

ANNUAL REPORT

Union Auction 2019

“ 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 Chairman

“ the Board of Directors and executives are still confident that this will be a year that Union Auction Public Limited Company will be able to provide service with maximum capacity ”



The year 2019 was another year that the dedicated work of employees and executives resulted in an ongoing achievement since 2018. The bustling automotive industry and the used vehicle business enabled Union Auction Public Limited Company to effectively provide auction services and additional services which resulted in good operating results and generated higher dividends to shareholders as well.

The year 2020 has a tendency to be a volatile year and has a negative impact on the overall economy as well as the auction industry. However, the Board of Directors and executives are still confident that this will be a year that Union Auction Public Limited Company will be able to provide service with maximum capacity because the Company has been constantly improving the business. Though the Company is not significantly affected by the poor economic system, the business of the Company would be able to overcome the overall crisis of the Thai economy and yield good profit and dividends for another year because the Company has low fixed costs and doesn't have any liabilities that require interest.

On behalf of the Board of Directors, I would like to express our gratitude to the shareholders, executives, employees, business partners, customers and other related persons who have always supported the Company. The Board of Directors would like to assure you that we will supervise and support the Company to operate business in accordance with good corporate governance principles so that the business will grow steadily, continuously and sustainably.

- Paiboon Sareewiwatthana -

(Assoc. Prof. Dr. Paiboon Sareewiwatthana)

Chairman of the Board of Directors

Report of Risk Management Committee

The Risk Management Committee established and reviewed the policy, targets and risk management framework of the Company so that it was suitable for efficient business operations, in accordance with the international standards, properly aligned with the Company's business strategy, and protected the benefits of the Company and shareholders as a whole.

In 2019, the Risk Management Committee held a total of 2 meetings. A summary of operational importance is as follows:

1. Established and reviewed the risk management framework of the Company so that it was appropriate and was consistent with the Company's strategic plan and current environment.
2. Supervised departments of the Company to regularly conduct an analysis of various risk factors that could occur. This covered business risk, financial risk, operational risk, natural disaster risk, and external factor risk as well as the tendency of the impact on the Company in order to prioritize the establishment of a risk management plan to prepare risk control guidelines so that they were in an acceptable framework for the Company and reduced the chance that the risk will occur in the future.
3. Followed up and reviewed the implementation of the risk management plan in accordance with the policy and the established annual risk management framework. This was to ensure that the risk management was in accordance with the risk control guidelines and the strategy of the Company.
4. Prepared a risk management committee report in order to present the Company's important risk issues that the management supervised, reviewed, and monitored to the Board of Directors to acknowledge and give additional comments twice a year.
5. Reviewed the scope of duties and responsibilities of the Risk Management Committee.



The Risk Management Committee was of the opinion that in 2019, the Company had a risk management system that was able to sufficiently oversee the Company's major risk and it was suitable for the business operations. This included continually managing risk in accordance with the changing circumstances. The Risk Management Committee held meetings every half of the year which resulted in the effective control of major risk factors of the Company so that they were at an acceptable level so that the Company would be able to achieve success in accordance with the set plan and goals.

- Suvit Yoadjarust-

(Mr. Suvit Yoadjarust)

Chairman of the Risk Management Committee

Report of Nomination and Remuneration Committee



In 2019, 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 2019 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. 2/2019 on December 17, 2019 in order to ensure that the Nomination and Remuneration Committee performed their assigned duties and responsibilities completely in accordance with the principles of good corporate governance code for listed companies.

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 the principles of good corporate governance code. The board operated its business with transparency for the benefit of all stakeholders

- Montri Sokatiyanuruk-

(Assoc.Prof. Dr. Montri Sokatiyanuruk)

Chairman of Nomination and Remuneration Committee

Report of Executive Committee



The Executive Committee monitored and supervised the management of the Company's business operations in order to operate business in accordance with the established policies, be able to continually run the business effectively and be ready for business expansion that has sustainable growth. The Executive Committee considered and examine any important matters before proposing them to the Board of Directors for consideration.

In 2019, the Executive Committee held a total of 22 meetings in order to consider and propose solutions to problems and give suggestions on important matters of the Company. These can be summarized as follows:

- 1. Considered and Established Business Policies and Strategic Plans:** The Executive Committee considered and gave initial comments regarding the Company's business management policy and strategies and also considered the appropriateness of the business plan and the annual budget by continually monitoring the operational results on a monthly basis. Suggestions were also given for the benefit of the management of the Company. The Executive Committee operated in accordance with the strategy in order to support growth and develop long-term competitiveness.
- 2. Monitored and Followed up with the Company's Performance:**
The Executive Committee monitored and followed up with the Company's performance of every department on a monthly basis so that it was in accordance with the plan assigned by the Board of Directors.
- 3. Considered and Gave Opinions Regarding Investments in Various Projects of the Company:**

The Executive Committee considered and gave comments regarding investments for various Company projects by analyzing opportunities, obstacles in making investments, and determining risk management policies for financial activities or making investments in various projects of the Company. This included monitoring and making evaluations before proposing them to the Board of Directors in order to create opportunities for potential investments and provide sustainable returns.

4. **Considered the Company's Structure and Authority:** The Executive Committee considered the structure and authority of the Company before proposing them to the Board of Directors for further consideration and approval.
5. **Supervised Company Management:** The Executive Board supervised the Company's management so that it operated in accordance with the legal requirements and ethics were in accordance with good corporate governance principles to prevent any conflicts of interest and maximize the efficiency and effectiveness of the operations.
6. **Reviewed the Scope of Duties and Responsibilities of the Executive Committee:**

The Executive Committee reviewed the scope of duties and responsibilities of the Executive Committee annually, during the Meeting No. 22/2019, held on December 17, 2019. This was to ensure that the assigned operations were complete and the responsibilities were in accordance with the rules and guidelines of the Office of Securities and Exchange Commission.

The Executive Committee performed its duties as assigned by the Board of Directors and used the knowledge and abilities to perform these duties prudently, cautiously, and appropriately in order to manage the business to achieve its vision, mission, and goals as well as the Company's business strategy at full capacity. The Executive Committee took into account the best interests of the Company, shareholders and every group of stakeholders in order to build confidence in operations and also supervised the management of the Company for effective and sustainable operations.

- Suvit Yoadjarust-

(Mr. Suvit Yoadjarust)

Chairman of the Executive Committee

BOARD OF DIRECTORS



Assoc. Prof. Dr. Paiboon Sareewiwatthana

Director/ Chairman of the Board / Nomination & Remuneration Director



Assoc. Prof. Dr. Sauwanee Thairungroj

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



Assoc. Prof. Dr. Montri Saktiyanurak

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

Mrs. Wilaiwan Srisamrual

Director/ Audit Committee / Risk Management Director /
Nomination & Remuneration Director / Independent Director



Mr. Suvit Yoadjarust

Director / Chairman of Executive Committee /
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



Mr. Varunyoo Sila

Director / Executive Director /
Deputy Managing 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. Also, the Company added a customer target for juristic persons that need to use vehicles in their business.
2. Expand the customer base, whether small, medium, or large bidders.
3. Increase services and the variety of assets types that can be bid on.
4. Improve online bidding channels to be more convenient and effective.

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.

Development of the Company

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

strengthen the confidence for customers before the auction started. The Company also extended the types of auction by joining with Toshiba Thailand Co., Ltd. for the electric appliances auction at Rangsit - Klong 8 branch.

- The Company became the public company and changed the common share value from 10 baht/share to 0.50 baht/share and increased the registered capital from 110 million baht to 145 million baht.

March 2013 - The Company changed the value of common share from 0.50 baht to 0.25 baht per share and reduced the registered capital to 137.50 million baht by offering 110 million common shares to the public. The total capital increase was 27.50 million baht.

- The Company expanded its head office compound by about 14 rai and raised the ground level as a flood safety zone. The auction at Chaeng Wattana office was

August 2013 - moved to the head office.

The Company started trading shares in MAI for the first time on August 9, 2013.

- 2014**
- The Company opened the new auction space at Phutthamonthon sai 2.
 - The Company expanded the storage to 3 provinces: Chiangmai, Nakorn Ratchasima and Surin.

The Company increased the frequency of the auction to Everyday, rotating to each branch.

- 2015**
- The Company expanded branches into 4 provinces: Ubonratchathani Udonthani Surajthani and Hadyai

- The Company increased the frequency of auction
- The Company increased properties auction to include brand name product and real estate.
- The Company had granted the licensed to conduct auction for government agency namely; Customs Department, Office of the Narcotic Control Board and Anti Money Laundering Office.
- The Company had gained trust to conduct 1800 and 900 Mhz spectrum or 4G auction of the Office of the National Boardcasting Telecommunications Committee (NBTC)

2016

- The Company opened another branch for auction services in Phitsanulok..

The Customs Department entrusted the Company to conduct an auction for vehicles and motorcycles. The Office of National Broadcasting and Television also entrusted the Company to auction 16 beautiful mobile numbers.

The Company added assets for auction such as real estate, luxurious furniture, etc.

2017

The Company invested in 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 were more up-to-date and more impressive for customers.

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 accomadate 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.

2019

The Company opened a warehouse in Chiang Rai to support the business expansion from an increased number of vehicles in the northern region.

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 Vehicle



Multi Purpose Vehicle



Car wreck

Source: Union Auction Public Company Limited

2) Motorcycles

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

Sample types of motorcycles in auction



Source: Union Auction Public Company Limited

3) Other types of property

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

In 2019, the Company held special auctions as described below.

1. The Company auctioned beautiful mobile numbers of the year 2019, 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
4. Property auctions such as houses and land, condominiums, commercial buildings, vacant land, etc.
5. Brand name auctions for various brands such as watches, handbags, belts, clothes, hats, shoes, etc.

Beautiful mobile numbers auction of the year 2019, for the Office of National Broadcasting and Television.



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.



In 2019, there are developments as follows :

- Developed a Multiple Frequency Band Auction System to Support the 5G Auction System

The Company developed an auction system to prepare for the submission of proposals to manage a frequency auction for telecommunications (5G) in 2020. The developed system can support the bidding rules of the National Broadcasting and Telecommunications Commission (NBTC) and is in accordance with the notifications of the rules and procedures to use the frequency spectrum for a universal mobile telecommunications business in the 700 MHz, 1800 MHz, 2600 MHz, and 2.6 GHz range. This auction system must support the Simultaneous Ascending Clock Auction method which is comprised of two steps. These are the Allocation Stage and the Assignment Stage. In other words, the auction system must be able to carry out the bidding in multiple frequency bands at the same time (at least 4 different frequency bands), be able to support the bidding rules of the NBTC, and be able to support the control of the frequency range required by

the bidder who won the bidding under the regulations of the selection of a frequency ceiling in each frequency band specified by the Office of the NBTC.

Currently, the Office of the NBTC has considered hiring the Company to manage the frequency spectrum for a universal mobile telecommunications auction in the 700 MHz, 1800 MHz, 2600 MHz, and 2.6 GHz range.

- Developed an Auction System with a Mobile Application for the State Railway of Thailand.

The Company developed a bidding system with a mobile application for the auction of discontinued items, amortized items and damaged items under the possession of the State Railway of Thailand. The Company developed an auction system with a mobile application under the auctioning and competitive bidding regulations of the State Railway of Thailand. The State Railway of Thailand aims to auction items that are damaged, discontinued, and become a storage burden so that they are in accordance with the rules and regulations of the Ministry of Finance regarding the procurement and management of government supplies in 2017, which will bring the greatest benefit to the State Railway of Thailand. The competitive bidding will be processed through a mobile application. The system will show the bidders' number and the bid price each time. Bidders will know the results during the competitive bidding and when the auctioneer announces the number of the winning bidder. Bidders do not need to identify themselves which allows bidders to compete and make bids without any pressure. This also increases transparency in bidding and prevents price collusion.

- Developed an Auction System on a Mobile Application with Audio and Video from a Live Location

The Company developed an E-Auction System under the name "AUCTION Live Pro", which supports online auction by displaying live video and audio from the auction site in real time. The system is still limited to display video and audio on computers and notebooks only. The Company is developing the system to increase the capability to support auctions through the E-Auction System with video and audio for all devices on all platforms (Windows, IOS and Android) to be used in 2020. This will allow the Company to be the first auction company in Thailand with online auction on mobile phones and tablets with real-time video and audio.

