

FINAL DRAFT

Union Auction Public Company Limited
Review report and interim financial information
For the three-month and six-month periods ended 30 June 2022

FINAL DRAFT

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Union Auction Public Company Limited

I have reviewed the accompanying statement of financial position of Union Auction Public Company Limited as at 30 June 2022, the related statements of comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Piya Chaipruckmalakarn

Certified Public Accountant (Thailand) No. 7544

EY Office Limited

Bangkok: 11 August 2022

FINAL DRAFT

Union Auction Public Company Limited

Statement of financial position

As at 30 June 2022

(Unit: Baht)

	<u>Note</u>	<u>30 June 2022</u> (Unaudited but reviewed)	<u>31 December 2021</u> (Audited)
Assets			
Current assets			
Cash and cash equivalents		138,066,259	167,500,173
Trade and other receivables	3	106,689,265	113,052,568
Other current financial assets		369,216,472	419,089,053
Other current assets		<u>2,738,526</u>	<u>1,237,388</u>
Total current assets		<u>616,710,522</u>	<u>700,879,182</u>
Non-current assets			
Restricted bank deposits		16,006,896	16,000,005
Other non-current financial assets		2,881,388	2,270,834
Leasehold improvements, buildings and equipment	4	273,872,778	282,343,553
Right-of-use assets	5	886,994,927	794,763,088
Intangible assets		9,811,636	4,597,718
Deferred tax assets		<u>28,829,893</u>	<u>24,696,852</u>
Total non-current assets		<u>1,218,397,518</u>	<u>1,124,672,050</u>
Total assets		<u>1,835,108,040</u>	<u>1,825,551,232</u>

The accompanying notes are an integral part of the financial statements.

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

FINAL DRAFT

Union Auction Public Company Limited
Statement of financial position (continued)
As at 30 June 2022

		(Unit: Baht)
	<u>30 June 2022</u>	<u>31 December 2021</u>
	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	347,612,759	378,293,068
Current portion of lease liabilities	6 66,729,619	56,348,901
Income tax payable	20,543,965	28,790,743
Other current liabilities	<u>1,182,927</u>	<u>423,642</u>
Total current liabilities	<u>436,069,270</u>	<u>463,856,354</u>
Non-current liabilities		
Lease liabilities, net of current portion	6 832,641,679	732,476,952
Provision for long-term employee benefits	21,342,411	20,009,036
Other non-current financial liabilities	<u>69,866,897</u>	<u>69,890,837</u>
Total non-current liabilities	<u>923,850,987</u>	<u>822,376,825</u>
Total liabilities	<u>1,359,920,257</u>	<u>1,286,233,179</u>

The accompanying notes are an integral part of the financial statements.

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

FINAL DRAFT

Union Auction Public Company Limited

Statement of financial position (continued)

As at 30 June 2022

	(Unit: Baht)	
	30 June 2022	31 December 2021
	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)		
Shareholders' equity		
Share capital		
Registered		
550,000,000 ordinary shares of Baht 0.25 each	<u>137,500,000</u>	<u>137,500,000</u>
Issued and fully paid-up		
550,000,000 ordinary shares of Baht 0.25 each	137,500,000	137,500,000
Share premium	183,998,784	183,998,784
Retained earnings		
Appropriated - statutory reserve	13,750,000	13,750,000
Unappropriated	<u>139,938,999</u>	<u>204,069,269</u>
Total shareholders' equity	<u>475,187,783</u>	<u>539,318,053</u>
Total liabilities and shareholders' equity	<u>1,835,108,040</u>	<u>1,825,551,232</u>
	-	-

The accompanying notes are an integral part of the financial statements.

.....
Directors
.....

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

FINAL DRAFT

(Unaudited but reviewed)

Union Auction Public Company Limited
Statement of comprehensive income
For the three-month period ended 30 June 2022

(Unit: Baht)

	<u>2022</u>	<u>2021</u>
Profit or loss:		
Revenues		
Revenue from services	202,839,373	201,352,857
Other income	1,323,454	794,943
Total revenues	<u>204,162,827</u>	<u>202,147,800</u>
Expenses		
Cost of services	104,245,118	102,945,628
Service expenses	7,303,217	7,818,669
Administrative expenses	29,785,933	28,367,818
Total expenses	<u>141,334,268</u>	<u>139,132,115</u>
Operating profit	62,828,559	63,015,685
Finance cost	(6,358,488)	(5,820,092)
Profit before income tax expenses	56,470,071	57,195,593
Income tax expenses	(11,819,327)	(11,743,402)
Profit for the period	<u>44,650,744</u>	<u>45,452,191</u>
 Other comprehensive income:		
Other comprehensive income for the period	<u>-</u>	<u>-</u>
 Total comprehensive income for the period	<u><u>44,650,744</u></u>	<u><u>45,452,191</u></u>
 Earnings per share		
Basic earnings per share	<u>0.08</u>	<u>0.08</u>

The accompanying notes are an integral part of the financial statements.

