Managing Director /
Risk Management Director



Assoc. Prof. Dr. Sauwanee Thairungroj

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



Assoc. Prof. Dr. Montri Soktiyanurak

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



Mrs. Wilaiwan Srisamrual

Director/ Audit Committee / Independent Director/
Risk Management Director



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, Udornthani, 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

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 the joint venture, Action and Auction Company Limited, with 51 % of the shares held by AUCTION and 24 % of the shares held by TSF Energy Company Limited (or later changed it's name to TSF Extra Company Limited). Action and Auction Company Limited was set up with its registered capital of 10 million Baht 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 to develop the image and the quality of the Company's services so that they

Union Auction Public Company Limited

2018

- The Company developed the storage in Ratchaburi province to another branch for auction services to support business expansion in the central region.
- Opened a storage in Srakaew province to accomodate with the car volume in the East and connected to the North-east region.
- The Board of Directors' Meeting of Action and Auction Company Limited on October 9, 2018 resolved to terminate the operations and close Action and Auction Company Limited since the operating results did not meet the target.

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:

- | | |
|-------------------------|--|
| Buyers: | demand a variety of type and quantity of properties to meet their desire and budget. |
| Property owners: | 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



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 1-15% 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 2018, the Company held special auctions as described below.

1. The Company auctioned beautiful mobile numbers of the year 2018, for the Office of National Broadcasting and Television
2. Auctions for discontinued, damaged items in the possession of the State Railway of Thailand
3. Auction of items golfers love for the golf event CHARITY NIGHT HONDA LPGA 2018

Beautiful mobile numbers auction of the year 2018, for the Office of National Broadcasting and Television.

In 2018, the Company launched a mobile application under a concept called "AUCT Friend". The Company developed the system to support Thailand 4.0 with the mobile application which allows customers to access cost appraisal information, know the Company's auction schedule across the country, search for cars being auctioned and a notification system that notifies customers when vehicles being auctioned meet certain requirements. This increases customer convenience.



Source: Union Auction Public Company Limited

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.

E-Onsite is a system that was continuously developed by the Company in 2018 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.

In 2018, the Company launched a mobile application under a concept called "AUCTION Friend". The Company developed the system to support Thailand 4.0 with the mobile application which allows customers to access cost appraisal information, know the Company's auction schedule across the country, search for cars being auctioned and a notification system that notifies customers when vehicles being auctioned meet certain requirements. This increases customer convenience.



Source: Union Auction Public Company Limited

Managing the Beautiful Cellular Numbers Auction for the year 2018, 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 2018 till 2019. This was in accordance with the intentions of the NBTC to respond to 'Thailand 4.0' government policy.

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 2015-2018

(Unit : million Baht)

	2016		2017		2018	
	Mil. Baht	%	Mil. Baht	Mil. Baht	%	Mil. Baht
Automobile auction income	487.00	80.17	434.16	487.00	80.17	434.16
Motorcycle auction income	46.93	7.73	57.19	46.93	7.73	57.19
Transportation services income	59.69	9.83	60.21	59.69	9.83	60.21
Other assets auction	8.21	1.35	7.93	8.21	1.35	7.93
Total service revenue	601.83	99.07	559.50	601.83	99.07	559.50
Other income	5.66	0.93	4.804	5.66	0.93	4.804
Total revenue	607.49	100.00	564.30	607.49	100.00	564.30

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 Motorcycle	1,848 2,630
Upcountry 25 sites	Automobile Motorcycle	6,547 2,350
Total 27 sites	Automobile Motorcycle	8,395 4,980

The Company has 13 auctions in 13 provinces

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

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	★	★			★		
Ubonratchathani	★	★					
Udonrthani				★	★		
Suratthani	★			★			
Songkha (Hadyai)			★			★	
Pitsanulok	★			★			
Ratchburi						★	

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:

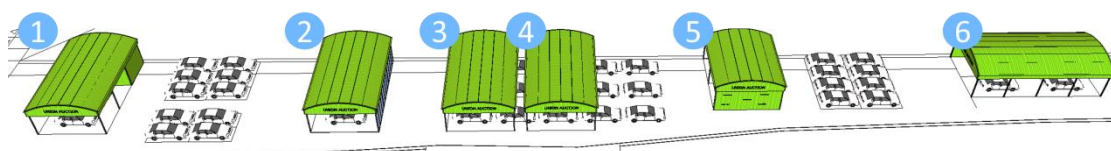
North eastern region : Khon Kaen

Eastern region : Chonburi, Rayong

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

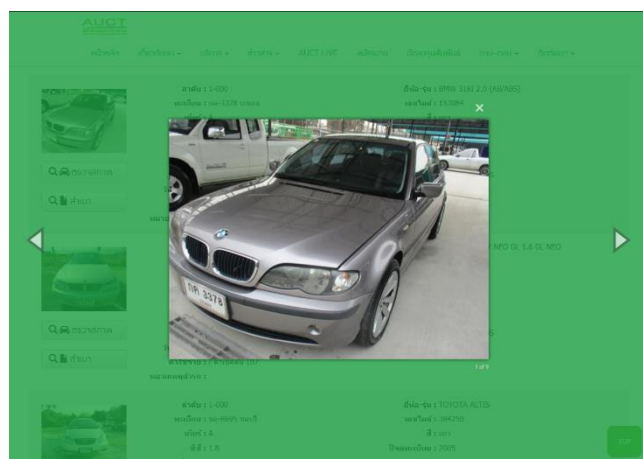
The Company has set up the new system for vehicle pick up and clarification as follows:



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 Procedure

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. 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.

Automobile: 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.

Motorcycle: 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.

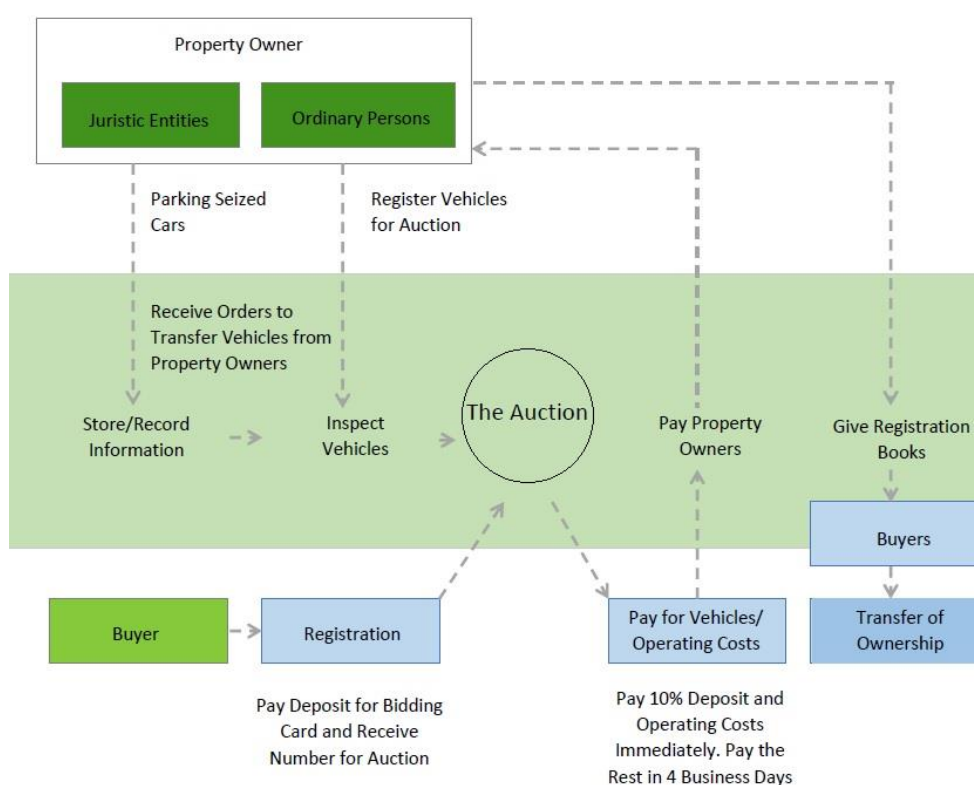
For general customers, the property shall be handed over only when the full payment is made. On the occasion that the property, once received by bidder, is damaged or defected, not in the same condition as in the inspection checklist, the bidder shall notify the Company within 24 hours. The Company will 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.

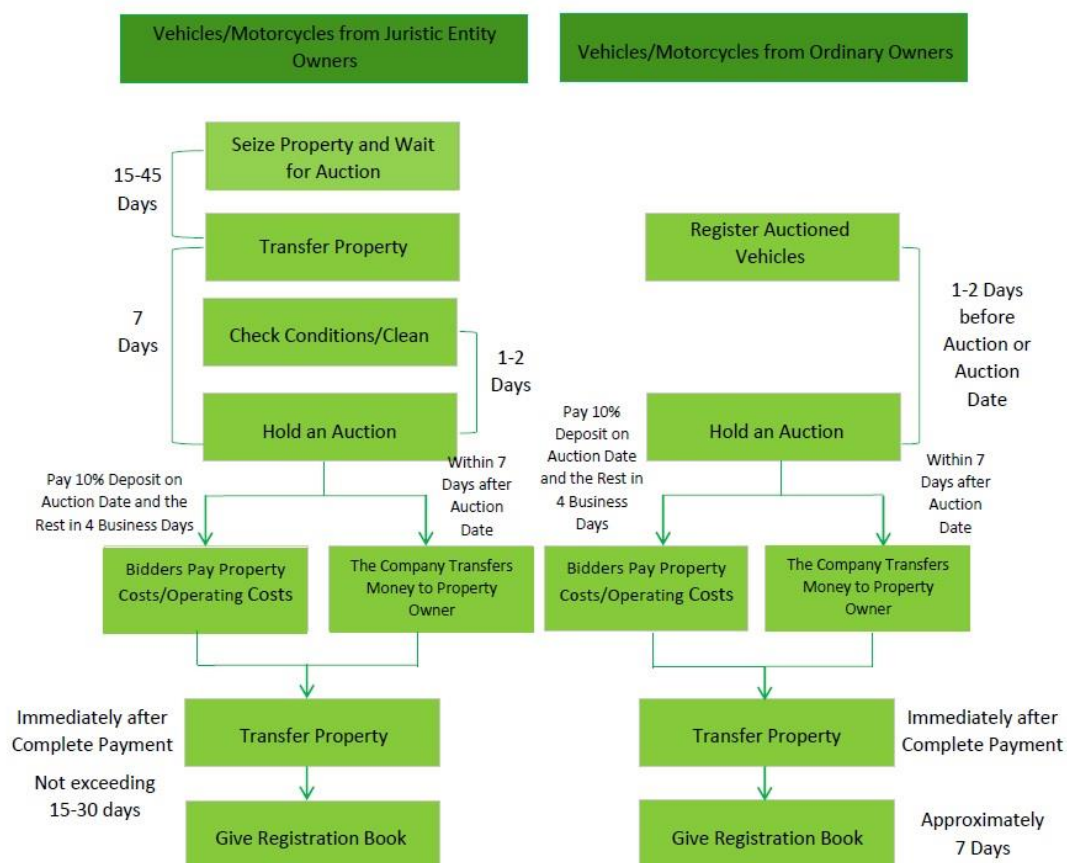
Delivery of Auction Proceeds

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



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 AUCT.

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 year 2018 was another year that the automobile industry had expanded in its domestic market as the overall local and international economic conditions expanded well in a positive direction, thus resulted in export sector recovery. Though the agricultural prices were not so good, the overall factors positively contributed to Thailand's automotive industry and made the country's new car sales in 2018 hit the highest record in 5 years.

In 2019, positive factors that result from election clarity that built the confidence of investors and the drive from public investment from the progression of major and ongoing investment projects, such as investment in the construction of the Skytrain, the investment of the Eastern Economic Corridor, EEC, are important factors that stimulate investment from the private sector and the government sector and will be a factor that supports Thai automobile industry growth. 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. It is expected that the car market will grow closely as the year 2018.

Production in 2019 is expected to produce 2.1 million vehicles, a decrease of 0.82% from the year 2018. The proportion of production for the domestic market is 1 million vehicles and for 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 after the eliminations of the 5-year prohibition, as well as the forecasted growth of the GDP. This indicates a growth in the economy.

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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. Another factor is the competition of various financial institutions in granting hire purchase loans in accordance with the economic expansion.

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%)

In 2018, total sales were 1,041,739 vehicles (an increase of 170,092 vehicles or +19.5%)

Total car sales in Thailand in 2018 was 1,041,739 vehicles, an increase of 19.5%. This was the highest 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 automobile market in the year 2019 is likely to be stable. Total sales should be around 1,000,000 vehicles due to positive factors resulting from the promotion and support of investment measurements 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 purchase.