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 2017 - 2019

(Unit : million Baht)

	2017		2018		2019	
	Mil. Baht	%	Mil. Baht		Mil. Baht	%
Automobile auction income	434.16	76.94	531.82	76.17	636.72	78.36
Motorcycle auction income	57.19	10.13	63.88	9.15	66.59	8.19
Transportation services income	60.21	10.67	76.25	10.92	86.24	10.61
Other assets auction	7.93	1.41	21.23	3.04	13.87	1.71
Total service revenue	559.50	99.15	693.17	99.28	803.42	98.87
Other income	4.804	0.85	5.01	0.72	9.16	1.13
Total revenue	564.30	100.00	698.19	100.00	812.58	100.00

The Company has 29 storages for the auctioned properties located in 28 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
Saraburi	Nakorn Sawan	Udonthan	Prachuab kirikhan	Chonburi: Ban Bueng
Ayutthaya	Petchabun	Khon Kaen	Chumporn	Sraekaw
Samutsakorn	Chiangrai	Surin	Nakorn Srithammarat	
Ratchburi		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 2019 Actual storage (unit)
Bangkok 1 sites	Automobile	2,181
	Motorcycle	1,756
Upcountry 28 sites	Automobile	10,672
	Motorcycle	5,324
Total 29 sites	Automobile	12,853
	Motorcycle	7,080

The Company has 13 auctions in 13 provinces

Central	North	North East	South	East
Bangkok	Chiangmai	Nakornrachasrima	Suratthani	Rayong
Patumthani	Pitsanulok	Ubonratchathani	Songkha	Chonburi
Ratchburi		Udonthan		
		Khonkhean		

Auction Process

Auction venue

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

Auction schedule

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

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

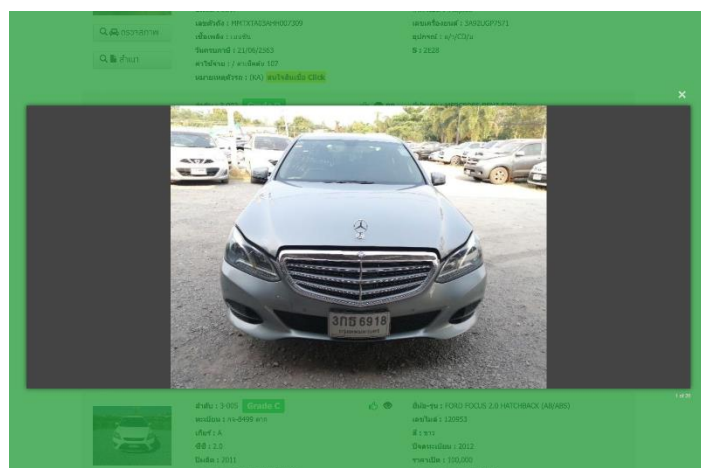
The Company has set up the new system for vehicle pick up and clarification as follows:



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 Procedures

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

1. Raising a Bidding Card at the Auction Site

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

2. E-Auction Services

The Company developed an auction program in real time at a real auction site through the Company's website www.auct.co.th. 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	On time

		(except for top 10 customers)	
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

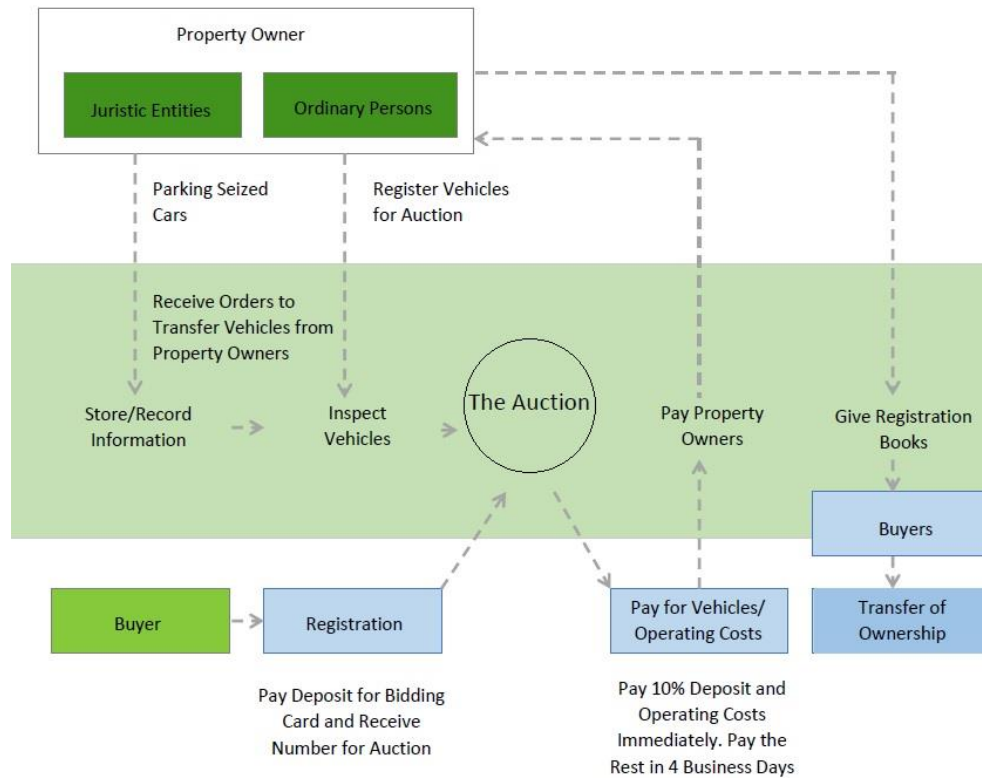
Auction price, in general, is paid in two tranches, the first one on the auction date for 10% of the property value but not less than 5,000 Baht and the other one within 4 days after the auction date except for the privileged customers as specified. The customers who bid via the E-Auction and E-Onsite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

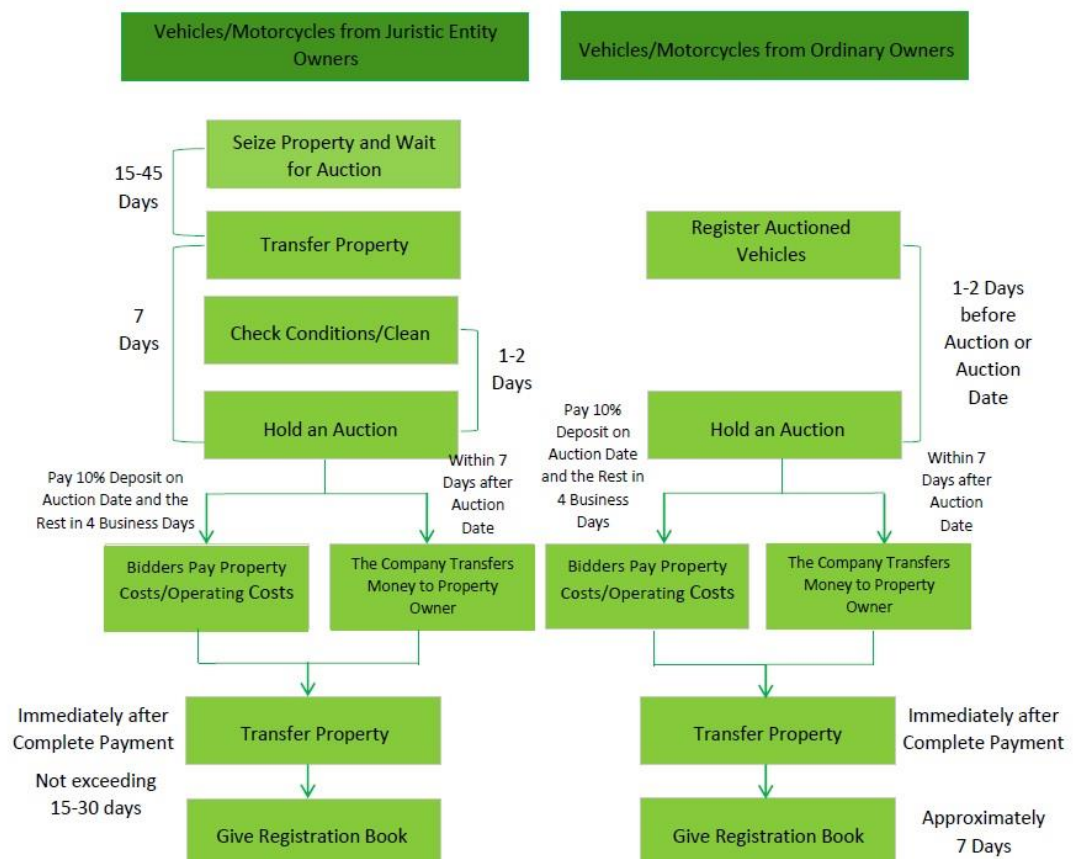
Delivery of Auction Proceeds

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



Marketing Strategies

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

The Company's competitive strategies are as follows.

1) Price Strategies

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

2) Product and Service Strategies

The Company's main policy is emphasizing service standards for customers to receive the best service from prior to auction, during and after auction. The Company's superior service highlights are as follows.

- Provided a 38 rai parking lot for auction at the Company's headquarters and a 100 Rai parking lot at the Rungsit branch. Held an auction on the road in other provinces in every region at convenient locations for easy travel for bidders that had a maximum capacity of 2,000 cars per auction.
- Professional staff and teams that have more than 28 years of experience are provided to give efficient, fair price estimate services for both vehicles and auction items for customers.
- A lot of buyers and end users create auction price competition and result in a fair price among customers and property owners.
- Insure property against loss and damages from fire and other contingencies with an insurance company. Provide 24 hour security at the location site and 24 hour monitoring with CCTV and organize maintenance teams to monitor its working system consistently.

3) Place Strategies

The Company has auction venues covering all regions of Thailand. Currently, there are 13 auction venues in different locations in order to facilitate customers and publicize Union Auction Company to increase customer awareness and lower the costs of transferring property. The Company will hold auction at a location near the storage site. Currently, the Company provides 2 types of auctions, auctions that use bidding cards and E-auctions. Since the Company developed the E-onsite system (which allows bidding through the application at the auction site without raising hand to show a bid sign). This system received more positive feedback from interested customers and customers who like to use new technologies to buy vehicles. As a result, the Company expands its 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 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 28 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 grades vehicles by dividing the vehicles into groups according to the condition of the vehicle in order to build the confidence of buyers when choosing a vehicle auction to meet their needs. Also, 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

2019 was the year that the automotive industry changed between the first half and the second half of the year. In the first half of the year, sales volume accelerated by 7% due to the good momentum of the previous year and new car models that came into the market that drove sales and resulted in a good sales growth. Meanwhile, during the second half of the year, car sales dropped to 12% due to the economic slowdown and the financial institutions became strict in approving car loans.

The year 2020 is considered to be another challenging year for the automotive market. This is due to many factors which include economic stagnation, the problem of the appreciation of the Baht, measures to tighten credit approval by financial institutions, and the condition of consumer confidence in an uncertain global economy. This also includes risk factors that result from an increase in household debt and the spread of the Corona Virus. However, there are still some positive factors that result from stable politics, government investments in various projects which includes economic stimulus measures that the government continued to issue at the end of 2019 and consumers still have a demand for vehicles. As a result, the automotive market in 2020 is expected to grow to be similar to 2019.

In regards to production in 2020, it is expected that vehicle production will be stable. Approximately 2.05 million vehicles will be produced which is an increase of 2.5% from the same period in 2019. The proportion of vehicle production for domestic vehicle sales is 1.00 million and 1.05 million vehicles are produced for export.

The motorcycle production market is expected to be stable. Approximately 85-90% of motorcycles produced are for domestic sales and 10-15% of production is for export.

In addition, secondhand vehicles have a tendency to have a better direction than new vehicles because the growth rate of economic expansion is not high. Due to a lack of economic confidence, consumers are still quite cautious about spending. This affects the decisions of consumers to purchase secondhand vehicles rather than new vehicles. In 2020, it is expected that the non-performing loan of car loans will increase. This will result in a greater number of secondhand vehicles coming to the market which gives consumers more opportunities to purchase a vehicle. There is competition among various financial institutions to grant purchase loans which will result in more secondhand vehicles being bought and sold than new vehicles.

Competitive Environment of the Automotive Market.

Statistics for Domestic Vehicle Sales for 2012-2019..

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%)

In 2019, total vehicle sales were 1,007,552 (a decrease of 34,187 units or - 3.3%)

In 2019, the total vehicle sales in Thailand was down by 3.3% from 2018. The total number of vehicles sold was 1,007,552 vehicles. Even though the number of vehicles sold in 2019 decreased significantly in the second half of the year, the number of vehicles sold was still able to reach the level of one million vehicles.

The 2020 automotive market is believed to be another challenging year for the automotive market. This is due to many factors that include the economic slowdown and measures to tighten credit approval by financial institutions combined with risk factors from the international trade war, risk from the appreciation of the Baht, and risk from rising household debt.

The type of vehicle that is expected to drive the market in 2020 is the pick-up truck where the passenger car is unlikely to grow.

In regards to car manufacturers and related businesses such as car dealers, the marketing strategies need to be adjusted to the needs of the market for each vehicle category and region. This creates a good image and credibility among consumers, both towards vehicles and various services especially after-sales is essential.

In addition, due to the pandemic outbreak of the Corona Virus (COVID19), the delay of budget expenditure Act for 2020 and the severe drought in Thailand over the past several years that severely impact the tourism sector as well as production, exports and private consumption have become negative factors causing the overall Thai economy in 2020 is likely to slow down. The Bank of Thailand has viewed for Thai economy in 2020 that the GDP will contract by 5.3 percent which is a negative factor for the automobile industry.

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. 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.