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

FINAL DRAFT

(Unaudited but reviewed)

Union Auction Public Company Limited
Statement of comprehensive income
For the six-month period ended 30 June 2022

(Unit: Baht)

	<u>2022</u>	<u>2021</u>
Profit or loss:		
Revenues		
Revenue from services	410,114,960	438,014,266
Other income	2,154,906	1,276,698
Total revenues	<u>412,269,866</u>	<u>439,290,964</u>
Expenses		
Cost of services	213,586,869	209,473,343
Service expenses	15,370,551	15,661,210
Administrative expenses	58,110,732	58,680,191
Total expenses	<u>287,068,152</u>	<u>283,814,744</u>
Operating profit	125,201,714	155,476,220
Finance cost	(12,068,553)	(11,659,652)
Profit before income tax expenses	113,133,161	143,816,568
Income tax expenses	(23,269,034)	(29,363,486)
Profit for the period	<u>89,864,127</u>	<u>114,453,082</u>
Other comprehensive income:		
Other comprehensive income for the period	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>89,864,127</u></u>	<u><u>114,453,082</u></u>
Earnings per share		
Basic earnings per share	<u>0.16</u>	<u>0.21</u>

The accompanying notes are an integral part of the financial statements.

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
 Directors

FINAL DRAFT

(Unaudited but reviewed)

Union Auction Public Company Limited
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2022

	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2021	137,500,000	183,998,784	13,750,000	171,016,589	506,265,373
Profit for the period	-	-	-	114,453,082	114,453,082
Total comprehensive income for the period	-	-	-	114,453,082	114,453,082
Dividend paid (Note 7)	-	-	-	(126,494,020)	(126,494,020)
Balance as at 30 June 2021	137,500,000	183,998,784	13,750,000	158,975,651	494,224,435
 Balance as at 1 January 2022	 137,500,000	 183,998,784	 13,750,000	 204,069,269	 539,318,053
Profit for the period	-	-	-	89,864,127	89,864,127
Total comprehensive income for the period	-	-	-	89,864,127	89,864,127
Dividend paid (Note 7)	-	-	-	(153,994,397)	(153,994,397)
Balance as at 30 June 2022	137,500,000	183,998,784	13,750,000	139,938,999	475,187,783

The accompanying notes are an integral part of the financial statements.

We, being responsible for the preparation of
these financial statements and notes thereto,
hereby approve their issue in final form.

.....
Directors

FINAL DRAFT

(Unaudited but reviewed)

Union Auction Public Company Limited**Statement of cash flows****For the six-month period ended 30 June 2022**

(Unit: Baht)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Profit before tax	113,133,161	143,816,568
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	66,191,739	63,761,474
Increase in allowance for expected credit losses	3,669,340	-
Loss on disposal of equipment	30,884	311,335
Gain on write-off right-of-use assets	-	(109,211)
Gain on compensation receipt from insurance	(309,614)	-
Provision for long-term employee benefits	1,333,375	688,753
Interest income	(753,751)	(780,172)
Finance cost	<u>12,068,553</u>	<u>11,659,652</u>
Profit from operating activities before changes in operating assets and liabilities	195,363,687	219,348,399
Operating assets (increase) decrease		
Trade and other receivables	3,371,391	47,295,385
Other current assets	(1,501,138)	(1,235,643)
Other non-current financial assets	(610,554)	1,767,955
Operating liabilities increase (decrease)		
Trade and other payables	(32,687,979)	(48,886,700)
Other current liabilities	759,285	(17,279)
Other non-current financial liabilities	<u>(23,940)</u>	<u>9,954,000</u>
Cash flows from operating activities	164,670,752	228,226,117
Cash paid for corporate income tax	<u>(35,648,853)</u>	<u>(27,959,259)</u>
Net cash flows from operating activities	<u>129,021,899</u>	<u>200,266,858</u>

The accompanying notes are an integral part of the financial statements.