The vehicle category that is expected to grow higher than the overall market in the year 2019 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, the overall picture of the Thai economy for the year 2019 is likely to improve. The Office of the Fiscal Policy Office (FPO) announced the economic outlook for the year 2019 that the GDP growth will expand by 4.0%. This is driven by positive factors such as government spending on mega projects, including joint- investment projects between public and private sectors in infrastructure, clarity about the election, as well as agricultural income and domestic consumption recovery.

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 2018, 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 29 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 0.5 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 29 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 January 31, 2019, the Sila family were shareholders that owned 311.35 million shares of the Company shares which is equivalent to 56.61% 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 3 independent directors that are not major shareholders or Company executives. These 3 independent directors equal 37.50% of the total number of directors that serve on the board of directors. To a certain extent, they are able to examine and review operations, balance the power on behalf of minor shareholders 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 main assets that the Company provides in auctions are vehicles and motorcycles which is approximately 86 percent of the total revenue of the Company. In 2018, the Company secured a large number of vehicles and motorcycles through the juristic person owner. Most of the property owners are financial institutions that have released automobile hire-purchase loans and taken seized vehicles from their customers to bid. The number of vehicles that the top 3 operators brought to auction accounted for approximately 66 percent of the assets that the Company's auction deals closed. These 3 operators are considered major operators in the automobile hire-purchase business

that the Company relies on. However, the Company may have risk in the case that asset owners conduct their own auction business or bring assets to auction at other companies. This may affect the Company's business.

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 27 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 29 vehicle storage areas across the country and free pre-auction check-up services at headquarters and at the Rangsit Branch, as well as grading vehicles to the standard. 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 2,023 million Baht which covered the Company's properties and storage location sites all over the country and 202 million Baht sum insured to cover all properties for a storage site of companies affiliated with a financial institution. 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:

Legal Disputes

As of December 31, 2018, 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 capital shares in the future

The Company does not have any obligation to issue capital shares 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

Name of stock company:	Union Auction Public Company Limited (“Company”)
Stock Quote:	AUCT
Type of Business:	Auction Service
Registered Capital:	137,500,000 baht consist of paid-up common stock: 550,000,000 shares, valued 0.25 baht per share
Number of Employees:	340 persons (as of December 31, 2018)
Address of Head Office:	518/28 Soi Ramkhamhaeng 39 (Thepleela 1), Wangthonglang sub-district, Wangthonglang district, Bangkok 10310
Company registration Number:	0107555000341
URL / Website:	www.auct.co.th
Telephone:	02-934-7339 - 49
Fax. :	02-935-6202
Investor Relations:	02-934-7339 - 49 Ext. 148
References:	
Registrar of Securities:	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
Auditor :	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

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 , www.set.or.th or www.auct.co.th

Shareholders

As of January 31, 2019, the top 10 major shareholders of the Company are as follows :

No.	Shareholder Name	No. of shares	% of capital
1.	Sila Family		
	Mr. Pakphoom Sila	137,499,000	25.00
	Miss Thidararat Sila	137,395,000	24.98
	Mr. Thepthai Sila	23,108,200	4.20
	Mr. Varunyoo Sila	8,100,000	1.47
	Mrs. Wipha Sila	5,000,000	0.91
	Mrs. Pannee Sila	250,000	0.05
	Total shares of Sila family	311,352,200	56.61
2.	Sareewiwatthana Family		
	Miss Pichsinee 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
	Total shares of Sareewiwatthana family	45,761,400	8.32
3.	Yoadjarust Family		
	Mr. Suvit Yoadjarust	3,616,200	0.66
	Mr. Nutthavut Yoadjarust	1,580,000	0.29
	Miss Nutthida Yoadjarust	1,500,000	0.27
	Total shares of Yoadjarust family	6,696,200	1.22
4.	Mr. Pracha Dhamrongsuthiphong	8,100,000	1.47
5.	Mr. Thaweechat Churankul	7,682,100	1.40
6.	Thai NVDR Co., Ltd.	7,613,931	1.38
7.	Miss Malee Kittichoochot	4,200,000	0.76
8.	Mr. Sintu Wathwaruth	3,506,000	0.64
9.	Mr. Somboon Kitthawornsawat	3,000,000	0.55
10.	Other Minor Shareholders	152,088,169	27.65
	Total	550,000,000	100.00

Management

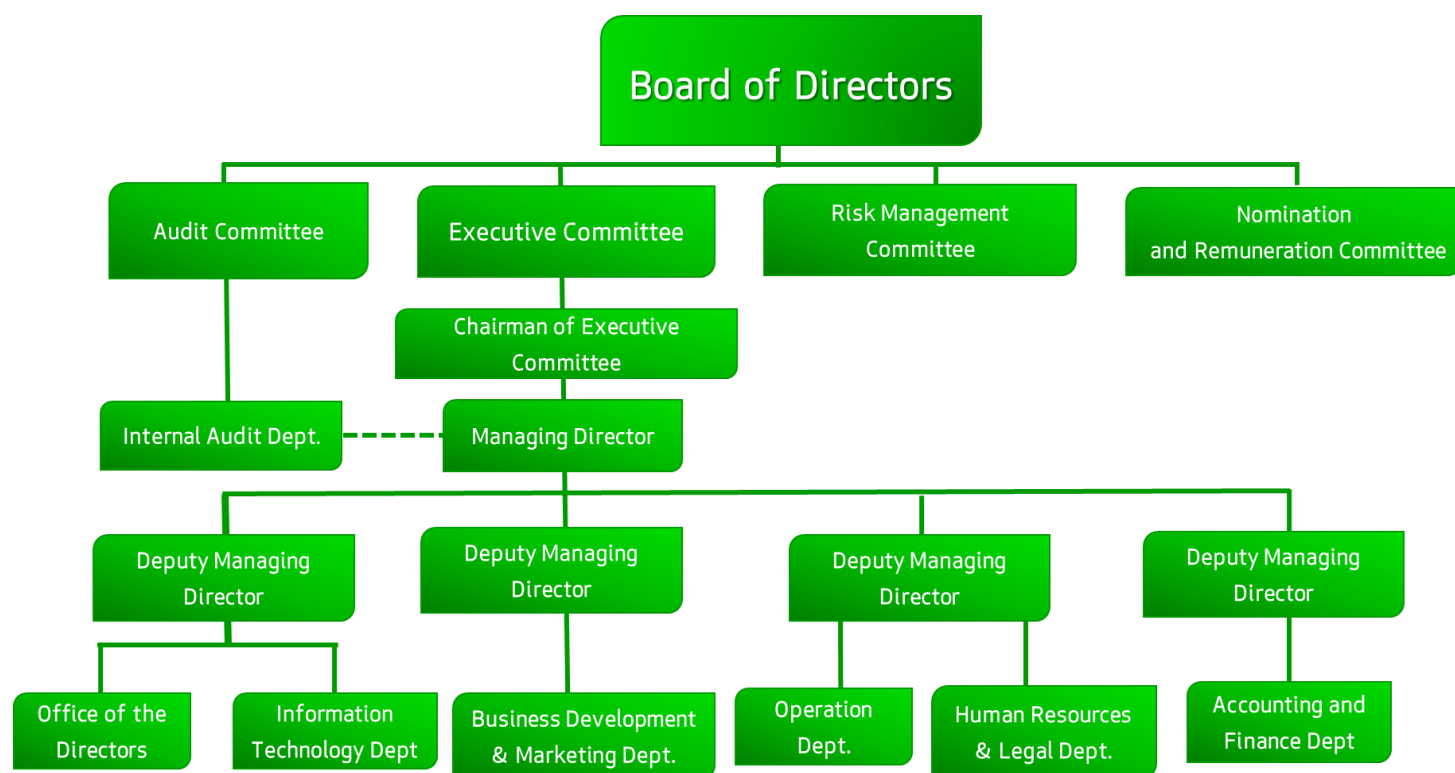
Management Structure

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 and Executive Board

Organization Structure

Union Auction Public Company Limited

As at 30 December. 2018



Management Structure & Board of Directors

Board of Directors

Board of Directors consists of 8 persons as of December 31, 2018 as follows:

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

Note : ^{/1} The Annual General Meeting of Shareholdere for the year 2018, held on April 24, 2018 has approved to appoint Mr. Sarawut Charuchinda as the company's director.

^{/2} 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, member of audit committee, risk management committee and independent director effective from from January 1st, 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 31, 2018, 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.
14. Review the scope of authority, duties and responsibilities of the Board of Directors and sub-committees every year.
15. 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.

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.

Audit Committee

As of December 31, 2018, 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. Mrs. Wilaiwan Srisamrual ^{/1}	Audit Director

Note: ^{/1} Mrs. Wilaiwan Srisamrual is the audit director with knowledge and experiences in reviewing the Company's financial statement. She graduated the Bachelor Degree in Accounting from Thammasat University and MBA-Finance from NIDA, Thailand.

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. Review the scope of authority, duties and responsibilities of the Audit Committee to propose for approval from the Board of Directors every year.
13. Perform any other tasks assigned by the Board of Directors.

The Nomination and Remuneration Committee

As of December 31, 2018, 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.
11. Review the scope of authority, duties and responsibilities of the Nomination and Remuneration Committee to propose for approval from the Board of Directors every year.
12. Board of Directors requires the Nomination and Remuneration Committee to have meetings at least twice a year.

Risk Management Committee

As of December 31, 2018, the Company's Executive Board consists of 5 directors as follows:

Full name	Position
1. Mr. Suvit Yoadjarus	Chairman of Risk Management Committee
2. Mr. Thepthai Sila	Risk Management Committee Director
3. Mr. Varunyoo Sila	Risk Management Committee Director
4. Mrs. Wilaiwan Srisamrual	Risk Management Committee Director
5. Mr. Sarawut Charuchinda	Risk Management Committee Director

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. Support to push for cooperation in risk management at all levels in the organization.
7. Monitor the risk indicating and risk assessment process.
8. Assess the risks and approve the risk management plans.
9. Report the risks and operation to reduce them to the Board of Directors regularly.
10. Review the scope of authority, duties and responsibilities of the Risk Management Committee to propose for approval from the Board of Directors every year.
11. 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
4. Mr. Sarawut Charuchinda	Executive Director

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 in the amount as authorized by the the Board of Directors.
12. Review the scope of authority, duties and responsibilities of the Executive Board to propose for approval from the Board of Directors every year.
13. 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 31, 2018, the Company's Executives are as follows:

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

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 2018 on April 24, 2018 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	46,000
Chairman of Audit Committee	40,250
Vice Chairman	40,250
Audit Director	34,500
Director	34,500

The annual bonus for the directors 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 2018, the Company held Board of Directors and Audit Committee meetings and the remuneration is as follows :

Name	Position	Remuneration ^{/N} (baht)	
		Director	Audit Director
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana	Chairman of the Board	1,152,000	-
2. Assoc. Prof. Dr. Sauwanee Thairungroj	Chairman of Audit Committee	-	983,000
3. Assoc. Prof. Dr. Montri Sokatiyanurak	Audit Director	-	814,000
4. Mrs. Wilaiwan Srisamrual	Audit Director	-	414,000
5. Mr. Sarawut Charuchinda	Audit Director	-	400,000
6. Mr. Suvit Yoadjarust	Director / Chairman of Executives Board	-	-
7. Mr. Thepthai Sila	Vice Chairman / Managing Director	-	-
8. Mr. Varunyoo Sila	Director / Deputy Managing Director	-	-

Note: Remuneration of Directors include monthly and annual remuneration.

Executives

By the end of the year 2018, the Company has 11 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 30,717,599 Baht in 2018.

(b) Remuneration in other than cash

-none-

Record of attendance in committee's meetings in 2018

Name	Board and Committee				
	Board of Directors	Executive Board	Audit Committee	Risk Management Committee	Nomination & Remuneration Committee
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana	5/5	-	-	-	2/2
2. Assoc. Prof. Dr. Sauwanee Thairungroj	4/5	-	4/5	-	2/2
3. Assoc. Prof. Dr. Montri Sokatiyanurak	5/5	-	5/5	-	2/2
4. Mrs. Wilaiwan Srisamrual	5/5	-	5/5	3/3	-
5. Mr. Suvit Yoadjarust	5/5	23/23	-	3/3	-
6. Mr. Thepthai Sila	5/5	20/23	-	3/3	-
7. Mr. Varunyoo Sila	5/5	22/23	-	2/3	-
8. Mr. Sarawut Charuchinda *	4/4	23/23	-	1/1	-

Note: * Mr. Sarawut Charuchinda was appointed as the company's director by the resolution of the Annual General Meeting of Shareholders for the year 2018, held on April 24, 2018.

The Board of Directors Meeting no. 3, held on August 9, 2018 has approved to appoint Mr.Sarawut Charuchinda as the company's risk management committee director.

Corporate Governance

The Board of Union Auction Public Company Limited recognizes the importance of having an efficient, transparent and verifiable management system. A good management system will help build confidence for shareholders, investors, stakeholders and all related parties.