In 2019, the Company has elevated the floor of car receive area in addition and filling a pond with crushed rock to make it a car receive area. Besides, water drainage and concrete floor were made in full area of 12 rai.

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 23, 2020, the Sila family were major shareholders that owned 290.36 million shares of the Company's total shares which is equivalent to 52.29 % 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 87 percent of the total revenue of the Company. In 2019, 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 73 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 28 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 2,996 million Baht which covered the Company's properties and storage location sites all over the country and 268 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 and August 13, 2019, the Company has revised the privileges to reduce the risk of default payment from customers who can take the properties out before making full payment as follows:

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

Source : The Company

Note :

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

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

Currently, the Company reviews credit for bidders every year and bidders' credit is regularly reviewed for revision.

Legal Disputes

As of December 31, 2019, the Company did not have any legal disputes that can have significant negative impacts 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 share: 550,000,000 shares, valued 0.25 baht per share
Number of Employees:	357 persons (as of December 31, 2019)
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:	02-033-6555
Fax. :	02-935-6202
Investor Relations:	02-934-7344
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 23, 2020, the top 10 major shareholders of the Company are as follows :

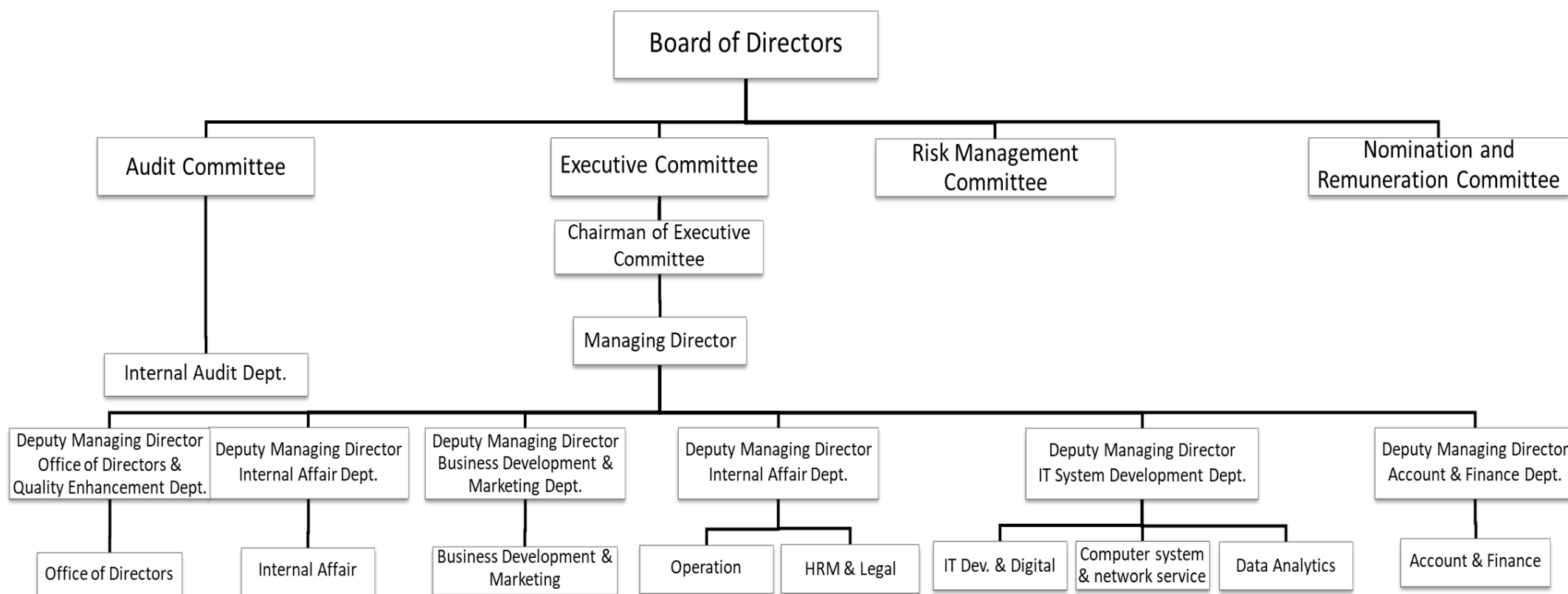
No.	Shareholder Name	No. of shares	% of capital
1.	Sila Family		
	Mr. Pakphoom Sila	137,499,000	25.00
	Miss Thidararat Sitapawang	125,395,000	22.80
	Mr. Thepthai Sila	14,108,200	2.56
	Mr. Varunyoo Sila	8,104,900	1.47
	Mrs. Wipha Sila	5,000,000	0.91
	Mrs. Pannee Sila	250,000	0.05
	Total shares of Sila family	290,357,100	52.79
2.	Sareewiwatthana Family		
	Miss Pitchsinee Sareewiwatthana	9,924,100	1.80
	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	31,124,100	5.66
3.	BNY MELLON NOMINEES LIMITED	23,046,500	4.19
4.	Mr. Pracha Dhamrongsuthiphong	22,178,700	4.03
5.	Mr. Sathaporn Ngamruangphong	10,592,900	1.93
6.	Yoadjarust Family		
	Mr. Suvit Yoadjarust	3,616,200	0.66
	Mr. Nutthavut Yoadjarust	900,000	0.16
	Miss Nutthida Yoadjarust	1,500,000	0.27
	Total shares of Yoadjarust family	6,016,200	1.09
7.	Mr. Wichaya Mekaapirak	4,000,000	0.73
8.	Miss Malee Kittichoochot	3,950,000	0.72
9.	Mr. Sintu Weithwaruth	3,506,000	0.64
10.	Other Minor Shareholders	155,228,500	28.22
	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

ORGANIZATIONAL STRUCTURE



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 Director
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 Director / 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/ Nomination and Remuneration Director/ Independent 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, 2019, 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, 2019, 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 Sokatyanurak	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, 2019, the Company's Nomination and Remuneration Committee consists of 4 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
4. Mrs. Wilaiwan Srisamruat	Nomination and Remuneration Director

Note: Director no. 1, 2 and 4 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, 2019, the Company's Risk Management Committee 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.

Executive Committee

As of December 31, 2019, the Company's Executive Committee consists of 4 directors as follows:

Full name	Position
1. Mr. Suvit Yoadjarus	Chairman of Executive Committee
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 Committee

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, 2019, the Company's Executives are as follows:

Full Name	Position
1. Mr. Suvit Yoadjarus	Director / Chairman of Executives Committee
2. Mr. Thepthai Sila	Director / Managing Director
3. Mr. Sarawut Charuchinda	Director / Executive Director
4. Mr. Varunyoo Sila	Director / Deputy Managing Director, Internal Affair Dept.
5. Mrs. Anchalee Bhakkalin	Deputy Managing Director, Accounting & Finance Dept.
6. Mr. Sutee Samathi	Deputy Managing Director, Business Development & Marketing Dept.
7. Mr. Udom Vivatanapaiboonlap	Deputy Managing Director, Operation Dept.
8. Mr. Kriangsak Dhammaraksa	Deputy Managing Director, IT System Development Dept.
9. Miss Poonsilp Kaewchamnong	Deputy Managing Director, Office of the Directors and Quality Enhancement Dept.

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 of the Shareholders 2019 on April 23, 2019 had a resolution of remuneration for directors and executives. The remuneration of the Board of Directors was 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 monthly remuneration, annual bonus and other benefits for the directors shall be considered based on the company's performance in 2019, in total of not exceeding 6.0 million Baht. The executive directors shall not receive the remuneration for the director position.

In 2019, the Company held the 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	1,212,000	-
2. Assoc. Prof. Dr. Sauwanee Thairungroj	Chairman of Audit Committee	-	1,033,000
3. Assoc. Prof. Dr. Montri Sokatiyanurak	Audit Director	-	854,000
4. Mrs. Wilaiwan Srisamrual	Audit Director	-	854,000
5. Mr. Sarawut Charuchinda	Executive Director	-	-
6. Mr. Suvit Yoadjarust	Director / Chairman of Executive Committee	-	-
7. Mr. Thepthai Sila	Director / Managing Director	-	-
8. Mr. Varunyoo Sila	Director / Deputy Managing Director	-	-

Note: ^{/N} Remuneration of Directors include monthly and annual remuneration.

Executives

During the year 2019, the Company has 11 executives, and on 12 November 2019 the Company had restructured the management team to have 9 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 30,022,687 Baht in 2019.

(b) Remuneration in other than cash

-none-

Meeting Attendance Statistics of the Directors

Meeting Attendance Statistics for the Board and Committees in 2019

Name	Board of Directors				
	Board of Directors	Executives Committee	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana	5/5	-	-	-	2/2
2. Assoc. Prof. Dr. Saowanee Thairungroj	5/5	-	4/4	-	2/2
3. Assoc. Prof. Dr. Montri Sokatiyanurak	4/5	-	4/4	-	1/2
4. Mrs. Wilaiwan Srisumrual	5/5	-	4/4	2/2	-
5. Mr. Suvit Yoadjarust	5/5	22/22	-	2/2	-
6. Mr. Thepthai Sila	5/5	22/22	-	2/2	-
7. Mr. Varunyoo Sila	5/5	22/22	-	2/2	-
8. Mr. Sarawut Charuchinda	5/5	19/22	-	1/2	-

In 2019, the proportion of attendance for each director at the Board of Directors' meetings equaled 80 to 100%.

Assessment of the Entire Board of Directors' Performance

The assessment of the entire Board of Directors' performance is divided into 6 main topics in accordance with the guidelines of the Stock Exchange of Thailand. They consist of :

1. The structure and qualifications of the Board of Directors
2. The roles, duties and responsibilities of the Board of Directors
3. Board meetings
4. The duties of the directors
5. The relationship with the management
6. The self-development and executive development

The evaluation process is as follows :

1. Each committee evaluates the efficiency of the entire performance of the Board of Directors at least once a year.
2. The Nomination and Remuneration Committee proposes the evaluation results to the Nomination and Remuneration Committee to consider the evaluation results and the development guidelines for the improvements of the operational efficiency of the Board of Directors
3. The Nomination and Remuneration Committee proposes remuneration to the Board of Directors for the Board of Directors' Meeting. This was done by considering the evaluation of the Board of Directors and the Company's overall performance at an appropriate level and in accordance with the duties and responsibilities of the directors.

Evaluation of the Performance of the Chief Executive Officer and the Managing Director

The Board of Directors arranges an evaluation of the performance of the Chief Executive Officer (CEO) and the Managing Director (MD) on a yearly basis. Each member of the Nomination and Remuneration Committee is an appraiser. The assessments are divided into 3 main topics:

1. Performance
2. Management skills
3. Executive behavior

The Nomination and Remuneration Committee will propose the assessment results to the Board of Directors' Meeting for further acknowledgment.

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. 3/2018 on August 9, 2018 and No. 5/2019 on December 17, 2019 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 2019 Shareholders' Meeting, the Company held the Annual General Meeting (AGM) on Tuesday April 23th, 2019, 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 39, accounted for 313,246,902 shares or 56.95 percent of total paid-up shares of 550,000,000 shares, altogether with the Chairman and members of the Board of Directors and members of the Audit Committee, 8 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 2019, 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 2018 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 02-0336555 or email at investor@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 2019, 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 2019, 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, www.auct.co.th/ir , for advanced notification to shareholders at not less than 14 days 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 2019 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 one (1) eligible Independent Directors for receiving the attending and voting authorization from the non-attending shareholders.

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 2019 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.

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.

Privacy policy

The Company has performed the privacy policy and guidelines to protect the security and prevent the use of personal information of website users under the Domain Name " ".auct.co.th" , mobile application and document forms specified by the company with the intention of dishonest as details described in the Company's privacy policy posted in the Company's website.

Copyright and intellectual property policy

The Company commits to comply with the copyright and intellectual property laws, for example, Thai Trademark Act, Thai Patent Act, and Thai Copyright Act, including other related laws. The Company shall provide the employees with the training course on intellectual property laws as well as promote their participation.

The policy and guidelines details are described in the Company's copyright and intellectual property policy posted in the Company's website.

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 Audit Committee Secretary
Union Auction Public Company Limited
518/28 Soi Ramkhamhaeng 39 (Thepleela 1),
Wangthonglang sub-district, Wangthonglang district, Bangkok 10310

Website : www.auct.co.th

E-mail : audit_com@auct.co.th

Tel : (662)-0336555

Fax : (662)-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 : www.auct.co.th

Fax : (662)-935-6202

Tel : (662)-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 cases where there are disclosures of information which is inaccurate, erroneous, deviated from facts or under misinterpretation or mistranslation in any significant way, Chief Executive Officer, Managing Director and Deputy Managing Director shall clarify all facts for correct understanding immediately.

Management of Leaks of information or Rumors

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

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

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

Telephone: (662)-0336555

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 preparation period of financial statements to SET which is one (1) month prior to the official disclosure through SET's communicating channel. As an exception,

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

Section 5: Responsibilities of the Board of Directors

1. Board of Directors' Structure

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

Currently the Company's Board of Directors consists of 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 2019, the scope of authority, duties and responsibilities of the Board of Directors was reviewed and approved by the Board meeting no.5/2019 on 17 December, 2019.