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

FINAL DRAFT

(Unaudited but reviewed)

Union Auction Public Company Limited**Statement of cash flows (continued)****For the six-month period ended 30 June 2022**

(Unit: Baht)

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities		
Cash paid for other current financial assets	(241,869,168)	(492,041,325)
Cash received from other current financial assets	291,741,749	421,970,286
Increase (decrease) in restricted bank deposits	(6,891)	27
Cash paid for purchases of leasehold improvements, buildings and equipment	(12,494,201)	(33,556,553)
Cash paid for acquisition of intangible assets	(5,584,032)	(204,000)
Interest received	634,243	1,004,899
Proceeds from sales of equipment	28,723	126,261
Cash paid for acquisition of right-of-use assets	(43,005)	(94,514)
Net cash flows from (used in) investing activities	<u>32,407,418</u>	<u>(102,794,919)</u>
Cash flows from financing activities		
Payment of lease liabilities	(36,868,834)	(31,566,086)
Dividend paid	(153,994,397)	(126,494,020)
Net cash flows used in financing activities	<u>(190,863,231)</u>	<u>(158,060,106)</u>
Net decrease in cash and cash equivalents	(29,433,914)	(60,588,167)
Cash and cash equivalents at beginning of the period	<u>167,500,173</u>	<u>193,359,716</u>
Cash and cash equivalents at end of the period	<u><u>138,066,259</u></u>	<u><u>132,771,549</u></u>

-

Supplementary disclosures of cash flows information

Non-cash transactions

Increase (decrease) in accounts payable for acquisitions of leasehold improvements, buildings and equipment	2,007,670	(2,195,539)
Increase in right-of-use assets	135,345,726	86,421,467

The accompanying notes are an integral part of the financial statements.

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

Union Auction Public Company Limited**Notes to interim financial statements****For the three-month and six-month periods ended 30 June 2022****1. General information****1.1 Corporate information**

Union Auction Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in business of providing auction services for assets. The registered office of the Company is at 518/28 Ramkhamhaeng 39 (Thepleela 1), Wangthonglang, Bangkok.

As at 30 June 2022, the Company has 12 branches (31 December 2021: 12 branches) in Pratum Thani, Chiangmai, Nakornratchasima, Suratthanee, Ubonratchathanee, Songkla, Udonthanee, Phisanulok, Ratchaburi, Khon Kaen, Chonburi and Rayong.

1.2 Basis of preparation of interim financial information

This interim financial information is prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, it focuses on new activities, events and circumstances so as not to duplicate information previously reported. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language is the official statutory financial information of the Company. The interim financial information in English language has been translated from the Thai language financial information.

1.3 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

The revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Company’s financial statements.

2. Related party transactions**Directors and management’s benefits**

During the three-month and six-month periods ended 30 June 2022 and 2021, the Company had employee benefit expenses payable to its directors and management as below.

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	7,784,673	9,875,790	16,793,241	19,707,331
Post-employment benefits	1,157,563	94,799	1,373,926	189,597
Total	<u>8,942,236</u>	<u>9,970,589</u>	<u>18,167,167</u>	<u>19,896,928</u>

(Unit: Baht)

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

3. Trade and other receivables

	(Unit: Baht)	
	30 June 2022	31 December 2021
Trade receivables - vehicles		
Aged on the basis of due dates		
Not yet due	77,103,480	94,256,112
Past due		
Up to 3 months	2,935,194	6,736,540
3 - 6 months	61,471	-
Total trade receivables - vehicles	<u>80,100,145</u>	<u>100,992,652</u>
Trade receivables - unrelated parties		
Aged on the basis of due dates		
Not yet due	15,414,704	3,499,403
Past due		
Up to 3 months	64,411	1,492,870
Trade receivables - unrelated parties, net	<u>15,479,115</u>	<u>4,992,273</u>
Total trade receivables, net	<u>95,579,260</u>	<u>105,984,925</u>
Other receivables		
Accrued income	132,471	98,699
Other receivables - unrelated parties	4,488,614	781,369
Advance payments	1,209,160	2,407,207
Prepaid expenses	9,132,317	4,083,093
Accrued interest income	400,003	280,495
Total	<u>15,362,565</u>	<u>7,650,863</u>
Less: Allowance for expected credit losses	<u>(4,252,560)</u>	<u>(583,220)</u>
Total other receivables, net	<u>11,110,005</u>	<u>7,067,643</u>
Total trade and other receivables, net	<u>106,689,265</u>	<u>113,052,568</u>

4. Leasehold improvements, buildings and equipment

Movements in the leasehold improvements, buildings and equipment account during the six-month period ended 30 June 2022 were summarised below.