The Board of Directors established a Good Corporate Governance Policy by adhering to the principles according to the good practices of The Organization for Economic Co-Operation and Development (OECD Principles of Corporate Governance). This covers all 5 principles which includes the Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency of Information and the Responsibility of the Board of Directors. The Company also adheres to the principles of good corporate governance for listed companies 2017 (Corporate Governance Code: "CG Code") of the Securities and Exchange Commission. These principles emphasize the role of the Board of Directors and integrates good corporate governance principles, corporate social responsibility and sustainable development for business operations so that all parties can benefit together and use as a practical guideline for the Company's CG Policy which was approved by the Board of Directors Meeting No. 2/2015 on February 24, 2015 and was reviewed by the Board of Directors Meeting No. 3/2561 on August 9, 2018 respectively.

The details of the practical guidelines and operations are as follows.

Section 1: The Rights of Shareholders

The Company recognizes and gives importance to the fundamental rights of shareholders as the owners of the Company and as securities investors such as the right to trade or transfer the securities that one holds, the right to receive sufficient information of the Company, the right to receive the Company's profit sharing, the right to attend the Shareholders' Meeting, the right to express opinions, the right to participate in making decisions on important matters of the Company such as dividend allocation, appointment or removal of directors, appointment of auditors, approval of important transactions that affect the business direction of the Company, etc.

The Company has a policy to treat all shareholders equally by giving priority to maintaining the fundamental rights of shareholders and encouraging shareholders to exercise their rights in accordance with specified laws by providing equal and complete information so that shareholders can trust and have confidence in their investments.

In addition to the fundamental rights mentioned above, the Company has also implemented various matters that facilitate the exercise of shareholder's rights and travelling to the meeting by providing shuttle service from the MRT parking area at the Cultural Center Station to the Company which is the meeting venue.

Holding of Shareholders' Meeting

In regard to the 2018 Shareholders' Meeting, the Company held the Annual General Meeting (AGM) on Tuesday April 24th, 2018, 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 50, accounted for 361,001,500 shares or 65.64 percent of total shares, altogether with the Chairman and members of the Board of Directors and members of the Audit Committee, 7 directors in total, as well as senior executives and the Company's independent auditor performed the Shareholders' Meeting. The Chairman of the Board 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 invited shareholders to propose the agenda of the AGM, submit related questions to the Board of Director in advance for the AGM 2018 and nominate qualified candidates to be elected as directors, 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. This could be processed through the Company's website (www.auct.co.th). Thereafter, the Board of Directors established the selection requirements for the meeting's agenda, questions 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. For the AGM 2018, there was no shareholder proposed the agenda, submit related questions and nominate qualified candidates to be elected as directors to the Board of Director in advance for the AGM.
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).
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 promoted to attract shareholders and institutional investors to join the meeting with equitable convenience by providing shuttle service from the MRT parking area at the Cultural Center Station to the meeting venue and provided sufficient service staffs which allowed shareholders to register as early as 8:00, 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, 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; 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 2018, 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 2018, 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 2018 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 2018 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 2018 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 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

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

Fax: 02-935-6202

Tel: 02-934-7339-49

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, compete, 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 case 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 Discloser of Information Policy and have sufficient information through the Company's disclosing channel.

Telephone: 02-9347339 – 49 ext. 148

Website : www.auct.co.th

Investor Relations : investor@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 prepaolllllration 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 8 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.

In 2018, the scope of authority, duties and responsibilities of the Board of Directors was reviewed and approved by the Board meeting no.4/2018 on 14 November, 2018.

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 2018, the company had no related parties transactions.

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.

For the year 2018, the Risk Management Committee updated the risk management manual to closely control risk, kept up with current changes, and reviewed the scope of authority, duties and responsibilities of the Risk Management Committee.

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 2018, 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 2018, the directors and executives attend the seminars as follows :

Director & Executive	Training Course
1. Mrs. Wilaiwan Srisamrual	2 February 2018 : Director Accreditation Program (DAP) , Thai Institute of Directors 12 November 2018 : R-ACF-Audit Committee Forum 2018 , Thai Institute of Directors
2. Ms. Anchalee Bhakkalin	18 January 2018 : Updated COSO Enterprise Risk Management : Integrating with Strategy and Performance , The Stock Exchange of Thailand 8 March 2018 : Update Corporate Income Tax on Preparation for 2017 Income Tax, filing in 2018, Dharmniti Administration Development Office Co.,Ltd.

	18 July 2018 : IT Future for Capital Market, The Stock Exchange of Thailand 19 -20 July 2018 : Refreshment of the Role and Expectation of A CFO Class 1/2018 ; Federation of Accounting Professions
3. Miss Chittra Chantakui	3 March 2018 : Knowing about labor protection laws and guidelines that executives and HR must know , Personnel Management Association Of Thailand 18 June 2018 : Performance Management for HR And supervisor , Personnel Management Association Of Thailand 29 June -1 July 2018 : Managing People for Organization Success Class 2/2018 , Thammasat Consulting Networking and Coaching Center - CONC. 19 Aug.- 11 Nov. 2018 : Mini Master of Management , National Institute of Development Administration
4. Miss. Ampaporn Lakruangsup	11-12 October 2018 : Company Secretary Program (CSP 94/2018) , Thai Institute of Directors

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 2018, there was a new director, Mrs. Wilaiwan Srisamruat.

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 for 2 times per month.

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 Audit Committee / Independent Directors

The Audit Committee is comprised of at least 3 independent directors. The Company has a policy to select the Audit Committee/independent director based on the following qualifications.

- Holding no more than 1 % of total voting shares including the shareholding of persons related to the independent directors
- Not currently be or never been the company's executive director, worker, employee, salaried consultant, or controlling parties. Exception: It has been at least two years after the person has held the position.
- Not by blood or legally registered with other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the company or subsidiary.
- Not currently having or never had any relations with the company in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the company. Exception: It has been at least two years after the person has held the position. In this regard, the business relationship shall include items under the Notification of the Capital Market Supervisory Board No. Tor Jor. 28/2551: requesting permission and granting permission to offer newly issued shares.
- Not currently being or never been the company's auditor. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current auditor's auditing firm. Exception: It has been at least two years after the person has held the position.
- Not currently be providing or never provided professional services, legal consulting, nor financial consulting services to the Company with a fee more than THB 2 million per year*. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers. Exception: It has been at least two years after the person has held the position.
- Not currently a director appointed to represent the company's directors, major shareholders, or the shareholder related to major shareholder.

- Not currently be operating under similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the company and subsidiary.
- Not under any conditions that may impede the person from having independent views towards the Company's operations.
- Not being a director assigned by the Board of Directors to make decisions on the operations of the Company, parent company, subsidiary, affiliated company, same-level subsidiary, major shareholder or the controlling persons of the Company.
- Not being a director of the parent company, subsidiary or same-level subsidiary that is a listed company.

In addition, at least 1 independent director who is a member of the Audit Committee must have sufficient knowledge and experience in accounting or finance to be able to perform the duties of reviewing the credibility of the financial statements. The Company shall consider other qualifications including business experience, specialization related to business, and ethics etc.

The criteria and procedures of the appointment of the Audit Committee is the same as the criteria and procedures for the appointment of the Company's directors. The Audit Committee member who has retired by rotation may be appointed to be re-appointed. In the case that the position of the Audit Committee becomes vacant for any other reason other than the expiration of the term. The Board of Directors shall appoint a qualified person to be on the Audit Committee in order for the Audit Committee to have a complete number of directors as specified by the Board of Directors. The person who is the replacement director will hold the position for the remainder of the term of the Audit Committee member which was replaced only and the Company shall notify the SET as soon as the Audit Committee member resigns or is released before the end of the term.

Nomination of 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.

16. Audit Fees

At the end of accounting period of December 31, 2018, the Company paid the audit fees to Pricewaterhouse Coopers ABAS Co., Ltd. for 1.90 million Baht.

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

Compliance with Corporate Governance Code for Listed Companies 2017

The Company has a corporate governance mechanism that is conducive to creating sustainable business values which is supported by the Board of Directors and executives. The suitability of this mechanism has continuously improved by evaluating and reviewing the implementation of the Corporate Governance Code at least once a year. The Company implemented the guidelines of good corporate governance principles for listed companies in 2017 in 8 principles which are summarized as follows.

1. Establish a Clear Leadership Role and Responsibilities

The Company reviewed the duties and responsibilities of the Board and subcommittees which includes the annual evaluation of the Board of Directors.

2. Define Objectives that Promote Sustainable Value Creation

The Executive Committee set objectives and the main goals of the business which includes a necessary budget which is proposed to the Board of Directors every year.

3. Strengthen Board Effectiveness

The Nomination and Remuneration Committee is responsible for recruiting qualified persons with knowledge, abilities, and experience in various fields to be Company directors in order to strengthen the Board of Directors to develop the business and organization so that it is strong and has sustainable growth.

4. Ensure Effective CEO and People Management

The Nomination Committee and Human Resources Department are responsible for recruiting qualified persons who are knowledgeable and experienced to be senior executives as well as supervising the development and training of personnel which includes the welfare of working properly.

5. Nurture Innovation and Responsible Business

The Company's Information Technology Department has developed a modern ONLINE auction system so that the auction is transparent, fair, which can create confidence for customers and trade partners as well.

6. Strengthen Effective Risk Management and Internal Control

The Executive Committee and the Risk Management Committee of the Company, which consists of 4 executive directors and 1 independent director, considered and evaluated various risk which included finding solution guidelines and preventing potential risk on a regular basis.

The Internal Audit Office and the Internal Auditor of the Company reviewed the internal control system and managed various risk on a quarterly basis which was reported to the Audit Committee and the Risk Management Committee.

7. Ensure Disclosure and Financial Integrity

The Company provided accurate and effective accounting processing programs and was audited by an auditor from a reputable auditing company that has no relationship or interest with the Company, executives, major shareholders or any related person. Therefore, the auditor is independent to the audit and expressed opinions on the Company's financial statements and was able to maintain financial credibility and the disclosure of the Company' information. In this regard, the Company reviews the appointment of auditors annually.

8. Ensure Engagement and Communication

The Company supports the following participation and communication with shareholders.

1. Annual Shareholders' Meeting

The Company disseminated the Meeting schedule and agenda for the acknowledgement of shareholders via the information communication system of the Stock Exchange of Thailand and the Company's website at least 30 days prior to the meeting date. Disseminated letters to shareholders via the system of the Stock Exchange of Thailand in order to give opportunities for all shareholders to nominate persons to be elected as directors and propose the meeting agenda items to the Meeting.

Sent meeting invitation letters which included additional details for the consideration of all shareholders who have the right to attend the meeting at least 14 days prior to the Meeting date and made an announcement in newspapers in advance.

The Company provided opportunities for shareholders who were unable to attend the Meeting themselves. Shareholders were able to authorize a representative for shareholders or an independent director of the Company by using the proxy form.

Facilitated travel to attend the Meeting by arranging a shuttle bus at a point where people can easily travel such as the BTS station.

The Company implemented a bar code system to register attendance and counting votes.

Allowed shareholders to vote to appoint directors individually.

Provided opportunities for shareholders to ask, express opinions and allow directors and executives to clarify and discuss each agenda item. The Company recorded important issues in the Meetings' minutes.

Disseminated the minutes of the Shareholders' Meeting via the SET system and on the Company's website within 14 days after the meeting.

2. The Company communicated and provided business information, performance and trends for investors, shareholders and interested parties to acknowledge through the Opportunity Day Meeting of the Stock Exchange and items for investment in various channels, including providing information to newspapers, organizing company visit and analyst meetings
3. The Company places importance on the disclosure of information that is accurate, complete, and timely for the acknowledgement of investors, shareholders, related and interested parties through the communication channels of the Stock Exchange and the Company website.

Common Shares Held by Directors & Executives

Name	Position	As of Feb 9, 2018	As of Jan 31, 2019	Increase (Decrease)
1 Assoc. Prof. Dr. Paiboon Sareewiwatthana ^{/1}	Chairman of Board of Directors	7,200,000	7,200,000	-
2 Mr. Suvit Yoadjarust	Director / Chairman of Executive Board	3,616,200	3,616,200	-
3 Mr. Thepthai Sila ^{/2}	Director / Managing Director	24,936,300	28,108,200	3,171,900
4 Mr. Varunyoo Sila	Director / Deputy Managing Director	-	8,100,000	8,100,000
5 Mr. Sarawut Charuchinda	Director / Executive Director	-	-	-
6 Assoc. Prof. Dr.Sauwanee Thairungroj	Chairman of Audit Committee / Independent Director	-	-	-
7 Assoc. Prof. Dr.Montri Sokatiyanurak	Audit Director / Independent Director	-	-	-
8 Mrs. Wilaiwan Srisamruat	Audit Director / Independent Director	-	-	-
9 Mrs. Anchalee Bhakkalin	Deputy Managing Director, Account & Finance Dept.	-	-	-
10 Mr. Sutee Samathi	Deputy Managing Director, Business Development and Marketing Dept.	8,000	111,900	103,900
11 Mr. Tanongsak Vanajak	Deputy Managing Director, Operation Dept.	-	-	-
12 Mr. Kriangsak Dhammaraksa	Assistant Managing Director, Information & Technology Dept.	-	140,400	140,400
13 Ms. Chittra Chantakui	Assistant Managing Director, Human Resources and Legal	-	-	-
14 Mr. Nitid Sopon	Assistant Managing Director, Operation Dept.	30,000	31,000	1,000
15 Miss Poonsilp Kaewchamnon	Acting Assistant Managing Director, Office of the Directors	10,000	10,000	-

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.