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 2019, 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 2019, 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 2019, 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 2019 seminars as follows:

All Executives

12 February 2019 : Brainstorming Workshop for Sustainable Excellence at AUCTION by Mr.Sanae

Srisuwan

Mrs. Wilaiwan Srisamruat

15–16 August 2019 : Risk Management Program For Corporate Leaders (RCL)17/2019 by Thai Institute of Directors

Mrs. Anchalee Bhakkalin

20 March 2019 : New Revenue Recognition Standards (TFRS15) Changes to Accounting Standards that have an Impact on PAEs and NPAEs by Dharmniti Administration Development Office Co.,Ltd.

12 June 2019 : Understanding Fair Value Measurements TFRS 13 ,1/62 by Federation of Accounting Professions

10 July 2019 : Updated Tax Law 2019 along with Past Audits by Dharmniti Administration Development Office Co.,Ltd.

Mr. Kriangsak Dhammaraksa

15-17 February 2019 : The Best Public Speaking and Training (The art of speaking) by The Best Speech Plus Training Center

Miss Poonsilp Kaewchamnong

26 March 2019 : Corruption Risk & Control: Technical Update (CRC) by Thai Institute of Directors

Miss Chittra Chantakui

15-17 February 2019 : The Best Public Speaking and Training (The art of speaking) by The Best Speech Plus Training Center

24 July 2019 : Techniques for Payroll Management, Other Income and Effective Welfare by Personnel Management Association Of Thailand

Mr. Nitid Sopon

26 March 2019 : Corruption Risk & Control: Technical Update (CRC) by Thai Institute of Directors

16 December 2019 : Prototype Personnel Development Project by CC Knowledge Base

Miss. Ampaporn Lakruangsup

22-24 July 2019 : EMT – Effective Minutes taking by Thai Institute of Directors

27 August 2019 : BRP – Board Reporting Program by 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 Srisamrual. In 2019, there was no new director.

11. The Board and Executive Positions in other firms

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

12. Contact with the Executives

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

Moreover, the Company sets up the meeting of the executive committee every week. In this session, the executive director will regularly follow up and share comments with top executives 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, 2019, the Company paid the audit fees to Pricewaterhouse Coopers ABAS Co., Ltd. for 1.96 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

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 always 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 , analyst and institutional investor 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 Jan 31, 2019	As of Jan 23, 2020	Increase (Decrease)
1 Assoc. Prof. Dr. Paiboon Sareewiwatthana ^{/1}	Chairman of the Board of Directors	7,200,000	7,200,000	-
2 Mr. Suvit Yoadjarust	Director / Chairman of Executive Committee	3,616,200	3,616,200	-
3 Mr. Thepthai Sila ^{/2}	Director / Managing Director	28,108,200	19,108,200	(9,000,000)
4 Mr. Varunyoo Sila	Director/ Deputy Managing Director Internal Affairs Dept.	8,100,000	8,104,900	4,900
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 Srisamrual	Audit Director / Independent Director	-	-	-
9 Mrs. Anchalee Bhakkalin	Deputy Managing Director, Accounting & Finance Dept.	-	-	-
10 Mr. Sutee Samathi	Deputy Managing Director, Business Development and Marketing Dept.	111,900	168,100	56,200
11 Mr. Udom Vivatanapaiboonlap	Deputy Managing Director, Operation Dept.	-	-	-
12 Mr. Kriangsak Dhammaraksa	Deputy Managing Director, IT System Development Dept.	140,400	102,800	(37,600)
13 Miss Poonsilp Kaewchamngong	Deputy Managing Director, Office of the Directors and Quality Enhancement Dept.	10,000	10,000	-

Note :

^{/1} Spouse included 6,700,000 shares

^{/2} Spouse included 5,000,000 shares

Corporate Social Responsibility

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

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

1. Business Fairness

1.1 Fairness in business competition

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

1.2 Fairness to trade counterparts

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

2. Human rights respect

2.1 Human rights respect for internal corporate

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

2.2 Human rights respect for external corporate

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

3. Fair Treatment to Employees

3.1 Equal employment

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

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 Hospital 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 the Society

In 2019, the Company supported various activities for the society. They are as follows:

1. Provided financial support for Children's Day activities at the Suraladprow School on annually basis because the Company sees the importance of children and youth who will be the nation's strength in the future.

2. Provided funds to Wat Wan Bun School, Khlong Hok, Khlong Luang, Pathum Thani in order to purchase teaching materials for kindergarten students who have learning disabilities to increase the educational opportunities of the youth of the nation.
3. Budgeted aid for Trade Association for the development of the disabled in order to procure equipment for children with disabilities and the disadvantaged in society so that disabled children can have normal lives.
4. The Company has always provided financial support to the Special Olympics Association of Thailand. In 2019, the Company made a donation to improve the quality of life, health and well-being of people in the project who have intellectual disabilities in Thailand. The Company also encouraged those in the project to live a valuable life and to be more accepted in society.

Participation in Natural Rehabilitation

The Company paid attention to social responsibility, community, and environmental protection. In 2019, a pilot project was started to help employees be aware of the importance of mangrove forests to the ecosystem so the Company began a mangrove forest planting project in Samut Prakan Province. This increased coastal tree resources in order to increase living space and expand aquatic animals' species before they mature and go out to sea for reproduction.

7. Business expertise appliance to the social organizations

The Company has continuously applied the innovation and business expertise to the social organizations, such as the auction of the vehicles that belonged to the governmental agencies, and providing information and price statistics of various used car models to the Bank of Thailand for reference price which focused on the benefits of the governmental agencies and the 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 2019, 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.

	2019	2018
	Baht	Baht
Salaries and other short-term benefits	28,866,358	30,081,868
Retirement benefits	1,156,329	635,731
	30,022,687	30,717,599

- 2) Transaction of assets acquisition with related parties.

- 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, in accordance with the specified scope of duties and responsibilities which were reviewed to keep up with the current situation on a yearly basis. In 2019, the Audit Committee emphasized the role of reviewing operations and following up on results in order to achieve the set goals and operate the business sustainably.

In 2019, the Audit Committee held 4 meetings. A summary of the operational work is as follows:

1. **Reviewed the Financial Reports:** The Audit Committee reviewed the important information of the Company's quarterly and annual financial statements together with the executives, the internal auditors, and certified auditors. The inquiries included significant accounting policies, changes over the past year, future impact that will occur, and significant non-ordinary transactions. The Audit Committee is of the opinion that the report on the Company's financial status and the operating results are accurate, complete, and reliable. The preparation of financial report was in accordance with the generally accepted accounting standards. There was sufficient disclosure in the financial statements and none of the transactions have a material effect on the financial statements.
2. **Reviewed Connected Transactions or Conflicts of Interest Transactions:**
The Audit Committee reviewed the connected transactions in compliance with the laws and regulations of the Stock Exchange of Thailand (SET) in regards to the disclosure of information and the practices of listed companies for connected transactions. In this regard, the Audit Committee found no transactions of any significance. The information was disclosed sufficiently and completely.
3. **Reviewed the Risk Management System:** The Audit Committee reviewed and complied with the risk management policy of the Company to ensure that the Company had appropriate and effective risk management procedures which consisted of strategic risk, operational risk, administrative risk, financial risk, marketing risk, and corruption risk. According to the review, risk management was carried out effectively and sufficiently in accordance with the policies and strategy of the Company.

4. **Reviewed the Internal Control Systems and the Internal Audit:** The Audit Committee considered the approval of the internal audit plan for the year 2019. This was prepared by assessing risk and the sufficiency of the internal control system in order to determine the importance of each work system to be in line with the Company's goals. The Audit Committee gave the Internal Audit Department suggestions to achieve the plan.
5. **Reviewed Good Corporate Governance and Compliance with Relevant Laws and Regulations:** The Audit Committee reviewed the Company's compliance with the corporate governance policy and the Code of Conduct of the Company which included the laws of the Stock Exchange of Thailand, the regulations of the SEC and SET, and other laws related to the business operations of the Company. In 2019, none of the Company's transactions were in violation of relevant laws and regulations. In addition, the Company opened a whistleblowing channel to report fraud, corruption, and any practices that violate the Code of Conduct through various communication channels. This includes sending emails and a Company hotline in accordance with the "Report of Misconduct and Protection of Complainants Policy".
6. **Reported Performance to the Board of Directors:** The Audit Committee prepared a report of the Audit Committee's performance together with a review of the financial statements to the Board of Directors once a quarter.
7. **Considered the Appointment of Auditors for 2020:** The Audit Committee selected the auditors of the Company by considering the qualifications, independence of the auditors, expertise, experience, performance, and the scope of the inspection guidelines as well as appropriate remuneration. The Audit Committee deemed it appropriate to propose auditors from EY Office Limited to be the Company's auditors for the year 2020 to the Board of director in order to be approved by the Shareholder's Meeting. The Company always complied with the Notification Tor Chor. 44/2556 regarding the rotation of auditors when considering the approval of the Company's auditors.

In summary, in 2019, the Audit Committee performed its duties and responsibilities specified in the scope of duties and responsibilities of the Audit Committee by using knowledge, ability, caution, prudence, and sufficient independence. The Audit Committee also provided constructive comments and suggestions for the equal benefit of all stakeholders. The Audit Committee is of the opinion that the Company prepared an accurate and reliable financial report in accordance with the generally accepted accounting standards. There was sufficient disclosure and the Company was in full compliance with the laws, rules and regulations related to the business operations. The Company provided sufficient and appropriate risk management, with effective and transparent corporate governance. There were independent auditors and internal auditors who had the appropriate qualifications for the audit and the internal control system so that it was concise and sufficient.

-Saowanee Thairungroj-

(Assoc. Prof. Dr. Saowanee Thairungroj)

Chairman of the 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 2019 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.

-Paiboon Sareewiwatthana-

(Assoc. Prof. Dr. Paiboon Sareewiwatthana)

Chairman of the Board Managing

-Thepthai Sila-

(Mr.Thepthai Sila)

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		
	2017	2018	2019	2017	2018	2019
Revenue from services	559.50	693.17	803.42	559.50	693.17	803.42
Cost of services	307.42	338.49	378.01	307.42	338.49	378.01
Gross profit	252.08	354.69	425.41	252.08	354.69	425.41
Other revenue	4.80	5.01	9.16	4.80	5.01	9.16
Selling and services expenses	28.40	37.15	34.38	28.40	37.15	34.38
Administrative expenses	93.62	111.35	106.80	93.62	106.53	106.80
Operating profit	134.86	211.20	293.39	134.86	216.02	293.39
Share of loss of investment in a joint venture	-	-	-	3.67	1.15	-
Profit before finance costs and income tax	134.86	211.20	293.39	131.19	214.88	293.39
Finance costs	-	-	-	-	-	-
Profit before income tax	134.86	211.20	293.39	131.19	214.88	293.39
Income tax	27.25	44.41	59.14	27.25	44.41	59.14
Net profit for the year	107.61	166.79	234.25	103.93	170.47	234.25
Other comprehensive income						
Actuarial gain on defined benefit plan	4.79	-	-	4.79	-	-
Total comprehensive income for the year	112.40	166.79	234.25	108.73	170.47	234.25
Net profit for the year attributable to:						
Owners of the parent	107.61	166.79	234.25	103.93	170.47	234.25
Non-controlling interests	-	-	-	-	-	-
Profit for the year	107.61	166.79	234.25	103.93	170.47	234.25
Earnings per share	0.20	0.30	0.43	0.19	0.31	0.43

(Unit : Million Baht)

Statement of Financial Position	Cost method			Equity method		
	2017	2018	2019	2017	2018	2019
Investment in a joint venture, net	5.10	-	-	1.43	-	-
Total assets	606.69	740.71	845.19	603.02	740.71	845.19
Total liabilities	155.01	265.21	327.91	155.01	265.21	327.91
Total equity	451.68	475.50	517.28	448.01	475.50	517.28
Retained earnings Unappropriated	116.43	140.25	182.03	112.76	140.25	182.03

Financial Ratio

Financial Ratio	Equity method		
	2017	2018	2019
Liquidity Ratio			
Current Ratio (Times)	2.52	2.07	2.03
Cash flow Current Ratio (Times)	1.37	1.57	1.26
Account Receivables Turnover (Times)	11.19	8.54	6.20
Average Collection Period (Day)	32.63	42.76	58.85
Account Payable Turnover (Times)	3.21	2.35	1.78
Average Payment Period (Day)	113.76	155.40	205.44
Profitability Ratio			
Gross Profit Margin (%)	45.05	51.17	52.95
Net Operating Profit Margin (%)	23.25	30.78	36.11
Net Profit Margin (%)	18.42	24.42	28.83
Return on equity (%)	23.75	36.92	47.19
Efficiency Ratio			
Return on Asset (%)	22.17	31.98	37.00
Return on Fixed Asset (%)	117.08	220.45	349.08
Asset Turnover (Times)	0.95	1.04	1.02
Financial Ratio			
Debt to Equity Ratio (Times)	0.35	0.56	0.63
Commitment Coverage Ratio (Times)	1.20	1.49	1.20
Payout Ratio (%)	105.84	96.79	93.92
Other Ratios			
Book value per share (Baht)	0.81	0.86	0.94
Earning per share (Baht)	0.19	0.31	0.43
Dividend per share (Baht)	0.20	0.30	0.40
Par value per share (Baht)	0.25	0.25	0.25
No. of shares (million shares)	550	550	550

Management Discussion and Analysis

Performance Analysis

Service Revenue

Service revenue for 2019 amounted to 803.42 million Baht (2018: 693.17 million Baht), an increase of 110.25 million Baht or an increase of 15.91% as a result of various internal and external factors which had an impact on the Company's auction management business. The business overview is in the same direction as the growth of the automobile industry and the automotive supply chain beginning with production and the sales process. In 2019, the automobile industry had a good direction of growth in the first half, even though it decreased in the second half. This was coupled with stringent measures from financial institutions regarding the approval of loans. This also included household debt which tended to increase in proportion which resulted in an increase in the number of vehicles seized from financial institutions. As a result, more vehicles entered the used vehicle market as well. The Company has a commitment to manage auctions. In addition, the Company has expertise in auction management and has parking locations throughout the country. Thus, there is potential to increase the number of vehicles per auction cycle to be more in accordance with demand of financial institutions and the continuously increasing number of vehicles. In addition to this, the Company continues to have marketing communication, both offline and online in order to maintain the Company's existing customer base and increase the number of new customers whether they are sellers or new buyers that are entering this business. The Company still focuses on providing excellent services to all customers and partners and also attaches importance to public relations through social media, especially on Facebook, which has greater customer follow-up. At the end of 2019, the Company had approximately 390,000 followers and was able to increase the number of small traders for the Company to a certain extent from the said operations. As a result, the Company had more revenue from auctions than the previous year.

