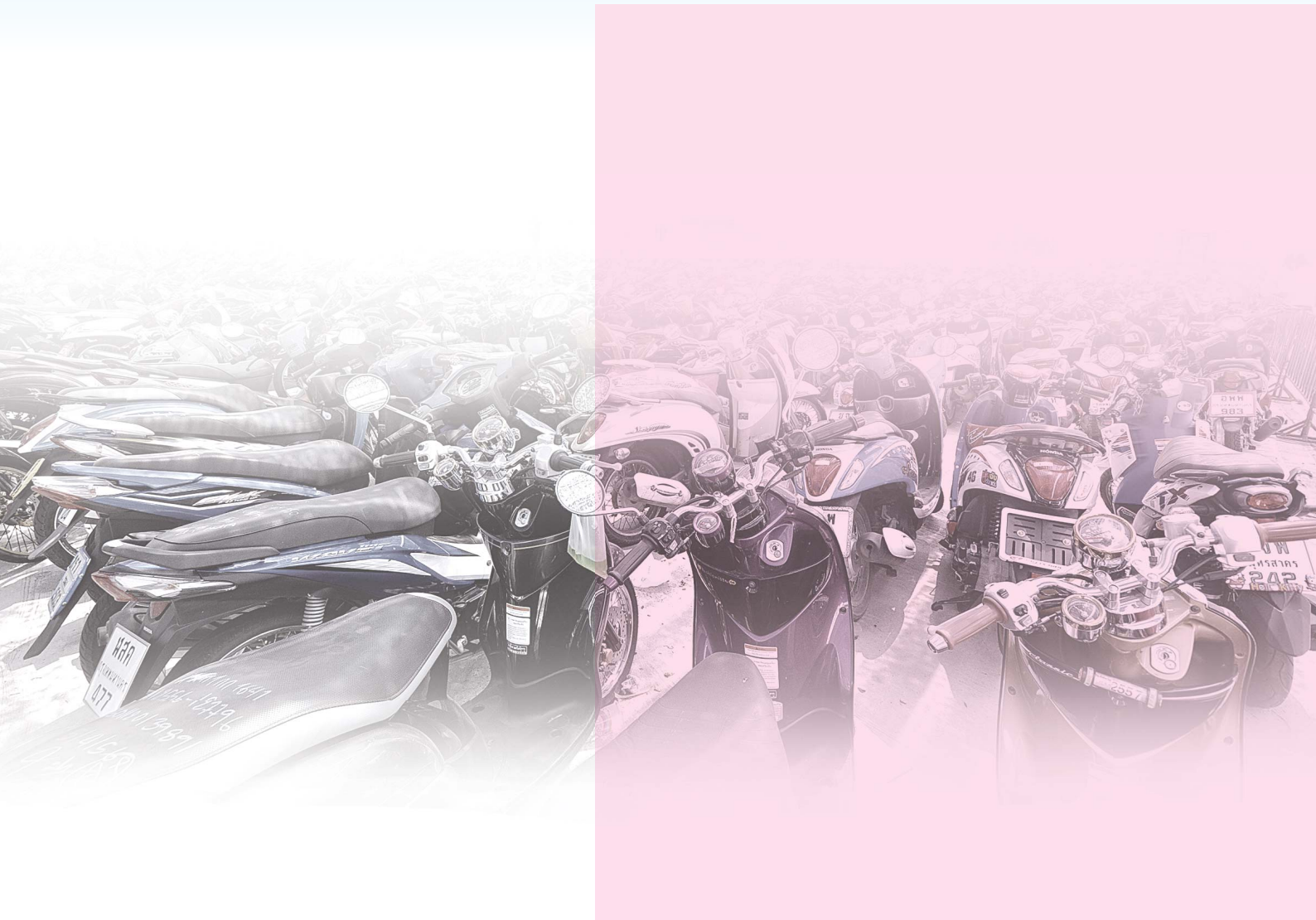


Annual Report 2014

UNION AUCTION PUBLIC COMPANY LIMITED



AUCT
UNION AUCTION

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

Core missions include those towards customers, shareholders, employee and society:

- 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.
- Have good governance recognized by international standard to enable sustainable growth of the Company and high return of investment to shareholders.
- Be an established learning organization that realizes importance of customers, ever improves its performance, competitiveness and social responsibility, while seeking to increase employee's sense of belongings and work efficiency.
- Support, promote and responsibly act towards the society and environment.



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**“Investors can learn more on the issuing company’s annual statement (Form 56-1)
of companies listed in www.sec.or.th or the website of the company”**



Message from Chairman of the Board of Directors



Union Auction has seen 2014 a greatest year rendering the highest profit ever since the Company's establishment. Quarterly profits have increased dramatically. The Company expands the new branches and improves services so well to gain higher market shares which creates confidence to customers, property owners and auctioneers.