The Company provided employee benefits with life insurance and health insurance from Muang Thai Insurance Public Company Limited for the Company's employees and executives. This group life insurance will cover death due to an illness or accident both inside or outside of work, 24 hours a day, anywhere in the world. Group health insurance will cover the costs of medical treatment caused by an illness or injury whether the case needs to be examined, treated or admitted due to a doctor's advice.

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.

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 reduce electricity consumption by turn off the the light and air condition during lunch time, reduce the amount of paper used in the operations and the meetings, to replace by electronic mails, and also promote the efficient consumption of energy 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

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.

In 2018, the Company supported the following activities to participate in society as follows.

1. Continuingly supports a budget to organize Children's Day activities at Surao Lat Phrao School every year because the Company recognizes the importance of children and youth as the future of the nation.
2. Supported monthly living allowances for university students of the Chamber of Commerce University who have excellent academic performance but lack funds. The Company granted 7 scholarships and each scholarship amounted to 8,000 Baht per month which totaled 672,000 Baht.

The Company also gave the students the opportunity to intern at the Company for 40 hours per month by allowing them to work on Saturdays or work during the summer semester break, or any other time that was not an obstacle to education. This is a good project that benefits society and students which allows them to use their internship experience as a career guidance or further their education in order to promote good and capable personnel in the country.

3. Supported 50,000 Baht for the project "Spin for the Younger, Minburi Learning and Rehabilitation Center for Special Needs Children" to the Rom Sai Rescue Foundation and Min City Lovers Foundation. This project aims to promote exercise and raise support for disabled and disadvantaged children of Minburi Special Learning and Rehabilitation Center for Special Needs Children and to purchase specialized medical treatment for artificial kidneys because the Company wants everyone in the society to have equal opportunities.
4. Donated 100,000 Baht to the Don't Drive Drunk Foundation, part of this donation comes from the revenue from the 5 highlighted automobile auctions on November 30, 2018 from the Chang Together event in order to improve the Company's image. The Company donated an additional 60,000 Baht, totaling 100,000 baht, to give to the Don't Drive Drunk Foundation as a fund for a campaign that raised public awareness of traffic accident problems when driving drunk. This fund also gives an opportunity to the general public to participate in the campaign so that everyone drives safely and strictly follows the rules in order to reduce accidents, losses on roads caused by drunk driving.
5. Donated 50,000 baht to the Buddhachinaraj Phitsanulok Hospital Foundation in order to purchase medical equipment for District Health Promoting Hospital and 5 other public hospitals in Phitsanulok Municipality. They are as follows.
 - Phai Lom Health Promoting Hospital
 - Nakhon Pa Mak Health Promoting Hospital
 - Bueng Chang Health Promoting Hospital
 - Wang Ta Bua Health Promoting Hospital
 - Buddhachinaraj Hospital Phitsanulok

Contributed donations to support Special Olympics Thailand in the amount of 30,000 Baht to be used for organizing a charity golf tournament for Special Olympics Thailand. The objective of providing these funds is to support sports for intellectually disabled people in Thailand in order to improve the quality of life and enhance the health of people who have intellectual disabilities in Thailand. There are more than 20,000 people in these projects. This also encourages disabled people to have the opportunity to live a valuable life and be more accepted in society.

7. Business expertise appliance to social organizations

The Company has continuously 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 2018, 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.

	2018	2017
	Baht	Baht
Salaries and other short-term benefits	30,081,868	24,472,440
Retirement benefits	635,731	415,782
	30,717,599	24,888,222

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

- None -

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 the Audit Committee



To: Shareholders

Union Auction Public Company Limited

The Audit Committee performed its duties independently as set out in the scope of duties, authority and responsibilities of the Audit Committee which are in accordance with the regulations of the Stock Exchange of Thailand. The Audit Committee reviewed and pushed the Company to comply with the principles of good corporate governance and have a sufficient and appropriate risk management system, an internal audit and internal controls so that the Company operates its business with transparency, honesty and fairness for the development and sustainable creation of value which is the shareholders' best interest. The Audit Committee received good cooperation from the executives, employees, internal and external audit.

In 2018, the Audit Committee held 5 meetings. The summary of the performance of duties is as follows:

1. **Review of the Financial Statements.** The Audit Committee reviewed important financial information of the quarterly financial statements and the annual financial statement of the Company, its subsidiaries and joint ventured companies. This was done by inquiring of the auditors about the scope of the audit, the audit plan, the completeness and accuracy of the financial statement, and the independence of the auditor in order to ensure that the financial reports were prepared accurately and in accordance with laws, regulations and generally accepted accounting principles. Notes on the financial statements are disclosed completely, sufficiently and in a timely manner for the benefit of those who use the Company's financial statements.
2. **Review of Connected Transactions or Transactions that may have Conflicts of Interest.** The Audit Committee reviewed the Company's quarterly and annual connected transactions in order to ensure that the transaction enactments were reasonable and for the best interest of the Company and were consistent with the regulations of the Stock Exchange of Thailand.
3. **Review of Risk Management.** The Audit Committee reviewed the risk management framework and the overall risk management plan as well as made comments regarding risk management to the

Board of Directors by considering internal and external risk factors, the likelihood that risk may occur, the impact of risk and the management of risk in order to manage risk at an acceptable level. The Audit Committee saw that the Company's executives and employees place an importance on risk management by having risk assessments. Therefore, the Company managed risk by having a risk management team which included senior executives. Senior executives from each department considered the stipulation of processes, guidelines and risk management measures in order to manage all significant risk to be at acceptable level, and monitored and reported risk management according to the Company's risk management policy.

4. **Review of Internal Controls and Internal Audit Systems.** The Audit Committee ensured that there is internal audit plan that covers the Company's business operations in order to be reasonably certain that the Company has a sufficient, appropriate, and effective internal control system and there is a follow up and control of the Company's business operations. The Audit Committee reviewed the performance of the internal audit and internal audit unit quarterly. According to the approved year plan, they performed their duties in accordance with the goals and they received good cooperation from people who were inspected and improvements were made regularly according to cooperated opinions.
5. **Review of Good Corporate Governance and Compliance with Laws and Related Regulations.** The Audit Committee reviewed the compliance with good corporate governance policy and the Company's Code of Conduct as well as the correct compliance with the securities and exchange law, the regulations and requirements of the Securities and Exchange Commission, and the Stock Exchange of Thailand. This included strict compliance with other related laws regarding the business operations of the Company. In 2018, no actions of the Company were found contrary to the law or relevant regulations. In addition, the Company opened a channel to report fraud, corruption, and unethical practices through various communication channels, such as sending e-mails and the Company's hotline according to the "whistleblowing and whistle blower protection policy".
6. **Review of the Scope of Authority, Duties and Responsibilities of the Audit Committee.** The Audit Committee reviewed the scope of authority, duties and responsibilities of the Audit Committee for the year in the Meeting No. 5/2018 on December 18, 2018 in order to ensure that the Audit Committee performed their assigned duties and responsibilities completely in accordance with the criteria and guidelines of the Securities and Exchange Commission.
7. **Consider the Nomination of the Auditor for the Year 2019.**
 The Audit Committee considered the selection of the Company's auditor based on the qualifications, independence of the auditor, expertise, experience, performance, scope and audit guidelines. This included the appropriateness of the auditor's fee. The Audit Committee deemed it appropriate to propose to the Board of Directors that PricewaterhouseCoopers ABAS Limited be the Company's auditor for the year 2019 in order to propose to the Shareholders' Meeting to consider the approval of the Company's auditor. In this regard, the Company has always complied with the regulations of the auditor rotation according to the Notification No. TorJor. 44/2556 regarding the nomination of a company auditor.

Summarizing the year 2018, the Audit Committee performed the duties and responsibilities as specified in the scope of authority, duties and responsibilities of the Audit Committee. The Audit Committee

used their abilities with cautiousness and prudence, had sufficient independence and gave comments and creative recommendations for the equal benefit of the shareholders. The Audit Committee sees that the Company's Board of Directors, executives and the all levels of employees determined to perform their duties professionally, efficiently and effectively in order to achieve the set goals especially the importance of performing duties transparently, verifiably, having appropriate risk management and good corporate governance policy as well as having an appropriate, concise, and sufficient internal control system.

A handwritten signature in blue ink, appearing to be 'S-'. Below the signature, there is a faint, illegible stamp.

(Associate Professor, Dr. Saowanee Thairoongroj)

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 2018 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

A handwritten signature in black ink, appearing to read 'Paiboon Sareewiwatthana'.

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

A handwritten signature in black ink, appearing to read 'Thepthai Sila'.

(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	
	2016	2017	2018	2017	2018
Revenue from services	601.83	559.50	693.17	559.50	693.17
Cost of services	320.60	307.42	338.49	307.42	338.49
Gross profit	281.23	252.08	354.69	252.08	354.69
Other revenue	5.66	4.80	5.01	4.80	5.01
Selling and services expenses	31.52	28.40	37.15	28.40	37.15
Administrative expenses	95.81	93.62	111.35	93.62	106.53
Operating profit	159.56	134.86	211.20	134.86	143.68
Share of loss of investment in a joint venture	-	-	-	3.67	1.15
Profit before finance costs and income tax	159.56	134.86	211.20	131.19	214.88
Finance costs	-	-	-	-	-
Profit before income tax	159.56	134.86	211.20	131.19	214.88
Income tax	33.95	27.25	44.41	27.25	44.41
Net profit for the year	125.61	107.61	166.79	103.93	170.47
Other comprehensive income					
Actuarial gain on defined benefit plan	-	4.79	-	4.79	-
Total comprehensive income for the year	125.61	112.40	166.79	108.73	170.47
Net profit for the year attributable to:					
Owners of the parent	125.61	107.61	166.79	103.93	170.47

Statement of Comprehensive Income	Cost method			Equity method	
	2016	2017	2018	2017	2018
For the year ended 31 December					
Non-controlling interests	-	-	-	-	-
Profit for the year	125.61	107.61	166.79	103.93	170.47
Earnings per share	0.23	0.20	0.30	0.19	0.31

(Unit : Million Baht)

Statement of Financial Position	Cost method			Equity method	
	2016	2017	2018	2017	2018
Investment in a joint venture, net	-	5.10	-	1.43	-
Total assets	580.62	606.69	740.71	603.02	740.71
Total liabilities	153.35	155.01	265.21	155.01	265.21
Total equity	427.27	451.68	475.50	448.01	475.50
Retained earnings Unappropriated	92.02	116.43	140.25	112.76	140.25

Financial Ratio

Financial Ratio	Cost method			Equity method	
	2016	2017	2018	2017	2018
Liquidity Ratio					
Current Ratio	2.35	2.52	2.07	2.52	2.07
Cash flow Current Ratio	0.35	1.40	0.93	0.81	0.93
Account Receivables Turnover	8.98	10.79	8.40	11.18	8.54
Average Collection Period	40.66	33.83	43.46	32.63	42.76
Account Payable Turnover	1.90	3.15	2.35	3.21	2.35
Average Payment Period	192.25	116.01	155.40	113.76	155.40
Profitability Ratio					
Gross Profit Margin	46.73	45.05	51.17	45.05	51.17
Net Operating Profit Margin	26.27	23.90	30.25	23.25	30.78
Net Profit Margin	20.68	19.07	23.89	18.42	24.42
Return on equity	28.63	23.92	35.98	23.75	36.92
Efficiency Ratio					
Return on Asset	23.96	22.30	31.35	22.17	31.98
Return on Fixed Asset	220.95	131.24	290.01	164.91	290.01
Asset Turnover	0.91	0.93	1.04	0.95	1.04
Financial Ratio					
Debt to Equity Ratio	0.36	0.34	0.56	0.35	0.56
Commitment Coverage Ratio	0.30	1.23	1.35	1.20	1.35
Payout Ratio (%)	96.33	102.22	98.92	105.84	96.79

Other Ratios					
Book value per share (Baht)	0.78	0.82	0.86	0.81	0.86
Earning per share (Baht)	0.23	0.20	0.30	0.19	0.31
Dividend per share (Baht)	0.27	0.16	0.26	0.16	0.26
Par value per share (Baht)	0.25	0.25	0.25	0.25	0.25
No. of shares (Million shares)	550	550	550	550	550

Management Discussion and Analysis

Performance Analysis

Service Revenue

Service revenue for the year 2018 amounted to 693.17 million Baht (2017: 559.50 million Baht), which was an increase of 133.67 million Baht or an increase of 23.9% as a result of the continued recovery of the overall automobile industry since the second half of 2018. The increase in service revenue was in the same direction as the country's economic growth which continually expanded and the recovery of hire-purchase loans became increasingly fiercer which was in line with the increased growth rate of domestic, new automobile sales volume. This had benefited the car auction business to grow as it is a downstream business. However, the Company put efforts to increase the number of customers, both in terms of assets owners bidders and other assets auctions auction.