Revenue	2017		2018		2019	
	Millions of Baht	%	Millions of Baht	%	Millions of Baht	%
Auction - Vehicles	434.16	77.60	531.82	76.72	636.72	79.25
Auction – Motorcycles	57.19	10.22	63.88	9.22	66.59	8.29
Moving Income	60.21	10.76	76.25	11.00	86.24	10.73
Other Auction Income	7.94	1.42	21.23	3.06	13.87	1.73
TOTAL	559.50	100.00	693.17	100.00	803.42	100.00

The results of development and proceeding to expand online bidding customer groups by using the E-Auction system, a bidding program available on the Company's website at www.auct.co.th which is done in real time,

and an E-Onsite system, an electronic bidding, at the auction yard collect bidder's bidding behavior at every step which makes it transparent and monitorable at all times. This can be seen from the proportion of total vehicle income in the online auction system between 2017 and 2019. The proportion of vehicles successfully auctioned online has increased by 8.9, 10.5, and 16.9% respectively. For motorcycles, the more online auctions and the proportion of total revenue online and in on-line auction systems has continued to increase from 5.6% in 2017 to 6.5% in 2018 and 10.6% in 2019. The Company has continually developed and improved the process to check the condition of vehicles in order to build credibility and confidence for vehicle auctioneers through grading vehicles. This was done in order to let customers know the condition of vehicles being auctioned so they can decide to participate in auctions via E-Auctions without having to travel to the auction yard. This is convenient for customers and builds the confidence of customers who make bids. In addition, the Company also provides financial institutions to support customers who need to apply for loans at the car auction which increase general customers' ability to make purchases.

Category	List	2017	2018	2019
Vehicles	Revenue from Online Auctions (million Baht)	978	1,492	2,716
	The Proportion of Revenue from Online Auction	8.9%	10.5%	16.9%
Motorcycles	Total Online and On-Site Final Prices (million Baht)	48	53	110
	The Proportion of Final Prices Online and On-Site	5.6%	6.5%	10.6%

In addition, the Mobile Application Auction "AUCT Friend" system allows customers to access vehicle information, median price information for each vehicle model, Company information regarding auction schedules nationwide. This also has a vehicle search system and a notification system when vehicles have been put up for auction that meet requirements, as well as other information which is more convenient for customers.

Other Revenue

Other revenue is mainly derived from bank deposit interest. In 2019, the average deposit interest rate was between 1.05-1.40% per annum.

Costs of Service

The total cost of service for 2019 was 378.01 million Baht (2018: 338.49 million Baht). The percent of service revenue decreased by 47.05% (2018: 48.83 million Baht). This has declined continuously for 2 consecutive years which demonstrates the Company's ability to manage and administer costs effectively as the business increased by 15.91%. Most of the costs of service are related to vehicle expenses such as an increase in costs related to moving vehicles which is in line with the volume of vehicles entering bidding system as well as an increase in employee expenses as a result of the increase in personnel who support

business growth and an increased workload. Rental fees for the premises have also increased due to an increase in parking spaces at the Nakhon Ratchasima headquarters and the increase of new parking spaces in Chiang Rai Province as well as a depreciation of assets that are used in auctions, etc.

Costs of Service	2017		2018		2019	
	Millions of Baht	Percent 1/	Millions of Baht	Percent 1/	Millions of Baht	Percent 1/
Vehicles Expenses ^{2/}	82.15	14.68	97.09	14.01	112.47	14.00
Salary and Employee Expenses	69.32	12.39	67.48	9.73	76.20	9.48
Rental of Facilities and Equipment Related to Auctions ^{3/}	61.20	10.94	57.11	8.24	63.79	7.94
Depreciation	34.10	6.10	34.59	4.99	37.90	4.72
Cost of Holding Auctions ^{4/}	21.69	3.88	39.27	5.67	42.07	5.24
Security Expenses	20.88	3.73	21.05	3.04	23.37	2.91
Others	18.08	3.23	21.90	3.16	22.21	2.76
Total	307.42	54.95	338.49	48.83	378.01	47.05

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.

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

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

The Cost of Sales and Services and Administrative Expenses

The cost of sales, services and administrative expenses for 2019 were 141.18 million Baht (2018: 143.68 million Baht), a decrease of 2.50 million Baht or a decrease of 1.74% due to the cost of advertising and public relations, and organizing marketing activities through the increase of social media marketing communication in various forms. Therefore, the expenses in 2019 decreased from 2018.

Sales and Services and Administrative Expenses	2017		2018		2019	
	Millions of Baht	Percent 1/	Millions of Baht	Percent 1/	Millions of Baht	Percent 1/
Sales and Services Expenses	28.40	5.08	37.15	5.36	34.38	4.28
Administrative Expense	93.62	16.73	106.53	15.37	106.80	13.29
Total sales and Services Expenses and Administrative Expenses	122.02	21.81	143.68	20.73	141.18	17.57

1 / Percentage of service revenue

Profitability

	Cost Method						Equity Method					
	2017		2018		2019		2017		2018		2019	
	Mill. Baht	%	Mill. Baht	%	Mill. Baht	%	Mill. Baht	%	Mill. Baht	%	Mill. Baht	%
Gross Profit	252.08	45.05	354.69	51.17	425.41	52.95	252.08	45.05	354.69	51.17	425.41	52.95
Profit from Operations	134.86	24.10	211.20	30.47	293.38	36.52	134.86	24.10	216.02	31.16	293.38	36.52
Net Profit	107.61	19.23	166.79	24.06	234.25	29.16	103.93	18.58	170.47	24.59	234.25	29.16
Comprehensive Income	108.73	19.43	166.79	24.06	234.25	29.16	108.73	19.43	170.47	24.59	234.25	29.16

- In 2019, the Company's Gross Profitability increased from 2018. The gross profit was equal to 425.41 million Baht, an increase of 70.72 million Baht or an increase of 52.95%. This was due to income that resulted from the expanded direction of the automobile industry. This encouraged the Company to increase the number of auctioned vehicles together with effective cost management. This caused the variable costs to be lower than the increased revenue.
- In 2019, the Company had an increase in operating profit from 2018 in the amount of 77.36 million Baht or an increase of 35.81%. This was due to the growth of service revenue in the amount of 15.91%. This was in line with the direction of growth for the second hand automobile industry. This encouraged the Company to increase the number of auctioned vehicles together with effective cost management. This caused the variable costs to be lower than the increased revenue.
- In 2019, the Company increased its net profit from 2018. The net profit in 2019 was equal to 234.25 million Baht, an increase of 63.78 million Baht or 37.41%. This was due to the increase in income from auctioning vehicles and agricultural vehicles. This increased by 19.7% and transportation revenue increased by 13.1% compared to 2018.

Financial Analysis

(Unit: Millions of Baht)

Statement of Financial Position	Cost Method			Equity Method		
	2017	2018	2019	2017	2018	2019
Total Assets	606.69	740.71	845.19	603.02	740.71	845.19
Joint Ventured Investment -Net	5.10	-	-	1.43	-	-
Total Liability	155.01	265.21	327.91	155.01	265.21	327.91
Owners' Equity	451.68	475.50	517.28	448.01	475.50	517.28
Unappropriated Retained Earnings	116.43	140.25	182.03	112.76	140.25	182.03

Total Assets

In 2019, the Company's total assets equaled 845.19 million Baht according to the equity method (2018: 740.71 million Baht), an increase of 104.48 million Baht or 14.11%. The major changes are as follows:

- Cash and cash equivalents decreased by 38.52 million Baht from 8.59% of the total assets in 2018.
- Short-term investments which are fixed bank deposits increased by 94.01 million Baht from 2018. This accounted for 37.89% of total assets.
- Trade and other receivables increased by 37.95 million Baht when compared to 2018. This represented 17.57% of total assets. This was the result of an auction held at the end of December 2019 which was a long holiday during the New Year festival. Therefore, there was money for vehicles that bidders had not paid for purchases in a greater amount than the previous year.
- Development of net land, buildings, and equipment increased by 12.90 million Baht compared to 29.13% of the total assets. This was the result of the development of Rangsit branch area improvement and the expansion of the Nakhon Ratchasima branch area.

Total Liabilities

In 2019, the total amount of liabilities was 327.91 million Baht (2018: 265.21 million Baht), an increase of 62.70 million Baht or 23.64%.

The major changes are as follows:

- Accounts payable and others payables increased by 44.48 million Baht from 71.67% of the total liabilities. Most of these were vehicle payables that needed to be repaid to owners which were due within 4-7 days from the auction date.
- Corporate income tax payables increased by 6.10 million Baht compared to 2018. This represented 8.06% of total liabilities. This was because in 2019, the Company had profit before tax of 293.38

million Baht, an increase of 78.50 million Baht from 2018, which resulted in the increase in corporate income tax in 2019.

- Other non-current liabilities increased by 8.72 million Baht from 14.99% of the total liabilities. Most of them were deposits from online E-Auction members which increased by 5.29 million Baht after the development of the online auction and more customers were interested in membership registration in order to use the online E-Auction.

Owner's Equity

Registered and Paid-up Capital

The total amount of registered ordinary shares is 550,000,000 shares (2018: 550,000,000 shares) with a par value of 0.25 Baht per share (2018: 0.25 Baht per share). All shares have been issued and fully paid.

Legal reserves: According to the Public Limited Companies Act B.E. 2535, the Company's legal reserve must be at least 5% of the net profit after deduction of the deficit brought forward (if any) until this legal reserve has a worth no less than 10% of the registered capital. This reserve cannot be used for a dividend payment. Presently, the Company has fully provision for its legal reserve in the amount of 13.75 million Baht of the registered capital.

As of the end of the years between 2018 and 2019, the Company's equity equaled 475.50 million Baht and 517.28 million Baht (using the equity method), respectively. In 2018 and 2019, the Company had a total paid-up capital of 137.50 million Baht.

The number of owners decreased. The main reason was the payment of dividends to shareholders.

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

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

In 2019, the Company paid dividends twice in the amount of 110 million Baht and 82.5 million Baht respectively on May 3, 2019 and September 10, 2019 respectively.

Commitments and Contingent Liabilities as of December 31, 2019.

1. The Company entered into lease agreements related to the lease of land to be used as a place of business and advertising space for a period of 1 to 30 years. The Company is obligated to pay the rental fee within one year in the amount of 87.86 million Baht for more than one year but not more than 5 years in the amount of 174.20 million Baht and more than 5 years in the amount of 715.12 million Baht which is a total of 977.18 million Baht.

2. The Company has letters of guarantee issued by local commercial banks for electricity guarantee of 0.48 million Baht and the guaranteed performance of contracts for auctions in the amount of 8.30 million Baht. This totaled 8.78 million Baht.
3. The Company was approved for a bank overdraft credit of 42 million Baht and a letter of guarantee for 47.60 million Baht from four financial institutions to be used in the operations of the business. The overdraft credit approval is guaranteed by a fixed bank deposit of 16.00 million Baht.
4. The Company has an obligation in connection with the bidding for public auctions in accordance with the auctions of 233 unrelated companies and 9 commercial banks. The term begins in May 2006 and continues until December 2020. The Company must comply with the significant terms and conditions in the contracts such as brokerage fees, etc.