	(Unit: Baht)
Net book value as at 1 January 2022	282,343,553
Acquisitions during the period - at cost	14,501,871
Disposal during the period - net book value at disposal date	(307,913)
Depreciation for the period	<u>(22,664,733)</u>
Net book value as at 30 June 2022	<u>273,872,778</u>

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

5. Right-of-use assets

Movements in the right-of-use assets account during the six-month period ended 30 June 2022 were summarised below.

	(Unit: Baht)
Net book value as at 1 January 2022	794,763,088
Increase during the period	135,388,731
Depreciation for the period	(43,156,892)
Net book value as at 30 June 2022	<u>886,994,927</u>

6. Lease liabilities

The carrying amounts of lease liabilities and the movements for the six-month period ended 30 June 2022 were presented below.

	(Unit: Baht)
Balance as at 1 January 2022	788,825,853
Increase during the period	135,345,726
Payment during the period	(24,800,281)
Balance as at 30 June 2022	<u>899,371,298</u>
Less: Current portion of lease liabilities	<u>(66,729,619)</u>
Lease liabilities, net of current portion	<u>832,641,679</u>

7. Dividends

Dividends declared during the six-month period ended 30 June 2022 and 2021 consist of the following:

Dividends	Approved by	Total dividends (Baht)	Dividend per share (Baht)
<u>For the year 2022</u>			
Final dividends for 2021	Annual General Meeting of the shareholders on 8 April 2022	<u>153,994,397</u>	0.28
<u>For the year 2021</u>			
Final dividends for 2020	Annual General Meeting of the shareholders on 9 April 2021	<u>126,494,020</u>	0.23

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

8. Segment information

The Company is organised into business units based on its services. During the current period, the Company has not changed the organisation of its reportable segments.

The following tables present revenue and profit information regarding the Company's operating segments for the three-month and six-month periods ended 30 June 2022 and 2021.

(Unit: Baht)

	For the three-month periods ended 30 June									
	Vehicle auction		Motorcycle auction		Transportation		Other services		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue from services	156,113,701	158,173,438	16,449,015	16,082,700	24,615,137	22,513,291	5,661,520	4,583,428	202,839,373	201,352,857
Cost of services									(104,245,118)	(102,945,628)
Gross profit									98,594,255	98,407,229
Other income									1,323,454	794,943
Service expenses									(7,303,217)	(7,818,669)
Administrative expenses									(29,785,933)	(28,367,818)
Finance cost									(6,358,488)	(5,820,092)
Income tax expenses									(11,819,327)	(11,743,402)
Profit for the period									44,650,744	45,452,191

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

(Unit: Baht)

For the six-month periods ended 30 June

	Vehicle auction		Motorcycle auction		Transportation		Other services		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue from										
services	302,290,595	349,984,361	35,770,005	33,890,800	48,549,366	43,965,639	23,504,994	10,173,466	410,114,960	438,014,266
Cost of services									(213,586,869)	(209,473,343)
Gross profit									<u>196,528,091</u>	<u>228,540,923</u>
Other income									2,154,906	1,276,698
Service expenses									(15,370,551)	(15,661,210)
Administrative expenses									(58,110,732)	(58,680,191)
Finance cost									(12,068,553)	(11,659,652)
Income tax expenses									(23,269,034)	(29,363,486)
Profit for the period									<u>89,864,127</u>	<u>114,453,082</u>

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

9. Commitments and contingent liabilities

9.1 The Company had outstanding commitments with respect to service agreements totaling approximately Baht 2 million per month (31 December 2021: Baht 2 million).

9.2 The Company has entered into several long-term agreements to lease low-value assets. As at 30 June 2022, the Company had payment commitments under these lease agreements of Baht 6 million (31 December 2021: Baht 3 million).

9.3 Bank guarantees

As at 30 June 2022, there were outstanding bank guarantees issued by banks of Baht 17 million (31 December 2021: Baht 17 million). These included letter of guarantee for electricity use and for contract performance used for auction bids.

9.4 As at 30 June 2022, the Company had an overdraft facility of Baht 102 million and letter of guarantee facilities totaling Baht 48 million (31 December 2021: Baht 102 million and Baht 48 million, respectively) from financial institutions, which were for use in the Company's operations.

9.5 Service commitments

The Company has commitments to non-related companies and commercial banks under agreements related to its arrangement of auctions covering a period from May 2006 to January 2024. The Company is required to comply with significant terms in related agreements such as commission rates.

10. Event after the reporting period

On 11 August 2022, the Board of Director's Meeting passed a resolution to approve an interim dividend payment for the period as from 1 January 2022 to 30 June 2022 to the Company's shareholders at Baht per share, totaling Baht million, which will be paid to the shareholders on

11. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 11 August 2022.