Also, the Company continued to provide services for government agencies.

For the motorcycle auction business, the Company was able to increase its revenue from 2017 by 11.7% 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.

Revenue	2016		2017		2018	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Auction - Vehicles	487.00	80.92	434.16	77.60	531.82	76.72
Auction – Motorcycles	46.93	7.80	57.19	10.22	63.88	9.22
Moving Income	59.69	9.92	60.21	10.76	76.25	11.00
Other Auction Income	8.21	1.36	7.93	1.42	21.23	3.06
TOTAL	601.83	100.00	559.50	100.00	693.17	100.00

Number of Success Auctioned Vehicle between 2016-2018

	2559	2560	2561
Auctioned Cars	53,961	48,892	60,779
Auctioned Motorcycles	38,267	32,448	37,003

In the year 2018, the Company has developed and improved the car inspection process to be more thoroughly and to build trust and confidence for the car auctioneer and property owners with car grading system in order to give customers and trade partners greater satisfaction and confidence. In addition, the Company

provided retail floor planning to support customers who want to use credit line for car auctions. The potential of the auction spokesperson team has been improved and developed to support the increased in number of cars sold as well as the increased in number of bids. The warehouse at Ratchaburi and Srakaew Province has also been developed in order to support the increased automobiles and to provide convenience for our customers, which will save the renting cost for auction site and will be more suitable.

In addition, the Company also increased the number of bidders who buy vehicles for business purposes and a group of small-scale bidders who buy vehicles to use by using strategies that focus on public relations mainly through social media especially Facebook. The number of customers who follow on social media visibly increased from the end of 2017, from 100,000 followers to almost 200,000 followers in 2018.

The Company set up a marketing team taking care of customers closely, followed up and solved problems quickly, monitored and evaluated performance regularly, maintained and built good relationships closely in order to maintain and increase market share for the increased number of cars from trade partners. Besides, the Company also focused on increasing the number of auction days in order to support the increasing demand of customers. The company has the potential to be able to manage the auction every day in many branches simultaneously.

The Company continued to develop and expand its online auction customers through an online E-Auction system which is an auction program in order to hold auctions through the Company's website at www.auct.co.th in 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 that 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 company has provided a vehicle grading system in order to allow customers to know the condition of the car being auctioned and can make a decision to bid through the E-Auction system without having to travel to the auction yard. This can provide convenience and create confidence for bidder customers.

The percentage of online cars auctioned off between 2016-2018 rose to 5.6% and 8.6% and 9.7% 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 and rose to 6.0% in 2018.

In 2018, the Company also developed the E-Onsite system to support bidders who want to bid through electronic system at the auction site. This system will collect bidding behavioral data of bidders through every step which makes auctions transparent and verifiable. The Mobile Application under the concept of "AUCT Friend" was launched to support Digital 4.0 in order to allow customers to access vehicles information, appraisal price and to know the Company's nationwide auction schedule as well as systems to search for cars and give notifications when vehicles that meet the customers' requirements are auctioned and other information as well. This increased customer convenience.

Between 2016- 2018, 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	2018
Vehicles	Number of Vehicles Auctioned Off Online	2,838	4,083	5,917
	Online Car Auctioned Off Percentage	5.6%	8.6%	9.7%
	Total Price for Online Cars Auctioned Off (Millions of Baht)	664	978	1,492
	Total Price Percentage for Online Auctioned-off	5.7%	8.9%	10.5%
Motorcycles	Number of Motorcycles Auctioned Off Online	192	1,705	2,231
	Online Motorcycles Auctioned Off Percentage	0.7%	5.3%	6.0%
	Total Price for Online Motorcycles Auctioned Off (Millions of Baht)	6	48	53
	Total Price Percentage for Online Auctioned Off	0.8%	5.6%	6.5%
Total	Number of Automobiles Auctioned Off	3,030	5,788	8,148
	Online Automobiles Auctioned Off Percentage	3.9%	7.3%	8.3%
	Total Price for Online Automobiles Auctioned Off (Millions of Baht)	670	1,026	1,545
	Total Price Percentage for Online Auctioned Off	5.4%	8.7%	10.1%

Other Revenue

Other Revenue derived mainly from bank deposit interest. In 2017 -2018, the deposit interest rates ranged between 0.80%-1.30% per annum.

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.

Cost of Services

Between 2016 and 2018, the total cost of services equaled 320.60 million Baht, 307.42 million Baht and 338.49 million Baht respectively. The primary cost of services was vehicle expenses. This included vehicles

Cost of Services	2016		2017		2018	
	Mil. Baht	Percent ^{1/}	Mil. Baht	Percent ^{1/}	Mil. Baht	Percent ^{1/}
Vehicles Expenses ^{2/}	80.94	13.45	82.15	14.68	97.09	14.01
Salary and Employee Expenses	67.09	11.15	69.32	12.39	67.48	9.73
Rental of Facilities and Equipment Related to Auctions ^{3/}	63.41	10.54	61.20	10.94	57.11	8.24
Depreciation	30.81	5.12	34.10	6.10	34.59	4.99
Cost of Holding Auctions ^{4/}	42.60	7.08	21.69	3.88	39.27	5.67
Security Expenses	21.01	3.49	20.88	3.73	21.05	3.04
E-auction System Expenses	4.12	0.68	3.49	0.62	6.31	0.91
Others	10.63	1.77	14.57	2.60	15.60	2.25
Total	320.60	53.27	307.42	54.95	338.49	48.83

transportation to auction, employee expenses, rental of facilities and equipment related to auctions, depreciation on assets etc.

The Cost of Sales and Services and Administrative Expenses

The Company's cost of sales and services and its administrative expenses for the year 2018 was 143.68 million Baht (2017: 122.02 million Baht) which was an increase of 21.66 million Baht, or an increase of 17.8%. This due to an increase of depreciation from renovations and more warehouses to support the increased number of seized vehicles in another provinces. Moreover, the employee expenses are also increased due to an increase in numbers of employees from the adjustment of organizational structure in order to support more work from a growing business, more vehicles and more auction volume. The primary expenses were salary, depreciation, office supplies, advertising expenses etc.

Sales and Services and Administrative Expenses	2016		2017		2018	
	Mil. Baht	Percent ^{1/}	Mil. Baht	Percent ^{1/}	Mil. Baht	Percent ^{1/}
Sales and Services Expenses	31.52	5.24	28.40	5.08	37.15	5.36
Administrative Expense	95.81	15.92	93.62	16.73	106.53	15.37
Total sales and Services Expenses and Administrative Expenses	127.33	21.16	122.02	21.81	143.68	20.73

1/ Percentage of service revenue

Profitability

In 2018, the profitability of the Company increased from 2017. The Company's net profit in 2018 was 170.47 million Baht, an increase of 66.54 million Baht or 64.02% increase due to more vehicles being auctioned off making more profits, also the commitment to follow the Company's strategic plan which resulted in the stable No. 1 market share and has a tendency to increase market share due to service readiness of the Company in all aspects which included employees, location, facilities, especially the number of warehouses and branches that the Company has that are ready to store vehicles and there are a lot of auction sites

across all regions of the country. As a result, the Company was able to support an increasing number of vehicles that entered into warehouses and was ready to be able to manage the auction every day in many branches simultaneously. This was a very good response to the needs and satisfaction of trade partners and customers and it continues to enable the Company to increase the number of trade partners and customers who wants buy cars.

(Unit: Mil. Baht)	Cost Method						Equity Method			
	2016		2017		2018		2017		2018	
	Mil. Baht	%	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Gross Profit	281.23	46.73	252.08	45.05	354.69	51.17	252.08	45.05	354.69	51.17
Profit from Operations	159.56	26.51	134.86	24.10	211.20	30.47	134.86	24.10	216.02	31.16
Net Profit	125.61	20.87	107.61	19.23	166.79	24.06	103.93	18.58	170.47	24.59
Comprehensive Income	125.61	20.87	108.73	19.43	166.79	24.06	108.73	19.43	170.47	24.59

In 2018, the Company's profit from operations increased to 81.16 million Baht, an increase of 60.2% from 2017 which was due to the growth rate of service revenue at 23.9%. The cost of services are mostly semi-fixed expenses such as rental of premises, salary, and employee expenses which caused the business economy of scale. Also, the Company's effort of cost control and effective resources management had resulted in an increase in operating profit margin from the year 2017.

Financial Analysis

(Unit: Mil. Baht)

Statement of Financial Position	Cost Method			Equity Method	
	2016	2017	2018	2017	2018
Total Assets	580.62	606.69	740.71	603.02	740.71
Joint Ventured Investment -Net	-	5.10	-	1.43	-
Total Liability	153.35	155.01	265.21	155.01	265.21
Owners' Equity	427.27	451.68	475.50	448.01	475.50
Unappropriated Retained Earnings	92.02	116.43	140.25	112.76	140.25

Total Assets

In 2018, the Company's total assets equaled 740.71 million Baht according to the equity method (2017: 603.02 Million Baht), an increase of 137.69 million Baht or 22.8% increase. Major changes are listed as follows:

- Cash and cash equivalent increased 67.03 million Baht compared to the year 2017 and trade account receivables and other debtors increased by 56.05 million Baht compared to 2017 because there was auction in late December 2018 which was a long holiday during the New Year festival. Therefore, there is a large amount of money received and being received from the bidder to pay back to the seller in early 2019.
- Short-term investments which are bank fixed deposits increased by 39.25 million Baht compared to the year 2017. This accounted for 30.55% of the total assets.
- Net Property, Plant and Equipment decreased by 14.89 million Baht when compared to 2017. This represented 31.50% of the total assets.
- In 2017, the Company recorded the allowance for Impairment Losses in Action & Auction Company Limited, a joint ventured company, in the amount of 5.10 Million Baht as the Company holds 50.988% of its shares. Action & Auction Company Limited has had operating losses. In 2017, the first year of its business operations, the total operating loss was 7.20 million Baht. In 2018, the total amount of operating loss was 2.25 million Baht. The Board of Directors' meeting and the shareholders' meeting of Action and Action Company Limited resolved to terminate the operation of the company. Action and Action Company Limited registered the dissolution of the company on December 20, 2018.

Total Liabilities

In 2018, the total amount of liabilities was 265.21 million Baht (2017: 155.01million Baht), an increase of 110.20 Million Baht or 71.1%.

The major changes are listed as follows:

- Accounts payable and other payables increased by 92.81 Million Baht when compared to the year 2017. This accounted for 71.84% 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.
- Corporate income tax payables increased by 9.46 million Baht compared to 2017, this represented 7.67% of total liabilities. This was because in 2018, the Company had profit before tax of 214.88 million Baht, an increase to 83.69 million Baht from that of 131.19 million Baht in 2017, which resulted in the increase in corporate income tax in 2018.
- Non-current liabilities increased by 5.63 million Baht from 2017. This represented 15.24% of the total liabilities. Most of them were deposits of auction sign from E-auction member by Internet bids increased by 2.39 Million Baht after the development of the online auction system and more customers were interested in membership registration in order to use online E-auction services.

Owner's Equity

Registered and Paid-Up Capital

The total amount of registered ordinary shares is 550,000,000 shares (2017: 550,000,000 shares) with a par value of 0.25 Baht per share (2017: 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. 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 2017 and 2018, the Owner's Equity of the Company was 448.01 million Baht, 475.50 million Baht (Equity Method) respectively. In 2017 and 2018, 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 paid to shareholders.

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.

During the year 2018, the Company paid dividends twice in the amount of 88 million Baht and 55 million Baht on May 4, 2018 and September 7, 2018 respectively.

Commitment and Contingent Liabilities as of December 31, 2018

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 59.29 million Baht. For more than one year but not exceeding 5 years in the amount of 196.45 million Baht and more than 5 years in the amount of 122.90 million Baht. The total is 378.64 million Baht.
2. The Company has letters of guarantee issued by local commercial banks for electricity guarantee of 0.36 million Baht and the guaranteed performance of contracts for auctioning at 8.20 million Baht. This totaled 8.56 million Baht.
3. The Company was approved for an overdraft credit of 42 million Baht from three financial institutions to use as working capital. The overdraft credit approval is guaranteed by a fixed deposit of 16 million Baht.
4. The Company has contract commitments regarding auctions that are in accordance with auctions for 200 unrelated companies and 11 commercial banks. The terms began in May 2006 and continue to December 2019. The Company has to comply with the significant conditions in the contracts such as brokerage fee etc.