Liquidity and Cash Flow Analysis

(Unit: Millions of Baht)

	2017	2018	2019
Profit from Operating Activities before Changes to Assets and Liability Operations	173.61	259.11	340.26
Net Cash Received (spent) on Operating Activities	153.06	61.31	304.95
Net Cash Received (spent) on Investing Activities	(69.67)	(51.30)	(151.01)
Net Cash Received (spent) on Financing Activities	(87.99)	(142.97)	(192.46)
Net Increase (decrease) in Cash and Cash Equivalents	(4.60)	67.03	(38.52)
Cash and Cash Equivalents as of ending period	44.12	111.15	72.63

The Company's net cash flow is derived from (used in) operating activities in the amount of 153.06 million Baht, 261.31 million Baht, and 304.95 million Baht between 2017 and 2019 respectively with a tendency to continually increase. Changes in the Company's operating activities is due to an increase in net profit and is also due to changes in receivables and payables that were not yet due at the end of the period.

The Company has a net cash flow (used in) in investing activities equal to (69.67) million Baht, (51.30) million Baht, and (151.01) million Baht between 2017 and 2019 respectively. For 2017, cash spent in investing activities was (69.67) million Baht. The main reason was because the Company had cash to invest in short-term deposits and investments in flood prevention projects which included renovations of the headquarters area. In 2018, cash used in investing activities (51.30) million Baht was due mainly to the Company investing in short-term deposits and warehouse development, as well as investing in the development of the head office area in order to improve work processes. In 2019, cash used in investing activities was (151.01) million Baht. The main reason was because the

Company invested in short-term deposits and the development of the headquarters area, branches and warehouses in accordance with the development plan for 2019.

Between 2017 and 2019, the Company had net cash flows from (used in) financing activities that equaled (87.99) million baht, (142.97) million Baht, and (192.46) million Baht respectively for dividend payments.

Overall, changes in the Company's cash flow mainly comes from operating activities. Between 2017 and 2019, the Company had a net cash flow change of (4.60) million Baht, 67.03 million Baht and (38.52) million Baht. As a result, the Company had cash and cash equivalents at the end of the period that equaled 44.12 million Baht, 111.15 million Baht and 72.63 million Baht respectively.

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 2019, 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 2019;
- 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><i>Service fee from auction services</i></p> <p>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>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>The key audit procedures I carried out regarding this matter were:</p> <ul style="list-style-type: none"> ● 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"> - 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. - 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. - 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.

Key audit matter	How my audit addressed the key audit matter
	<ul style="list-style-type: none"> 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, reading 'Anutai Poomsurakul'.

Anutai Poomsurakul

Certified Public Accountant (Thailand) No. 3873

Bangkok

Financial Statements

Union Auction Public Company Limited

Statement of Financial Position

As at 31 December 2019

	Notes	Equity method financial statements		Cost method financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	72,626,957	111,151,633	72,626,957	111,151,633
Short-term investments	8	320,273,099	226,261,904	320,273,099	226,261,904
Trade and other receivables	9	148,524,873	110,568,217	148,524,873	110,568,217
Other current assets		1,209,371	881,927	1,209,371	881,927
Total current assets		542,634,300	448,863,681	542,634,300	448,863,681
Non-current assets					
Pledged deposits at bank	10	16,100,000	16,100,000	16,100,000	16,100,000
Investment in a joint venture, net	11	-	-	-	-
Leasehold improvement, buildings and equipment, net	12	246,200,279	233,302,534	246,200,279	233,302,534
Intangible assets, net	13	3,456,042	2,950,302	3,456,042	2,950,302
Deferred tax assets	14	16,605,105	12,567,678	16,605,105	12,567,678
Prepayment land leases		17,605,269	20,861,499	17,605,269	20,861,499
Other non-current assets		2,590,143	6,064,380	2,590,143	6,064,380
Total non-current assets		302,556,838	291,846,393	302,556,838	291,846,393
Total assets		845,191,138	740,710,074	845,191,138	740,710,074

The accompanying notes on pages 12 to 34 are an integral part of these equity method and cost method financial statements

Union Auction Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2019

	Notes	Equity method financial statements		Cost method financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	15	234,998,785	190,522,331	234,998,785	190,522,331
Income tax payable		26,432,965	20,332,245	26,432,965	20,332,245
Other current liabilities		6,258,501	5,765,978	6,258,501	5,765,978
Total current liabilities		267,690,251	216,620,554	267,690,251	216,620,554
Non-current liabilities					
Employee benefit obligations	16	11,076,627	8,166,047	11,076,627	8,166,047
Other non-current liabilities	17	49,144,124	40,424,296	49,144,124	40,424,296
Total non-current liabilities		60,220,751	48,590,343	60,220,751	48,590,343
Total liabilities		327,911,002	265,210,897	327,911,002	265,210,897
Equity					
Share capital	18				
Authorised share capital					
Ordinary shares, 550,000,000 shares at par value of Baht 0.25 each		<u>137,500,000</u>	<u>137,500,000</u>	<u>137,500,000</u>	<u>137,500,000</u>
Issued and paid-up share capital					
Ordinary shares, 550,000,000 shares, fully paid		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 reserve	19	13,750,000	13,750,000	13,750,000	13,750,000
Unappropriated		<u>182,031,352</u>	<u>140,250,393</u>	<u>182,031,352</u>	<u>140,250,393</u>
Total equity		517,280,136	475,499,177	517,280,136	475,499,177
Total liabilities and equity		845,191,138	740,710,074	845,191,138	740,710,074

The accompanying notes on pages 12 to 34 are an integral part of these equity method and cost method financial statements

Union Auction Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2019

		Equity method financial statements		Cost method financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Notes					
Revenue from services	6	803,416,371	693,174,403	803,416,371	693,174,403
Cost of services	6	(378,009,008)	(338,489,212)	(378,009,008)	(338,489,212)
Gross profit		425,407,363	354,685,191	425,407,363	354,685,191
Other operating income		8,453,135	5,317,711	8,453,135	5,317,711
Gain (loss) on sale of fixed asset		714,451	(303,754)	714,451	(303,754)
Profit before expenses		434,574,949	359,699,148	434,574,949	359,699,148
Selling and services expenses		(34,386,616)	(37,147,988)	(34,386,616)	(37,147,988)
Administrative expenses		(106,804,168)	(106,529,720)	(106,804,168)	(111,349,042)
Total expenses		(141,190,784)	(143,677,708)	(141,190,784)	(148,497,030)
Operating profit		293,384,165	216,021,440	293,384,165	211,202,118
Share of loss of investment in a joint venture	11	-	(1,146,090)	-	-
Profit before finance costs and income tax		293,384,165	214,875,350	293,384,165	211,202,118
Finance costs		-	-	-	-
Profit before income tax		293,384,165	214,875,350	293,384,165	211,202,118
Income tax	22	(59,138,401)	(44,408,156)	(59,138,401)	(44,408,156)
Total comprehensive income for the year	6	234,245,764	170,467,194	234,245,764	166,793,962
Net profit for the year attributable to:					
Owners of the parent		234,245,764	170,467,194	234,245,764	166,793,962
Non-controlling interests		-	-	-	-
		234,245,764	170,467,194	234,245,764	166,793,962
Total comprehensive income for the year attributable to:					
Owners of the parent		234,245,764	170,467,194	234,245,764	166,793,962
Non-controlling interests		-	-	-	-
		234,245,764	170,467,194	234,245,764	166,793,962
Earnings per share	23				
Basic earnings per share		0.43	0.31	0.43	0.30

The accompanying notes on pages 12 to 34 are an integral part of these equity method and cost method financial statements

Union Auction Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2019

Equity method financial statements					
Notes	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Total equity Baht
			Appropriated - legal reserve Baht	Unappropriated Baht	
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	<u>137,500,000</u>	<u>183,998,784</u>	<u>13,750,000</u>	<u>140,250,393</u>	<u>475,499,177</u>
Opening balance as at 1 January 2019	137,500,000	183,998,784	13,750,000	140,250,393	475,499,177
Dividend paid 20	-	-	-	(192,464,805)	(192,464,805)
Net profit for the year	-	-	-	234,245,764	234,245,764
Closing balance as at 31 December 2019	<u>137,500,000</u>	<u>183,998,784</u>	<u>13,750,000</u>	<u>182,031,352</u>	<u>517,280,136</u>

The accompanying notes on pages 12 to 34 are an integral part of these equity method and cost method financial statements

Union Auction Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2019

		Cost method financial statements				
		Retained earnings				
		Issued and paid-up share capital	Premium on share capital	Appropriated - legal reserve	Unappropriated retained earnings	Total equity
Notes		Baht	Baht	Baht	Baht	Baht
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
Opening balance as at 1 January 2019		137,500,000	183,998,784	13,750,000	140,250,393	475,499,177
Dividend paid	20	-	-	-	(192,464,805)	(192,464,805)
Net profit for the year		-	-	-	234,245,764	234,245,764
Closing balance as at 31 December 2019		137,500,000	183,998,784	13,750,000	182,031,352	517,280,136

The accompanying notes on pages 12 to 34 are an integral part of these equity method and cost method financial statements

Union Auction Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2019

	Notes	financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		293,384,165	214,875,350	293,384,165	211,202,118
Adjustments for:					
Depreciation expenses	12	48,063,800	44,060,981	48,063,800	44,060,981
Amortisation expenses	13	393,110	349,803	393,110	349,803
Loss (gain) on disposals of fixed assets		(714,451)	303,754	(714,451)	303,754
Fixed assets written off	12	294,354	229,121	294,354	229,121
Provision for impairment in a joint venture	11	-	280,478	-	5,099,800
Provisions for employee benefits	16	3,141,830	823,351	3,141,830	823,351
Allowance for doubtful debts		-	178,220	-	178,220
Interest income		(4,303,099)	(3,137,319)	(4,303,099)	(3,137,319)
Share of loss of investment in a joint venture	11	-	1,146,090	-	-
Changes in working capital					
Trade and other receivables		(37,811,214)	(56,075,232)	(37,811,214)	(56,075,232)
Other current assets		(327,444)	116,332	(327,444)	116,332
Prepayment land leases		3,256,230	(4,483,021)	3,256,230	(4,483,021)
Other non-current assets		3,474,237	(1,986,954)	3,474,237	(1,986,954)
Trade and other payables		44,193,560	92,811,937	44,193,560	92,811,937
Other current liabilities		492,523	1,471,412	492,523	1,471,412
Employee benefit obligations	16	(231,250)	-	(231,250)	-
Other non-current liabilities	17	8,719,828	5,627,616	8,719,828	5,627,616
Cash generated from operating activities		362,026,179	296,591,919	362,026,179	296,591,919
Income tax paid		(57,075,108)	(38,264,624)	(57,075,108)	(38,264,624)
Net cash generated from operating activities		304,951,071	258,327,295	304,951,071	258,327,295

The accompanying notes on pages 12 to 34 are an integral part of these equity method and cost method financial statements

Union Auction Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2019

		Equity method		Cost method	
		financial statements		financial statements	
		2019	2018	2019	2018
	Notes	Baht	Baht	Baht	Baht
Cash flow from investing activities					
Decrease in pledged deposits at bank		-	18,030,900	-	18,030,900
Cash paid for short-term investments	8	(193,984,060)	(130,200,194)	(193,984,060)	(130,200,194)
Cash received from short-term investments	8	99,972,865	90,954,440	99,972,865	90,954,440
Cash received from interest income		4,157,657	2,982,523	4,157,657	2,982,523
Cash paid for purchases of leasehold improvements, buildings and equipment	12	(61,962,761)	(30,455,298)	(61,962,761)	(30,455,298)
Cash received from disposals of fixed assets		1,704,207	748,256	1,704,207	748,256
Cash paid for intangible assets	13	(898,850)	(382,000)	(898,850)	(382,000)
Net cash used in investing activities		(151,010,942)	(48,321,373)	(151,010,942)	(48,321,373)
Cash flows from financing activity					
Dividend payments	20	(192,464,805)	(142,973,072)	(192,464,805)	(142,973,072)
Net cash used in from financing activities		(192,464,805)	(142,973,072)	(192,464,805)	(142,973,072)
Net increase (decrease) in cash and cash equivalents					
Opening balance of cash and cash equivalents		111,151,633	44,118,783	111,151,633	44,118,783
Closing balance of cash and cash equivalent	7	72,626,957	111,151,633	72,626,957	111,151,633
Non-cash transactions:					
Accounts payable - purchases of leasehold improvements, buildings and equipment	12	282,894	-	282,894	-

The accompanying notes on pages 12 to 34 are an integral part of these equity method and cost method financial statements

Notes to Financial Statements

1 General information.

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

518/28, 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 10 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.
- Branch 9 at 41/1 Moo 5, Tumbon Nong-o, Amphor Banpong, Ratchaburi.
- Branch 10 at 21 Moo 17, Tumbon Mueang Kao, Amphor Muang Khon Kaen, Khon Kaen.

These financial statements were authorised for issue by the Board of Directors 28 February 2020.

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 New and amended financial reporting standards that are relevant to the Company

2.2.1 The Company has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Company will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

The Company has adopted the new Thai Financial Reporting Standards (TFRS) no. 15, Revenue from contracts with customers from 1 January 2019.

The Company does not have significant impact from applying the above new financial reporting standard

b) Thai Accounting Standard no.28 (revised 2018), Investments in associates and joint ventures

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.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Company.

a) Financial instruments

The new financial standards relate to financial instruments are:

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

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

From the preliminary impact assessment, the management expect that the Company does not have significant impact from applying the above new financial reporting standard.

2 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant to the Company (Cont'd)

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)

b) TFRS 16, Leases

Where the Company is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Company will apply TFRS 16, Leases and adjust cumulative impact to opening retained earnings (modified retrospective approach). From the preliminary impact assessment, the management expect that the Company will be affected by significant lease liabilities on land rental contracts, previously classified as operating leases under TAS 17, Leases. The following items will be recognised upon adoption of TFRS 16.

- Liabilities under lease agreements are recognised in accordance with the obligations and discounting to present values with incremental borrowing rates of the lessees as of 1 January 2020.
- Right-of-use assets are recognised equal to the present value of liabilities under the lease agreements as of 1 January 2020 adjusted by prepaid rent, leasehold rights and accrued lease expenses which previously recognised.

The management is currently assessing the impacts from the above new financial reporting standard.

c) Other new and amended standards

The new and amended financial reporting standards that will have significant impact on the Company are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 28	Investments in associates and joint ventures
TFRS 9	Financial instruments
TFRS 11	Joint arrangements
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions

on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation) - enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

2 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant to the Company (Cont'd)

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)

c) Other new and amended standards (Cont'd)

Amendment to TFRS 11, Joint arrangements - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Company should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored.
- that the Company should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

2.3 Principles of equity accounting

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.

2 Accounting policies (Cont'd)

2.3 Principles of equity accounting (Cont'd)

(1) Accounting under equity method (Cont'd)

Joint venture (Cont'd)

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.

2.4 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 Accounting policies (Cont'd)

2.7 Leasehold improvements, buildings and equipment

Leasehold improvements, buildings and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is

derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

Leasehold improvements	Lease period
Buildings	Lease period
Building improvements and facilities	Lease period
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	5 years

The average land lease period is between 1 years to 50 years.

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 Accounting policies (Cont'd)

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.

2.11 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 substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax 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 Accounting policies (Cont'd)

2.12 Employee benefits

Post-employment

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

2.12.1 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.

2.12.2 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 include all revenues from ordinary business activities. All ancillary income in connection with the rendering of services in the course of the Company's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of services, provided that collectibility of the consideration is probable.

The Company is auction organizer. The 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 and there is no unfulfilled obligation that could affect the acceptance of services.

Multiple element arrangements involving delivery or provision of multiple products or services (if any) are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to

each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

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 Financial risk management (Cont'd)

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 16.

5 Capital risk management

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

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

6 Segment information

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

For the year ended 31 December 2019

	Vehicle auction income Baht	Motorcycle auction income Baht	Transportation income Baht	Other services income Baht	Total Baht
Revenue from services	636,721,913	66,590,278	86,238,750	13,865,430	803,416,371
Cost of services					(378,009,008)
Gross profit					425,407,363
Operating profit					284,931,030
Other income					8,453,135
Profit before tax					293,384,165
Income tax (Note 22)					(59,138,401)
Net profit for the year					234,245,764
Timing of revenue recognition					
At a point in time	636,721,913	66,590,278	86,238,750	13,865,430	803,416,371
Total revenue	636,721,913	66,590,278	86,238,750	13,865,430	803,416,371

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 services	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					210,703,729
Other income					5,317,711
Share of loss of investment in a joint venture					(1,146,090)
Profit before tax					214,875,350
Income tax (Note 22)					(44,408,156)
Net profit for the year					170,467,194

Revenue segment information for the year ended 31 December 2018 had been prepared in accordance with Thai Accounting Standards (TAS) no.18. Therefore, the disclosure of timing of revenue recognition is not required.

7 Cash and cash equivalents

	2019	2018
	Baht	Baht
Cash on hand	360,000	360,000
Deposits with banks - Current accounts	3,653,071	6,116,116
- Saving accounts	68,571,536	104,643,794
Short-term investments due within 3 months	42,350	31,723
Total	72,626,957	111,151,633

Average interest rates on deposits at banks are in the range of 0.10% - 0.85% per annum (2018: 0.37% - 0.85% per annum).

8 Short-term investments

The movement of short-term investments is as follows:

	Fixed-deposits mature within 1 year (Baht)
As at 1 January 2018	187,016,150
Additions	130,200,194
Disposals	(90,954,440)
As at 31 December 2018	226,261,904
Additions	193,984,060
Disposals	(99,972,865)
As at 31 December 2019	320,273,099

Short-term investments represent fixed bank deposit accounts of Baht 320.27 million which due more than 3 months but not later than 12 months, and bears interest rate at 0.60% - 1.40% per annum (2018: Baht 226.26 million with interest rate at 0.90% - 1.30% per annum).

9 Trade and other receivables

	2019	2018
	Baht	Baht
Trade receivables - vehicles	118,161,590	83,692,138
<u>Less</u> Allowance for doubtful accounts	(405,000)	(405,000)
Trade receivables, net	117,756,590	83,287,138
Advance payments	2,591,797	3,852,792
<u>Less</u> Allowance for doubtful accounts	(178,220)	(178,220)
Advance payments, net	2,413,577	3,674,572
Trade receivables from other services	3,059,426	4,688,943
Prepayment land leases	18,082,761	15,214,437
Prepaid expenses	5,617,450	2,842,398
Other receivables, net	972,884	383,986
Interest receivable	622,185	476,743
Total trade and other receivables, net	148,524,873	110,568,217

9 Trade and other receivables (Cont'd)

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

	2019	2018
	Baht	Baht
Current	116,409,002	63,519,698
Overdue less than 3 months	1,347,588	19,767,440
3 - 6 months	-	-

6 - 12 months	-	-
Over 12 months	405,000	405,000
	<hr/>	<hr/>
	118,161,590	83,692,138
<u>Less</u> Allowance for doubtful accounts	(405,000)	(405,000)
	<hr/>	<hr/>
Total trade receivables - vehicles, net	117,756,590	83,287,138
	<hr/>	<hr/>

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

10 Restricted deposits at bank

As at 31 December 2019, the Company had outstanding deposit at a bank of Baht 16.10 million (2018:

Baht 16.10 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 and guarantees for overdraft facility from 4 financial institutions amounting to Baht 0.10 million (Note 25.2) and Baht 16.00 million (Note 25.3), respectively.

11 Investments in joint venture, net

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

Joint venture	Nature of business	relationship	% of interest	
			2019	2018
Action and Auction	Providing sales and	Shareholder	50.998	50.998
Company Limited	services related vehicle			
	and other assets			

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

Equity method		Cost method	
financial statement		financial statement	
2019	2018	2019	2018
Baht	Baht	Baht	Baht
<hr/>	<hr/>	<hr/>	<hr/>

Investment in a joint venture	280,478	280,478	5,099,800	5,099,800
<u>Less</u> Provision for impairment	(280,478)	(280,478)	(5,099,800)	(5,099,800)
Investment in a joint venture, net	-	-	-	-

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

Movements of investment in a joint venture is as follows:

	Equity method		Cost method	
	financial statement		financial statement	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Investment in a joint venture				
Opening net book amount	-	1,426,568	-	5,099,800
Share of loss of investment in a joint venture	-	(1,146,090)	-	-
<u>Less</u> Allowance for impairment	-	(280,478)	-	(5,099,800)
Closing net book amount	-	-	-	-

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. A&A is in process of dissolution.

12 Leasehold improvements, buildings and equipment, net

	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
At 1 January 2018								
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	(123,353,791)	(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
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

12 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
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	<u>161,637,455</u>	<u>29,274,971</u>	<u>11,493,086</u>	<u>16,627,025</u>	<u>595,020</u>	<u>10,928,893</u>	<u>2,746,084</u>	<u>233,302,534</u>
For the year ended								
31 Dec. 2019								
Opening 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
Additions	7,872,801	-	1,462,194	10,491,467	26,401	11,656,401	30,736,391	62,245,655
Disposals	(716,166)	(124,422)	(3,177)	(139,664)	(6,324)	(3)	-	(989,756)
Write off, net	(146,789)	(120,835)	-	-	-	-	(26,730)	(294,354)
Transfers in (out)	13,541,357	-	566,000	3,225,058	-	30,561	(17,362,976)	-
Depreciation charge	(26,818,733)	(3,356,457)	(4,735,098)	(7,961,691)	(215,988)	(4,975,833)	-	(48,063,800)
Closing net book value	<u>155,369,925</u>	<u>25,673,257</u>	<u>8,783,005</u>	<u>22,242,195</u>	<u>399,109</u>	<u>17,640,019</u>	<u>16,092,769</u>	<u>246,200,279</u>
At 31 December 2019								
Cost	304,650,114	49,744,121	45,053,747	66,436,825	2,528,542	45,405,943	16,092,769	529,912,061
<u>Less</u> Accumulated depreciation	(149,280,189)	(24,070,864)	(36,270,742)	(44,194,630)	(2,129,433)	(27,765,924)	-	(283,711,782)
Net book value	<u>155,369,925</u>	<u>25,673,257</u>	<u>8,783,005</u>	<u>22,242,195</u>	<u>399,109</u>	<u>17,640,019</u>	<u>16,092,769</u>	<u>246,200,279</u>

13 Intangible assets, net

	Computer software Baht	Installation in progress Baht	Total Baht
At 1 January 2018			
Cost	3,727,227	-	3,727,227
<u>Less</u> Accumulated amortisation	(809,122)	-	(809,122)
Net book amount	2,918,105	-	2,918,105
For the year ended 31 December 2018			
Opening net book amount	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	2,665,302	285,000	2,950,302
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	2,665,302	285,000	2,950,302
For the year ended 31 December 2019			
Opening net book amount	2,665,302	285,000	2,950,302
Additions	250,350	648,500	898,850
Transfers in (out)	600,000	(600,000)	-
<u>Less</u> Amortisation charge	(393,110)	-	(393,110)
Closing net book amount	3,122,542	333,500	3,456,042
At 31 December 2019			
Cost	4,674,577	333,500	5,008,077
<u>Less</u> Accumulated amortisation	(1,552,035)	-	(1,552,035)
Net book amount	3,122,542	333,500	3,456,042

14 Deferred income taxes

Deferred income taxes are calculated in full on temporary differences, using the liability method and using a principal tax rate of 20% (2018: 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:

	2019	2018
	Baht	Baht
At 1 January	12,567,678	9,246,942
Charged to profit or loss (Note 22)	4,037,427	3,320,736
At 31 December	16,605,105	12,567,678

14 Deferred income taxes (Cont'd)

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

		Increase (decrease) to statement of comprehensive income Baht	31 December 2019 Baht
	1 January. 2019 Baht		
Deferred income tax assets			
Employee benefit obligations	1,633,210	582,115	2,215,325
Land rental	4,308,938	625,417	4,934,355
Depreciation	6,521,311	2,869,895	9,391,206
Asset under finance lease obligation	104,219	(40,000)	64,219
Total deferred income tax assets	12,567,678	4,037,427	16,605,105
		Increase (decrease) to statement of comprehensive income Baht	31 December 2018 Baht
	1 January 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
Asset under finance lease obligation	144,219	(40,000)	104,219
Total deferred income tax assets	9,246,942	3,320,736	12,567,678

15 Trade and other payables

	2019 Baht	2018 Baht
Trade payables - car	184,203,606	142,602,520
Accrued expenses	45,899,827	42,245,946
Other payables	4,895,352	5,673,865
	<u>234,998,785</u>	<u>190,522,331</u>

Trade payables - car represent financial institutions, juristic persons and individuals. Normally, credit term of trade payables - car auction is between 5 - 7 working days from auction date.

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

16 Employee benefit obligations

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

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

	2019 Baht	2018 Baht
At 1 January	8,166,047	7,342,696
Past service cost	2,164,176	-
Current service cost	736,577	638,684
Interest costs	241,077	184,667
Benefit paid during the year	<u>(231,250)</u>	<u>-</u>
At 31 December	<u>11,076,627</u>	<u>8,166,047</u>

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

	2019 Baht	2018 Baht
Past service cost	2,164,176	-
Current service cost	736,577	638,684
Interest cost	241,077	184,667
Total	3,141,830	823,351

On 5 April 2019, an amendment bill to the Labour Protection Act was published in the Government Gazette.

The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay.