Liquidity and Cash Flow Analysis

(Unit: Millions of Baht)	2016	2017	2018
Profit from Operating Activities before Changes to Assets and Liability Operations	198.61	173.61	259.11
Net Cash Received (spent) on Operating Activities	58.16	153.06	261.31
Net Cash Received (spent) on Investing Activities	(111.04)	(69.67)	(51.30)
Net Cash Received (spent) on Financing Activities	(148.50)	(87.99)	(142.97)
Net Increase (decrease) in Cash and Cash Equivalents	(201.38)	(4.60)	67.03
Cash and Cash Equivalents as of ending period	48.72	44.12	111.15

Between 2016 and 2018, the Company's net cash flow is derived from (used in) operating activities in the amount of 58.16 million Baht, 153.06 million Baht and 261.31 million Baht respectively with a tendency to increase continuously. 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 which have not yet reached the payment's due date. In 2018, the Company generated cash from positive operations due to an increase in profit compared to 2017 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 amount 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 received from account receivables at the end of the year in order to pay back to accounts payables because the payment was not due yet.

The Company had a net cash flow (used in) in investing activities. Between 2016 and 2018 it was (111.04) million Baht, (69.67) million Baht, and (51.30) million Baht respectively. For the year 2016, cash spent in investing activities was (111.04) million Baht which was due mainly to an increased amount of cash flow that was invested in short-term deposits and the construction expenses for the auction site at Phitsanulok branch. In 2017, the amount of cash used in investing activities was (69.67) 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. In 2018, the amount of cash used in investing activities was (51.30) million Baht. This was mainly because the Company used its cash flow to invest in short-term deposits and in warehouse development as well as improving the area at headquarters to improve the work process.

Between 2016 and 2018, the net cash flow from (used in) fund raising activities was (148.50) million Baht, (87.99) Million Baht and (142.97) million Baht respectively for the dividends payment.

The outlook of changes in the Company's cash flow is mainly from cash flow from operating activities. Between 2016 and 2018, the Company's net cash flow changes were (201.38) million Baht, (4.60) million Baht and 67.03 million Baht respectively. As a result, the Company had cash and cash equivalents at the end of the period that equaled 48.72 million Baht, 44.12 million Baht and 111.15 million Baht, respectively.

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 2018, 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 2018;
- 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 data-bbox="359 302 724 331"><i>Service fee from auction services</i></p> <p data-bbox="253 376 836 772">The Company provides asset auction services. It has various branches and throughout the year holds 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 data-bbox="253 817 836 1030">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.</p>	<p data-bbox="871 376 1465 443">The key audit procedures I carried out regarding this matter were:</p> <ul style="list-style-type: none"> <li data-bbox="871 492 1465 600">● 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 data-bbox="922 645 1465 857">- 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 data-bbox="922 902 1465 1115">- 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 data-bbox="922 1160 1465 1344">- 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 data-bbox="871 1388 1465 1680">● 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.

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.

A handwritten signature in black ink, appearing to read 'Nattaporn', written over a horizontal line.

Nattaporn Phan-Udom

Certified Public Accountant (Thailand) No. 3430

Bangkok

26 February 2019

Financial Statements

Union Auction Public Company Limited

Statement of Financial Position

As at 31 December 2018

		Equity method financial statements		Cost method financial statements	
		31 December 2018 Baht	31 December 2017 Baht	31 December 2018 Baht	31 December 2017 Baht
	Notes				
Assets					
Current assets					
Cash and cash equivalents	8	111,151,633	44,118,783	111,151,633	44,118,783
Short-term investments	9	226,261,904	187,016,150	226,261,904	187,016,150
Trade and other receivables	10	110,568,217	54,516,409	110,568,217	54,516,409
Other current assets, net		881,927	998,259	881,927	998,259
Total current assets		448,863,681	286,649,601	448,863,681	286,649,601
Non-current assets					
Restricted deposit at bank	11	16,100,000	34,130,900	16,100,000	34,130,900
Investment in a joint venture, net	12	-	1,426,568	-	5,099,800
Leasehold improvement, buildings and equipment, net	13	233,302,534	248,189,347	233,302,534	248,189,347
Intangible assets, net	14	2,950,302	2,918,105	2,950,302	2,918,105
Deferred tax assets	15	12,567,678	9,246,942	12,567,678	9,246,942
Prepayment land leases		20,861,499	16,378,478	20,861,499	16,378,478
Other non-current assets		6,064,380	4,077,426	6,064,380	4,077,426
Total non-current assets		291,846,393	316,367,766	291,846,393	320,040,998
Total assets		740,710,074	603,017,367	740,710,074	606,690,599

Union Auction Public Company Limited

Statement of Financial Position (Cont.)

As at 31 December 2018

		Equity method financial statements		Cost method financial statements	
		31 December 2018 Baht	31 December 2017 Baht	31 December 2018 Baht	31 December 2017 Baht
	Notes				
Liabilities and equity					
Current liabilities					
Trade and other payables	16	190,522,331	97,710,394	190,522,331	97,710,394
Income tax payable		20,332,245	10,867,976	20,332,245	10,867,976
Other current liabilities		5,765,978	4,294,566	5,765,978	4,294,566
Total current liabilities		216,620,554	112,872,936	216,620,554	112,872,936
Non-current liabilities					
Employee benefit obligations	17	8,166,047	7,342,696	8,166,047	7,342,696
Other non-current liabilities		40,424,296	34,796,680	40,424,296	34,796,680
Total non-current liabilities		48,590,343	42,139,376	48,590,343	42,139,376
Total liabilities		265,210,897	155,012,312	265,210,897	155,012,312
Equity					
Share capital	18				
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	137,500,000
Issued and paid-up share capital					
Ordinary shares, 550,000,000 shares, fully paid-up of Baht 0.25 each		137,500,000	137,500,000	137,500,000	137,500,000
Premium on share capital	18	183,998,784	183,998,784	183,998,784	183,998,784
Retained earnings					

Appropriated - legal reserved	19	13,750,000	13,750,000	13,750,000	13,750,000
Unappropriated		140,250,393	112,756,271	140,250,393	116,429,503
		<hr/>	<hr/>	<hr/>	<hr/>
Total equity		475,499,177	448,005,055	475,499,177	451,678,287
		<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and equity		740,710,074	603,017,367	740,710,074	606,690,599
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Union Auction Public Company Limited

Statement of Comprehensive Income

For the year ended 31 December 2018

	Notes	Equity method financial statements		Cost method financial statements	
		31 December 2018 Baht	31 December 2017 Baht	31 December 2018 Baht	31 December 2017 Baht
Revenue from services	7	693,174,403	559,495,931	693,174,403	559,495,931
Cost of services	7	(338,489,212)	(307,419,773)	(338,489,212)	(307,419,773)
Gross profit		354,685,191	252,076,158	354,685,191	252,076,158
Other operating income		5,317,711	3,807,175	5,317,711	3,807,175
(Loss) gain on sale of fixed asset		(303,754)	997,473	(303,754)	997,473
Profit before expenses		359,699,148	256,880,806	359,699,148	256,880,806
Selling and services expenses		(37,147,988)	(28,401,089)	(37,147,988)	(28,401,089)
Administrative expenses		(106,529,720)	(93,618,150)	(111,349,042)	(93,618,150)
Total expenses		(143,677,708)	(122,019,239)	(148,497,030)	(122,019,239)
Operating profit		216,021,440	134,861,567	211,202,118	134,861,567
Share of loss of investment in a joint venture	12	(1,146,090)	(3,673,232)	-	-
Profit before finance costs and income tax		214,875,350	131,188,335	211,202,118	134,861,567
Finance costs		-	-	-	-
Profit before income tax		214,875,350	131,188,335	211,202,118	134,861,567
Income tax	22	(44,408,156)	(27,253,433)	(44,408,156)	(27,253,433)
Net profit for the year	7	170,467,194	103,934,902	166,793,962	107,608,134
Other comprehensive income					
Actuarial gain on defined benefit plan	17	-	4,794,751	-	4,794,751
Total comprehensive income for the year		170,467,194	108,729,653	166,793,962	112,402,885

Net profit for the year attributable to:

Owners of the parent	170,467,194	103,934,902	166,793,962	107,608,134
Non-controlling interests	-	-	-	-
	170,467,194	103,934,902	166,793,962	107,608,134

Total comprehensive income for the year attributable to:

Owners of the parent	170,467,194	108,729,653	166,793,962	112,402,885
Non-controlling interests	-	-	-	-
	170,467,194	108,729,653	166,793,962	112,402,885

Earnings per share

23

Basic earnings per share	0.31	0.19	0.30	0.20
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Union Auction Public Company Limited

Statement of Changes in Equity

For the year ended 31 December 2018

		Equity method financial statements				
		Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Total equity Baht
Notes				Appropriated - legal reserved Baht	Unappropriated Baht	
Opening balance as at 1 January 2017		137,500,000	183,998,784	13,750,000	92,021,558	427,270,342
Dividend paid	20	-	-	-	(87,994,940)	(87,994,940)
Net profit for the year		-	-	-	103,934,902	103,934,902
Other comprehensive income						
Actuarial gain on defined benefit plan	17	-	-	-	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
Opening balance as at 1 January 2018		137,500,000	183,998,784	13,750,000	112,756,271	448,005,055
Dividend paid	20	-	-	-	(142,973,072)	(142,973,072)
Net profit for the year		-	-	-	170,467,194	170,467,194
Closing balance as at 31 December 2018		137,500,000	183,998,784	13,750,000	140,250,393	475,499,177

Union Auction Public Company Limited

Statement of Changes in Equity (Cont.)

For the year ended 31 December 2018

		Cost method financial statements				
		Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		Total equity Baht
Notes				Appropriated - legal reserved Baht	Unappropriated retained earnings Baht	
Opening balance as at 1 January 2017		137,500,000	183,998,784	13,750,000	92,021,558	427,270,342
Dividend paid	20	-	-	-	(87,994,940)	(87,994,940)
Net profit for the year		-	-	-	107,608,134	107,608,134
Other comprehensive income						
Actuarial gain on defined benefit plan	17	-	-	-	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
Opening balance as at 1 January 2018		137,500,000	183,998,784	13,750,000	116,429,503	451,678,287
Dividend paid	20	-	-	-	(142,973,072)	(142,973,072)
Net profit for the year		-	-	-	166,793,962	166,793,962
Closing balance as at 31 December 2018		137,500,000	183,998,784	13,750,000	140,250,393	475,499,177

Union Auction Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2018

	Notes	Equity method financial statements		Cost method financial statements	
		31 December	31 December	31 December	31 December
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		214,875,350	131,188,335	211,202,118	134,861,567
Adjustments for:					
Depreciation expenses	13	44,060,981	40,316,762	44,060,981	40,316,762
Amortisation expenses	14	349,803	306,121	349,803	306,121
Loss (gain) on disposals of fixed assets		303,754	(997,473)	303,754	(997,473)
Fixed assets written off	13	229,121	447,635	229,121	447,635
Provision for impairment in a joint venture	12	280,478	-	5,099,800	-
Provisions for employee benefits	17	823,351	1,507,080	823,351	1,507,080
Allowance for doubtful debts		178,220	-	178,220	-
Interest income		(3,137,319)	(2,827,401)	(3,137,319)	(2,827,401)
Share of loss from a joint venture	12	1,146,090	3,673,232	-	-
Changes in operating assets and liabilities					
Trade and other receivables		(56,075,232)	(842,370)	(56,075,232)	(842,370)
Other current assets		116,332	242,411	116,332	242,411
Prepayment land leases		(4,483,021)	868,787	(4,483,021)	868,787
Other non-current assets		(1,986,954)	794,359	(1,986,954)	794,359
Trade and other payables		92,811,937	3,789,814	92,811,937	3,789,814
Other current liabilities		1,471,412	(406,561)	1,471,412	(406,561)
Other non-current liabilities		5,627,616	3,329,693	5,627,616	3,329,693
Cash generated from operating activities		296,591,919	181,390,424	296,591,919	181,390,424
Interest income received		2,982,523	2,970,352	2,982,523	2,970,352
Income tax paid		(38,264,624)	(31,296,162)	(38,264,624)	(31,296,162)
Net cash generated from operating activities		261,309,818	153,064,614	261,309,818	153,064,614

Union Auction Public Company Limited
Statement of Cash Flows (Conts)

For the year ended 31 December 2018

		Equity method financial statements		Cost method financial statements	
		31 December 2018 Baht	31 December 2017 Baht	31 December 2018 Baht	31 December 2017 Baht
Notes					
Cash flow from investing activities					
Decrease (increase) in restricted deposit at bank		18,030,900	(1,270,001)	18,030,900	(1,270,001)
Cash paid for short-term investments	9	(130,200,194)	(146,658,459)	(130,200,194)	(146,658,459)
Cash received from short-term investments	9	90,954,440	122,773,645	90,954,440	122,773,645
Cash paid for investment in a joint venture		-	(5,099,800)	-	(5,099,800)
Cash paid for purchases of leasehold improvements, buildings and equipment		(30,455,298)	(40,264,505)	(30,455,298)	(40,264,505)
Cash received from sales of equipments		748,256	1,324,438	748,256	1,324,438
Cash paid for intangible assets	14	(382,000)	(478,000)	(382,000)	(478,000)
Net cash used in investing activities		(51,303,896)	(69,672,682)	(51,303,896)	(69,672,682)
Cash flows from financing activities					
Dividend payment	20	(142,973,072)	(87,994,940)	(142,973,072)	(87,994,940)
Net cash used in from financing activities		(142,973,072)	(87,994,940)	(142,973,072)	(87,994,940)
Net increase (decrease) in cash and cash equivalents					
Opening balance of cash and cash equivalents		44,118,783	48,721,791	44,118,783	48,721,791
Closing balance of cash and cash equivalents	8	111,151,633	44,118,783	111,151,633	44,118,783

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

Notes to Financial Statement

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 26 February 2019.

2 Accounting policies

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

2.1 Basis of preparation

The equity method and cost method 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 equity method and cost method 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 are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Company:

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 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's management assessed and considered that the above revised standards do not have a significant impact on the Company except for disclosure.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Company has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Company has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures

The Company's management is currently assessing the impact of initial adoption of this standard.

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Company. The Company has not yet adopt these standards.

TAS 28 (revised 2018) Investments in associates and joint ventures

TAS 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The group of financial reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TRIC 16	Hedges of a Net Investment in a Foreign Operation
TRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's

business model for managing the financial assets and contractual cash flows characteristics of the financial assets.

- Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
- Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
- Derivatives are classified and measured at fair value through profit or loss.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The group of financial reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow: (Cont'd)

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.

- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the Company not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Company's management is currently assessing the impact of initial adoption of these standards.

2 Accounting policies (Cont'd)

2.3 Company 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 Company 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 Company's share of the

post-acquisition profits or losses and movements in other comprehensive income. When the Company'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 Company'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.

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 Company and its joint ventures are eliminated to the extent of the Company'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 Company.

(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

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

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 Current and deferred income taxes

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. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

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 substantively 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 is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

2.12 Employee benefits

2.12.1 Post-employment

The Company operate various post-employment benefits schemes. The Company has both defined benefit and defined contribution plans.

2.12.1.1 Defined contribution

A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company pays contributions to a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act. B.E. 2530. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 Accounting policies (Cont'd)

2.12 Employee benefits (Cont'd)

2.12.1 Post-employment (Cont'd)

2.12.1.2 Retirement benefits

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually

depends 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

retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. 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 retirement liability.

Remeasurement 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 profit or loss.

2.13 Provisions

Provisions are recognised when 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.

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.

2.14 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 Accounting policies (Cont'd)

2.15 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.

2.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders, and interim dividend are approved by the Board of Directors.

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) Retirement benefits

The present value of the retirement benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefits obligation.

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 retirement benefits 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 retirement benefits liability.

Additional information of other key assumptions for retirement benefits obligations other is disclosed in Note 17.

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 Reclassification

The financial statements for the year ended 31 December 2017 have been reclassified to conform to the presentation in the current year.

Statement of financial position as at 31 December

2017

Baht

Increase in trade and other receivables, net	2,662,409
Decrease in intangible assets, net	(18,905,887)
Increase in prepayment land leases	16,378,478
Decrease in other non-current assets	(135,000)

7 Segment information

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

For the year ended 31 December 2018

	Vehicle auction income Baht	Motorcycle auction income Baht	Transportation income Baht	Other services income Baht	Total Baht
Revenue from service	531,817,312	63,877,380	76,253,100	21,226,611	693,174,403
Cost of services					(338,489,212)
Gross profit					354,685,191
Operating profit					216,021,440
Share of loss of investment in a joint venture					(1,146,090)
Income tax (Note 22)					(44,408,156)
Net profit for the year					170,467,194

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 22)					(27,253,433)
Net profit for the year					103,934,902

8 Cash and cash equivalents

	2018 Baht	2017 Baht
Cash on hand	360,000	360,000
Deposits with banks - Current accounts	6,116,116	13,021,100
- Saving accounts	104,643,794	30,660,498
Short-term investments due within 3 months	31,723	77,185
Total	111,151,633	44,118,783

Average interest rates on deposits at banks are in the range of 0.37% - 1.05% per annum (2017: 0.38% - 1.05% per annum).

9 Short-term investments

Short-term investments represent fixed bank deposits with maturity ranged between 3 - 12 months and bears interest rate at 0.90% - 1.30% per annum (2017: 0.80% - 1.30% per annum).

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

	Total Baht
As at 1 January 2017	163,131,336
Additions	146,658,459
Disposals	(122,773,645)
As at 31 December 2017	187,016,150
Additions	130,200,194
Disposals	(90,954,440)
As at 31 December 2018	226,261,904

10 Trade and other receivables

	2018 Baht	2017 Baht
Trade receivables - vehicles	83,692,138	31,813,464
<u>Less</u> Allowance for doubtful accounts	(405,000)	(405,000)
Trade receivables, net	83,287,138	31,408,464
Advance payments	3,852,792	3,205,224
<u>Less</u> Allowance for doubtful accounts	(178,220)	-
Advance payments, net	3,674,572	3,205,224
Trade receivables from other services	4,688,943	3,400,527
Prepaid land rental expenses	15,214,437	13,906,018
Prepaid expenses	2,842,398	1,975,337
Other receivables, net	383,986	298,892
Interest receivable	476,743	321,947

Total	110,568,217	54,516,409
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10 Trade and other receivables (Cont'd)

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

	2018 Baht	2017 Baht
Current	63,519,698	29,511,624
Overdue less than 3 months	19,767,440	1,896,840
3 - 6 months	-	-
6 - 12 months	-	-
Over 12 months	405,000	405,000
	83,692,138	31,813,464
<u>Less</u> Allowance for doubtful accounts	(405,000)	(405,000)
Total	83,287,138	31,408,464

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

11 Restricted deposit at bank

As at 31 December 2018, the Company had outstanding deposit at a bank of Baht 16.10 million (2017:

Baht 34.13 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 0.10 million (Note 25.2), and guarantees for overdraft facility from 4 financial institutions amounting to Baht 16.00 million (Note 25.3).

12 Investments in joint venture, net

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

Joint venture	Nature of business	Nature of relationship	% of interest	
			31 December 2018	31 December 2017
Action and auction Company Limited	Providing sales and services related vehicle and other assets	Shareholder	50.998	50.998

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

	Equity method		Cost method	
	financial statement		financial statement	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Investment in a joint venture	280,478	1,426,568	5,099,800	5,099,800
<u>Less</u> Provision for impairment	(280,478)	-	(5,099,800)	-
Investment in a joint venture, net	-	1,426,568	-	5,099,800

12 Investments in joint venture, net (Cont'd)

Movements of investment in a joint venture is as follows:

	Equity method financial statement		Cost method financial statement	
	31 December 2018 Baht	31 December 2017 Baht	31 December 2018 Baht	31 December 2017 Baht
Investment in a joint venture				
Opening net book amount	1,426,568	-	5,099,800	-
Acquisition of investments	-	5,099,800	-	5,099,800
Share of loss from investment in a joint venture	(1,146,090)	(3,673,232)	-	-
<u>Less</u> Provision for impairment	(280,478)	-	(5,099,800)	-
Closing net book amount	-	1,426,568	-	5,099,800

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

Due to the consideration of A&A's operation result since starting operation, A&A is disability in generating revenue channel to the Company. The A&A's Board of Director meeting decided to discontinue the operation and A&A registered to dissolution on 20 December 2018. The Company recognised impairment provision for the full amount.

13 Leasehold improvements, buildings and equipment, net

	Leasehold improvements	Buildings	Building improvements and facilities	Furniture and fixtures	Office equipment	Vehicles	Construction 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 Leasehold improvements, buildings and equipment, net (Cont'd)

	Leasehold		Building					
	improvements	Buildings	improvements	Furniture	Office		Construction	Total
	Baht	Baht	and facilities	and fixtures	equipment	Vehicles	in progress	Baht
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
For the year ended								
31 December 2018								
Opening 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
Additions	1,082,479	-	969,568	6,627,317	259,832	1,910,789	19,605,313	30,455,298
Disposals	(88,410)	(98,755)	(149,939)	(83,439)	(989)	(630,477)	-	(1,052,009)
Write off, net	(4,440)	(48,866)	(171,653)	(4,162)	-	-	-	(229,121)
Transfers in (out)	15,291,207	3,536,810	2,433,549	1,561,194	-	-	(22,822,760)	-
Depreciation charge	(24,823,935)	(3,149,024)	(4,961,975)	(6,262,626)	(206,133)	(4,657,288)	-	(44,060,981)
Closing net book value	161,637,455	29,274,971	11,493,086	16,627,025	595,020	10,928,893	2,746,084	233,302,534
At 31 December 2018								
Cost	284,991,246	51,009,792	43,366,789	54,021,336	2,619,841	36,893,109	2,746,084	475,648,197
<u>Less</u> Accumulated depreciation	(123,353,791)	(21,734,821)	(31,873,703)	(37,394,311)	(2,024,821)	(25,964,216)	-	(242,345,663)
Net book value	161,637,455	29,274,971	11,493,086	16,627,025	595,020	10,928,893	2,746,084	233,302,534

14 Intangible assets, net

	Computer software Baht	Installation in progress Baht	Total Baht
At 1 January 2017			
Cost	3,322,145	112,000	3,434,145
<u>Less</u> Accumulated amortisation	(687,918)	-	(687,918)
Net book amount	<u>2,634,227</u>	<u>112,000</u>	<u>2,746,227</u>
For the year ended 31 December 2017			
Cost	2,634,227	112,000	2,746,227
Additions	394,000	84,000	478,000
Write off, net	(1)	-	(1)
Transfer in (out)	196,000	(196,000)	-
<u>Less</u> Amortisation charge	(306,121)	-	(306,121)
Closing net book amount	<u>2,918,105</u>	<u>-</u>	<u>2,918,105</u>
At 31 December 2017			
Cost	3,727,227	-	3,727,227
<u>Less</u> Accumulated amortisation	(809,122)	-	(809,122)
Net book amount	<u>2,918,105</u>	<u>-</u>	<u>2,918,105</u>
For the year ended 31 December 2018			
Cost	2,918,105	-	2,918,105
Additions	97,000	285,000	382,000
<u>Less</u> Amortisation charge	(349,803)	-	(349,803)
Closing net book amount	<u>2,665,302</u>	<u>285,000</u>	<u>2,950,302</u>
At 31 December 2018			
Cost	3,824,227	285,000	4,109,227
<u>Less</u> Accumulated amortisation	(1,158,925)	-	(1,158,925)
Net book amount	<u>2,665,302</u>	<u>285,000</u>	<u>2,950,302</u>

15 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% (2017: 20%).

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

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

	2018	2017
	Baht	Baht
At 1 January	9,246,942	6,968,222
Charged to profit or loss (Note 22)	3,320,736	2,278,720
At 31 December	12,567,678	9,246,942

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

	1 January 2018 Baht	Increase (decrease) to statement of comprehensive income Baht	31 December 2018 Baht
Deferred income tax assets			
Employee benefit obligations	1,468,538	164,672	1,633,210
Land rental	3,652,627	656,311	4,308,938
Depreciation	3,981,558	2,539,753	6,521,311
Assets under finance lease obligations	144,219	(40,000)	104,219
Total deferred income tax assets	9,246,942	3,320,736	12,567,678

		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
Assets under finance lease obligations	-	144,219	144,219
Total deferred income tax assets	6,968,222	2,278,720	9,246,942

16 Trade and other payables

	2018 Baht	2017 Baht
Trade payables - car	142,602,520	62,434,063
Accrued expenses	42,245,946	30,819,518
Other payables	5,673,865	4,456,813
	190,522,331	97,710,394

Trade payables - car represent financial institutions and personal payables, car owners. 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.