The principal actuarial assumptions used were as follows:

	2019 %	2018 %
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 assumption		Impact on defined benefit obligation			
		Increase in assumption		Decrease in assumption	
2019	2018	2019	2018	2019	2018

Discount rate	0.5%	0.5%	Decrease by 0.40%	Decrease by 2.76%	Increase by 4.75%	Increase by 2.95%
Salary growth rate	1.0%	1.0%	Increase by 9.25%	Increase by 6.79%	Decrease by 4.31%	Decrease by 6.09%
Turnover rate	20.0%	20.0%	Decrease by 14.11%	Decrease by 15.42%	Increase by 24.73%	Increase by 21.28%

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

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

17 Other non-current liabilities

	2019 Baht	2018 Baht
Deposit for auction plate	5,900,000	5,540,000
Deposit for e-auction	16,800,000	11,510,000
Employee insurance contributions	1,772,350	1,829,606
Accrued land rental expense	24,671,774	21,544,690
Total other non-current liabilities	49,144,124	40,424,296

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 2018	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
Issuance of shares	-	-	-	-	-
At 31 December					
2019	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 (2018: 550,000,000 shares) with a par value of Baht 0.25 per share (2018: 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.

	2019	2018
	Baht	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

2019

At the Board of Directors' Meeting held on 13 August 2019, the Board approved the interim dividend payment for the Company's operating result from 1 January 2019 to 30 June 2019 for 550 million shares at Baht 0.15 per share, totaling Baht 82.50 million. The dividend was paid on 10 September 2019.

At the Annual Ordinary Shareholders' Meeting held on 23 April 2019, the shareholders approved the annual dividend payment from retained earnings of the Company of Baht 0.20 per share for 550 million shares, totaling Baht 110 million. The dividend was paid on 3 May 2019.

2018

At the Board of Directors' Meeting held on 9 August 2018, the Board approved the interim dividend payment for the Company's operating result 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 held on 24 April 2018, the shareholders approved the annual dividend payment from retained earnings of the Company of Baht 0.16 per share for 550 million shares, totaling Baht 88 million. The dividend was paid on 4 May 2018.

21 Expenses by nature

The following expenditure items, classified by nature, have been charged in calculation of profit before finance cost and income tax:

	2019	2018
	Baht	Baht
Staff costs	161,070,806	149,762,686
Transportation costs	112,466,842	97,090,248
Commission expenses	1,681,949	1,220,366
Land rental expenses	71,332,672	57,735,755
Other auction costs	28,329,982	23,052,837
Security costs	23,426,023	21,108,177
Depreciation (Note 12)	48,063,800	44,060,981
Amortisation (Note 13)	393,110	349,803

22 Income tax

	2019	2018
	Baht	Baht
Current tax:		
Current tax on profit for the year	63,175,828	47,728,892
Deferred tax:		
Increase in deferred tax assets (Note 14)	(4,037,427)	(3,320,736)
Total income tax expense	59,138,401	44,408,156

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:

	Equity method		Cost method	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Profit before income tax	293,384,165	214,875,350	293,384,165	211,202,118
Tax calculated at a tax rate of 20%				
(2018: 20%)	58,676,833	42,975,070	58,676,833	42,240,424
Tax effect of:				

Expenses not deductible for tax

purpose	504,665	1,634,329	504,665	2,368,975
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Expense that are deductible at a

greater amount from actual

expenses	(43,097)	(201,243)	(43,097)	(201,243)
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Tax charge	59,138,401	44,408,156	59,138,401	44,408,156
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The weighted average applicable tax rate was 20% (2018: 21%)

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, if any

	Equity method		Cost method	
	financial statements		financial statements	
	2019	2018	2019	2018
Net profit attributable to shareholders				
of the Company (Baht)	234,245,764	170,467,194	234,245,764	166,793,962
Weighted average number				
of ordinary shares (Share)	550,000,000	550,000,000	550,000,000	550,000,000
Basic earnings per share (Baht)	0.43	0.31	0.43	0.30

There is no potential dilutive ordinary shares in issue for the year ended 31 December 2019 and 2018

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

	2019	2018
	Baht	Baht
Salaries and other short-term employee benefits	28,866,358	30,081,868
Retirement benefits	1,156,329	635,731
	<u>30,022,687</u>	<u>30,717,599</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 50 years. The future payments under operating lease agreements are as follows:

	2019	2018
	Baht	Baht
Not later than 1 year	87,861,864	58,502,851
Later than 1 year but not later than 5 years	174,198,015	161,128,794
More than 5 years	715,119,055	470,658,422
	<u>977,178,934</u>	<u>690,290,067</u>

25.2 Bank guarantees

As at 31 December 2019, 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 8.78 million (2018: Baht 8.20 million). The letters of guarantee is guaranteed by related fixed deposits of Baht 0.10 million (Note 10).

25.3 As at 31 December 2019, the Company had overdraft facility of Baht 42.00 million and letters of guarantee of Baht 47.60 million (2018: Baht 42.00 million and Baht 47.60 million, respectively) from 4 financial institutions which was reserved for the Company's operation. The overdraft facility is guaranteed by related fixed deposits of Baht 16.00 million (Note 10).

25.4 The Company has a commitment for the arrangement of auction biddings provided to 233 non-related companies and 9 local banks for the period from May 2006 to December 2020. 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 28 February 2020, the Board of Directors approved the additional annual dividend payment from the net profit and retained earnings of the Company as at 31 December 2019 of Baht 0.25 per share to shareholders of 550 million shares, totalling Baht 137.50 million. The date on which the recorded shareholders are entitled to receive the dividend was fixed to be on 16 March 2020. The dividend payment will be made on 30 April 2020 after obtaining the approval from the Annual General Shareholders' meeting for the year 2020.

Details of Directors, Executives and Company Secretary

Assoc. Prof. Dr. Paiboon Sareewiwatthana

Chairman of the Board / Nomination & Remuneration Director

Age (years)	66
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>
Appointment date as the director	24 September, 2012
Work experiences during the past 5 years	
2012-Present	Chairman of the Board / Nomination and Remuneration Committee, Union Auction Pcl.
2019-Present	Chairman of the Board, Biodegradable Packaging for Environment 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	Chairman of the Board, BT Wealth Industry Plc.

	Chairman of the Board, UAC Global Pcl.
B. Non-listed company	Chairman of the Board / Independent Director, Chic Republic Pcl. 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 23 January 2020)	1.31 ^{/1}
Board of Directors' Meeting participation during the year 2019	5 of 5

^{/1} Include spouse 6,700,000 shares

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

Age (years)	61
Education	<p>Doctoral Degree in Economics, Washington State University, USA</p> <p>Master Degree in Economics Development, NIDA</p> <p>Bachelor Degree of Economics, Thammasart University</p>
Related training programs held by the Thai Institute of Directors Association (IOD)	<p>DCP: Director Certification Program Class 21/2002</p>
Appointment date as the director	24 September, 2012
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.
2020- Present	Independent Director, Union Plastic Pcl.
2020- Present	Consultant, University Council of Thai Chamber of Commerce
2012- 2019t	President of the Harbour, Space@UTCC Project 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 23 January 2020)	None
Board of Directors' Meeting participation during the year 2019	5 of 5

Assoc. Prof. Dr. Montri Saktiyanurak

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

Age (years)	63
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
Appointment date as the director	24 September, 2012
Work experiences during the past 5 years	
2011- Present	Audit Committee/ Chairman of Nomination and Remuneration Committee/ Independent Director Union Auction Pcl.
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.
2017- 2019	Chairman of the Board, PCN. 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	Chairman of Audit Committee/ Independent Director, Siam Global House Pcl.
Holding the positions of director / management in other company	

A. Listed company	Chairman of the Board/ Chairman of Audit Committee, TV Thunder Pcl. Chairman of Audit Committee/ Independent Director, East Coast Furnitech Pcl. Chairman of Audit Committee / Independent Director, Megachem Pcl. Chairman of the Board, 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 23 January 2020)	None
Board of Directors' Meeting participation during the year 2019	4 of 5

Mrs. Wilaiwan Srisamruat
Audit Committee / Independent Director/ Risk Management Director/ Nomination and Remuneration Director

Age (years)	61
Education	Master of Business Administration National Institute of Development Administration Bachelor Degree of Accounting, Thammasart University
Related training programs held by the Thai Institute of Directors Association (IOD)	DAP: Director Accreditation Program, 145/2018
Appointment date as the director	1 January, 2018
Work experiences during the past 5 years	
2018- Present	Audit Director / Independent Director/ Risk Management Director/ Nomination and Remuneration Director*, Union Auction Pcl.
2019-2020	CFO, Executive Director, Biodegradable Packaging for Environment Pcl.
2018-2019	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 23 January 2020)	None
Board of Directors' Meeting participation during the year 2019	5 of 5

Note:

The Board of Directors Meeting no. 5/2019, held on December 17, 2019 has approved to appoint Mrs.

Wilaiwan Srisamrual as the company's another Nomination and Remuneration Director.

Mr. Suvit Yoadjarust
Director / Chairman of Executive Director/ Chairman of Risk Management Committee

Age (years)	64
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
Appointment date as the director	25 November, 2013
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 23 January 2020)	0.66
Board of Directors' Meeting participation during the year 2019	5 of 5

Mr. Thepthai Sila
Director / Managing Director / Executive Director / Risk Management Director

Age (years)	60
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
Appointment date as the director	24 September, 2012
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 23 January 2020)	3.47 ^{/1}
Board of Directors' Meeting participation during the year 2019	5 of 5

Note : ^{/1} Include spouse 5,000,000 shares

Mr. Sarawut Charchjinda

Director / Executive Director / Risk Management Director

Age (years)	62
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)	DCP: Director Certification Program, 31/2003 AACP : Advance Audit Committee Program, 19/2015
Appointment date as the director	24 September, 2012
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 23 January 2020)	None
Board of Directors' Meeting participation during the year 2019	5 of 5

Mr. Varunyoo Sila
Director / Executive Director / Risk Management Director / Deputy Managing Director, Internal Affair Department

Age (years)	36
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
Appointment date as the director	24 September, 2012
Work experiences during the past 5 years	
Nov. 2019 - Present	Deputy Managing Director, Internal Affair Department, Union Auction Pcl.
2014 – Nov. 2019	Deputy Managing Director, Office of the directors Dept. and IT Dept., Union Auction Pcl.
2012 - Present	Director /Executive Director / Risk Management Director, Union Auction Pcl.
2009- Present	Director, Khao Kho Highland Resort Co., Ltd
2010 - 2018	Director, Sahakarn Holding Co., Ltd. Director, At 800 Co., Ltd. Director, Bliss Khao Kho 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 23 January 2020)	1.47
Board of Directors' Meeting participation during the year 2019	5 of 5

Mrs. Anchalee Bhakkalin
Deputy Managing Director, Accounting & Finance Department

Age (years)	63
Education	MBA, Kasetsart University Certification of Public Accountant, Chulalongkorn University Bachelor Degree of Accounting, Chulalongkorn University Certified Public Accountant (CPA) 3256
Related training programs held by the Thai IOD	DAP: Director Accredited Program, 124/2016
Work experiences during the past 5 years	
2017 – Present	Deputy Managing Director, Accounting & Finance Dept., Union Auction Pcl.
2015 – 2016	Assistant Managing Director, Finance & Account Dept., Union Auction Pcl.
2005 – 2015	Chief Financial Officer U.S. Summit (Overseas) Co., Ltd. and Group
1989 – 2005	Director/Head of Finance Department Dunlop Pillow Thailand Co., Ltd.
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
A Being an executive director, employee, staff or advisor who receives a regular salary	No
B Being a provider of professional services (e.g. auditor, legal advisor)	No
C Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 23 January 2020)	No

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

Age (years)	58
Education	MBA., Major: Finance, Ramkhamheng University Bachelor Degree in Economics, Ramkhamheng University
Related training programs held by the Thai IOD	-
Work experiences during the past 5 years	
2018 – Present	Deputy Managing Director, Business Development and Marketing Dept., Union Auction Pcl.
2015 – 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 23 January 2020)	0.03

Mr. Udom Vivatanapaiboonlap
Deputy Managing Director, Operation Department

Age (years)	59
Education	High School Diploma, Krirk Institution
Related training programs held by the Thai Institute of Directors Association (IOD)	-
Work experiences during the past 5 years	
2019 - Present	Deputy Managing Director, Operation Line Union Auction Pcl.
2017 - 2018	Consultant, Union Auction Pcl.
2015 - 2017	Assistant Managing Director, Operation Dept. Union Auction Pcl.
2014 - 2015	Chiang Mai Branch Manager, Union Auction 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 23 January 2020)	None

Mr. Kriangsak Dhammaraksa
Deputy Managing Director, IT System Development Department

Age (years)	48
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	
Nov. 2019 – Present	Deputy Managing Director, IT System Development Dept., Union Auction Pcl.
2015 – Nov. 2019	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	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 23 January 2020)	0.02

Miss Poonsilp Kaewchamnong

Deputy Managing Director, Office of the Directors and Quality Enhancement Department

Age (years)	54
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	
Nov. 2019- Present	Deputy Managing Director, Office of the Directors and Quality Enhancement Dept., Union Auction Pcl.
2016- Nov. 2019	Acting Assisstant Managing Director, Office of the Directors, Union Auction Pcl.
2003- Present	Executive Secretary, Union Auction 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 23 January 2020)	0.0018

Miss Ampaporn Lakruangsup Company Secretary

Age (years)	59
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) Board Reporting Program, 30/2019
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 23 January 2020)	No



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