17 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:

	2018 Baht	2017 Baht
At 1 January	7,342,696	10,805,657
Current service cost	638,684	1,244,331
Interest costs	184,667	262,749
Actuarial gain	-	(4,794,751)
Benefit paid during the year	-	(175,290)
At 31 December	8,166,047	7,342,696

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:

	2018 Baht	2017 Baht
Current service cost	638,684	1,244,331
Interest cost	184,667	262,749
Actuarial gain	-	(4,794,751)
Total	823,351	(3,287,671)

The principal actuarial assumptions used were as follows:

	2018 %	2017 %
Discount rate	2.65	2.65
Salary growth rate	6.00	6.00
Turnover rate	11.46 - 34.38	11.46 - 34.38

Sensitivity analysis for each significant assumption disclosed

	Change in		Impact on defined benefit obligation			
	assumption		Increase in assumption		Decrease in assumption	
	2018	2017	2018	2017	2018	2017
Discount rate	0.5%	0.5%	Decrease by 2.76%	Decrease by 3.09%	Increase by 2.95%	Increase by 3.30%
Salary growth rate	1.0%	1.0%	Increase by 6.79%	Increase by 6.52%	Decrease by 6.09%	Decrease by 5.86%
Turnover rate	20.0%	20.0%	Decrease by 15.42%	Decrease by 14.86%	Increase by 21.28%	Increase by 20.31%

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.

18 Share capital

	Authorised share capital		Issued and paid-up share capital		
	Ordinary shares Share	Baht	Ordinary shares Share	Baht	Premium on share capital Baht
At 1 January 2017	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
Issuance of shares	-	-	-	-	-
At 31 December 2018	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 (2017: 550,000,000 shares) with a par value of Baht 0.25 per share (2017: Baht 0.25 per share). All issued shares are fully paid.

19 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.

	2018 Baht	2017 Baht
At 1 January	13,750,000	13,750,000
Additions during the year	-	-
At 31 December	13,750,000	13,750,000

20 Dividends paid

2018

At the Board of Directors' Meeting held on 9 August 2018, the board approved the interim dividend payment for the Company's operating profit from 1 January 2018 to 30 June 2018 for 550 million shares at Baht 0.10 per share, totaling Baht 55 million. The dividend was paid on 7 September 2018.

At the Annual Ordinary Shareholders' Meeting for the year 2018 held on 24 April 2018, the shareholders approved the annual dividend payment from retained earnings of the Company for 550 million shares at Baht 0.16 per share, totaling Baht 88 million. The dividend was paid on 4 May 2018.

2017

At the Board of Directors' meeting held on 8 August 2017, the board approved the interim dividend payment for the Company's operating profit from 1 January 2017 to 30 June 2017 for 550 million shares at Baht 0.04 per share, totaling Baht 22 million. The dividend was paid on 7 September 2017.

At the Annual Ordinary Shareholders' Meeting for the year 2017 held on 25 April 2017, the shareholders approved the annual dividend payment from retained earnings of the Company for 550 million shares at Baht 0.12 per share, totaling Baht 66 million. The dividend was paid on 9 May 2017.

21 Expenses by nature

	2018 Baht	2017 Baht
Staff costs	130,951,865	120,256,627
Transportation costs	97,090,248	75,766,595
Commission expenses	1,220,366	3,910,326
Land rental expenses	57,735,755	59,759,165
Other auction costs	23,052,837	19,871,276
Security costs	21,108,177	20,930,484
Depreciation (Note 13)	44,060,981	40,316,762
Amortisation (Note 14)	349,803	306,121

22 Income tax

	2018	2017
	Baht	Baht
Current tax:		
Current tax on profit for the year	47,728,892	29,532,153
Deferred tax:		
Increase in deferred tax assets (Note 15)	(3,320,736)	(2,278,720)
Total income tax expense	44,408,156	27,253,433

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:

	2018	2017
	Baht	Baht
Profit before income tax	211,202,118	134,861,567
Tax calculated at a tax rate of 20% (2017: 20%)	42,240,424	26,972,313
Tax effect of:		
Expenses not deductible for tax purpose	2,368,975	309,287
Expense that are deductible at a greater amount from actual expenses	(201,243)	(28,167)
Tax charge	44,408,156	27,253,433

The weighted average applicable tax rate was 21% (2017: 22%).

23 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	
	2018	2017	2018	2017
Net profit attributable to shareholders				
of the Company (Baht)	170,467,194	103,934,902	166,793,692	107,608,134
Weighted average number of ordinary shares (Share)	550,000,000	550,000,000	550,000,000	550,000,000
Basic earnings per share (Baht)	0.31	0.19	0.30	0.20

There is no potential dilutive ordinary shares in issue for the year ended 31 December 2018 and 2017.

24 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:

24.1 Key Management compensation

	2018	2017
	Baht	Baht
Salaries and other short-term employee benefits	30,081,868	24,472,440
Retirement benefits	635,731	415,782
	<u>30,717,599</u>	<u>24,888,222</u>

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

25 Commitments

25.1 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:

	2018	2017
	Baht	Baht
Not later than 1 year	59,294,851	48,734,658
Later than 1 year but not later than 5 years	196,448,169	190,006,794
More than 5 years	122,898,299	114,682,462
	<u>378,641,319</u>	<u>353,423,914</u>

25.2 Bank guarantees

As at 31 December 2018, the Company has commitments in respect of letters of guarantee issued by local financial institutions for the electricity guarantee and guarantees for contract performance used for the auction biddings of Baht 8.20 million (31 December 2017: Baht 8.63 million) The letters of guarantee is guaranteed by related fix deposits of Baht 0.10 million (Note 11).

25.3 As at 31 December 2018, the Company had overdraft facility of Baht 42.00 million and letters of guarantee of Baht 47.60 million (31 December 2017: Baht 35.00 million and Baht 38.23 million respectively) from 4 financial institutions which was reserved for the Company's operation. The overdraft facility is guaranteed by related fix deposits of Baht 16.00 million (Note 11).

25.4 The Company has a commitment for the arrangement of auction biddings provided to 200 non-related companies and 11 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.

26 Post statement of financial position event

At the Board of Director's meeting held on 26 February 2019, the Board of Directors approved the additional annual dividend payment from the net profit and retained earnings of the Company as at 31 December 2018 of Baht 0.20 per share to shareholders of 550 million shares, totaling Baht 110 million. The date on which the recorded shareholders are entitled to receive the dividend was fixed to be on 15 March 2019. The dividend payment will be made on 3 May 2019 after obtaining the approval from the 2019 Annual General Shareholders' Meeting.

Details of Directors, Executives and Company Secretary

Assoc. Prof Dr. Paiboon Sareewiwatthana

Director/ Chairman of the Board / Nomination & Remuneration Director

Age (years)	64
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.
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	<p>Chairman of the Board, BT Wealth Industry Plc.</p> <p>Chairman of the Board, UAC Global Pcl.</p>
B. Non-listed company	Chairman of the Board / Independent Director, Chic Republic 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 31 January 2019)	1.31 ^{/1}
Board of Directors' Meeting participation during the year 2018	5 of 5
^{/1} Include spouse 6,700,000 shares	

Mr. Suvit Yoadjarust

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

Age (years)	63
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	Director / Chairman of Executive Director/ Chairman of Risk Management Committee Union Auction Pcl.
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 31 January 2019)	0.66
Board of Directors' Meeting participation during the year 2018	5 of 5

Mr. Thepthai Sila

Director / Managing Director / Executive Director / Risk Management Director

Age (years)	59
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 Director, Union Auction Pcl.
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 31 January 2019)	5.11 ^{/1}

5 of 5

Mr. Varunyoo Sila

Director / Deputy Managing Director / Executive Director / Risk Management Director

Age (years)	35
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 Pcl.
2012 - Present	Director /Executive Director / Risk Management Director, Union Auction Pcl.
2010 - 2018	Director, Sahakam Holding Co., Ltd.
2010 - 2018	Director, At 800 Co., Ltd.
2009 - 2018	Director, Bliss Khao Kho Co., Ltd
2009- 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, 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 31 January 2019)	1.47
Board of Directors' Meeting participation during the year 2018	5 of 5

Mr. Sarawut Charuchinda

Director / Executive Director / Risk Management Director

Age (years)	61
Education	MBA– Finance University of Mississippi U.S.A. Bachelor Degree of Accounting (2 nd Honor) Chulalongkorn University
Related training programs held by the Thai Institute of Directors Association (IOD)	DGP: Director Certification Program, 31/2003 AACP : Advance Audit Committee Program, 19/2015
Work experiences during the past 5 years	
2018- Present	Director/ Executive director / Risk Management Director, Union Auction Pcl.
2018- Present	Chairman of the Board/ Risk Management Director, Assetwise Co.,Ltd.
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.
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 the Board/ Risk Management Director, Assetwise 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	None
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 31 January 2019)	None
Board of Directors' Meeting participation during the year 2018	4 of 4 *

Note:

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 Mr. Sarawut Charuchinda as the company's executive director, effective from January 1st, 2018.

* The Annual General Meeting of Shareholders for the year 2018, held on April 24, 2018 has approved to appoint Mr. Sarawut Charuchinda as the company's director.

Assoc. Prof. Dr. Sauwanee Thairungroj
Director/ Chairman of Audit Committee/ Vice Chairman of Nomination and Remuneration Committee/ Independent Director

Age (years)	60
Education	Doctoral Degree in Economics, Washington State University, USA Master Degree in Development in Economics, NIDA Bachelor Degree of Economics, Thammasart University
Related training programs held by the Thai Institute of Directors Association (IOD)	DCP: Director Certification Program Class 21/2002
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), 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 31 January 2019)	None
Board of Directors' Meeting participation during the year 2018	4 of 5

Assoc. Prof. Dr. Montri Saktiyanurak
Director/ Audit Committee/ Chairman of Nomination
and Remuneration Committee/Independent Director

Age (years)	62
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	Audit Committee/ Chairman of Nomination and Remuneration Committee/ Independent Director Union Auction Pcl.
2017- Present	Chairman of the Board, PCN. Co., Ltd.
2016- Present	Chairman of the Board, Thai Plastic Industry (1994) Co.,Ltd.
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	Chairman of the Board/ Chairman of Audit Committee, TV Thunder Pcl.
2012- Present	Chairman of Audit Committee/ Independent Director, East Coast Furnitech Pcl.
2011 – Present	Director, Learn Tech Co., Ltd.
2013- 2017	Chairman of the Board, Ocean Commerce Pcl.
2012- 2013	Independent Director, Cho thavee Pcl.
2011- 2015	Director, Specialty Tech Corp.
2009- 2013	<p>Chairman of Audit Committee/ Independent Director, Siam Global House Pcl.</p>

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, Thai Plastic Industry (1994) Pcl.

B. Non-listed company

Chairman of the Board, PCN. Co., Ltd.
Audit Committee / Independent Director Baan Suay Group (Suratthani) Pcl.
Director, Learn Tech 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 31 January 2019)

None

Board of Directors' Meeting participation during the year 2018

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Mrs. Wilaiwan Srisamrual

Director/ Audit Committee / Independent Director/ Risk Management Director

Age (years)	60
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. Audit Director, Biodegradable Packaging for Environment Pcl.
2014-2016	CFO Mobile Business, True Corporation Pcl.
2011-2013	DCFO 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 31 January 2019)	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 1st, 2018 onwards, in replacement of Mr.Sarawut Charuchinda, the resigning director.

Mrs. Anchalee Bhakkalin
Deputy Managing Director, Account & Finance Dept.

Age (years)	62
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

Mr. Sutee Samathi
Deputy Managing Director, Business Development and Marketing Dept.

Age (years)	57
Education	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	
Nov.2018 – Present	Deputy Managing Director, Business Development and Marketing Dept., Union Auction Pcl.
2015 – Nov.2018	Assistant Managing Director, Business Development and Marketing Dept., Union Auction Pcl.
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	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 31 January 2019)

0.02



Mr. Tanongsak Vanajak

Deputy Managing Director, Operation Department

Age (years)	56
Education	Bachelor Degree of Engineering (Mechanical) Chiangmai University
Related training programs held by the Thai Institute of Directors Association (IOD)	-
Work experiences during the past 5 years	
Present	Deputy Managing Director, Operation Dept., Union Auction Pcl.
2011- 2016	Project Manager, Getabec International Co.,Ltd.
2001- 2004	Offshore Service Manager, Thai Nippon Steel Engineering & Construction Corp.,Ltd.
1987- 2000	Plant Manager, Italian Thai Development 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	None
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 31 January 2019)	None

Note : The Executive Committee Meeting no. 18/2018 held on October 9, 2018 has appointed Mr. Tanongsak Vanajak as a Deputy Managing Director, Operation Department.

Mr. Kriangsak Dhammaraksa

Assistant Managing Director, Information Technology Dept.

Age (years)	47
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.
2017 – 2018	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 31 January 2019)	0.026

Miss Chittra Chantakui

Assistant Managing Director, Human Resources and Legal Dept.

Age (years)	47
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 31 January 2019)	No

Mr. Nitid Sopon

Assistant Managing Director, Operation Dept.

Age (years)	47
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	Assistant 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 31 January 2019)	0.006

Miss Poonsil Kaewchamnong

Acting Assistant Managing Director, Director Office

Age (years)	53
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 31 January 2019)	0.0018

Miss Ampaporn Lakruangsup Company Secretary



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)	Company Secretary Program (CSP 94/2018)
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 31 January 2019)	No

2018



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