For over a year as an mai-listed company, Union Auction has seen its stocks generating for shareholders desirable return on investments from increasing stock values and high business performance. Mid-term dividend already came out and the amount for the latter half year is following. The paid dividend corresponds with the pay-in-full policy as the company was not spending on over-expanding its operation in 2014. This has caused no need to detain in-cash profits but an ability to pay dividend in full.

The Board estimated that the Company's 2014 financial status is strong with liquidity sufficient for business growth and expansion. Also there's some of capital increase proceeds from mai listing.

The year 2015 ahead is looking to see the company ever growing. The plan is to expand services, open more branches and continue to improve those in exist, in quality of service, IT and personnel wise. This is not yet to mention a greater variety of services and properties in auction, new business ventures with clients as well as associated banks, including a plan to expand business to neighboring countries. Together, let us thrive for a prosperous year ahead.

On behalf of the Board of Directors at Union Auction, I sincerely thank shareholders, executives and staff members, business partners, clients and customers, as all parties concerned for their greatest contribution to making the year 2014 most profitable and achieving for all. The company and I very much hope for continuous support and kind cooperation from every sector and individual, for the future of Union Auction, and for all.

Assoc. Prof. Dr. Paiboon Sareewiwatthana
Chairman of the Board of Directors
Union Auction Public Company Limited



Message from the CEO

During 2013-2015, automobile industry and business in Thailand has been through a highly-competitive condition. Challenges are enormous; yet, enabling the company to perform at its best, to earn the highest success in the business and gain trust of clients, customers, individual and institutional partners who continuously sends automobiles for bidding.

The company today dominates an over 50 per cent of the market segment in the industry, with its 13 bidding facilities and 25 property storages in 23 provinces, making the company the highest-coverage bidding business at the forefront of Thailand. This is a result of its marketing strategy that maximizes efficiency and effectiveness of services with high technology and updated innovations at all times to ensure sustainable growth and success.

The company's commitment to delivering only highest services has seen evidence in its satisfactory last year's performance. Profits have increased; loyalty and trust gained from customers, clients, partners and every associate. Operation wise, transparency prevails in the company to enable an effective check-and-balance system in all procedures, in accordance with its policy to create fair-deal business with all parties involved.

On behalf of the executive board, may I express my sincere appreciation for all customers and clients, shareholders, business partners and associates, as well as all of the executive parties and staff members at all levels. Their great contribution has been a major drive for the company to stray thriving and ready to overcome any challenges that rolled out over the year. Our success also resulted in many opportunities ahead to make the best of.

The company hereby reassures its commitment to deliver even better services to all clients, customers and partner, always taking the benefits of Thailand society into account.



Mr. Suwit Yoadjarust

Chief Executive Officer

Union Auction Public Company Limited



Report of Audit Committee



Dear Shareholders

Union Auction Public Company Limited

The Audit Committee audited the financial statement, connected transactions, risk management, internal control system, internal audit auditing, compliance with the law, consideration of accounting auditor appointment and appointment of internal auditor from external person. In 2014, the Audit Committee held 4 audit meetings. The result of audit has the key points as follows:

- 1. Financial Statement Audit** - The Audit Committee, together with auditors, top executives and Internal Control Audit Manager, audited the 2014 quarterly and annually financial report and found that the Company did prepare the complete, accurate, and credible financial report which was in compliance with the legal requirements and the financial reporting standard. The financial information disclosure was adequate, timely and beneficial to financial statement users. The auditors reviewed and audited the information and issued an unqualified opinion. The Audit Committee also had meetings with the auditors without the participation of the Management for the independent discussion on the audit scope, the significant issues in the financial statements, and the challenges during the audit. The auditors reported no significant issues to concern.
- 2. Connected Transaction Audit** - The Audit Committee audited the connected transactions according to the SEC's 2546 Act on the information disclosure and the connected transactions of the registered companies that can cause the conflicts of interest. The result of the connected transaction audit found that the Company was in compliance with the common trade terms, fair, reasonable and did not cause any transfer of benefits. The information disclosure was complete and adequate. The Company also practiced in compliance with the good corporate governance policy and SEC's Act.
- 3. Risk Management Audit** - The Audit Committee audited the Company's risk management to assure that the Company had the appropriate and effective risk management process. The audit result found that the Company prepared the risk management guideline that is align with the company objectives and strategies both in short term and long term and is up to date with the changing environment and situation internally and externally for every function.
- 4. Internal Control System Audit** - The Audit Committee audited the Company's internal control system in 2014 based on the SEC and SET's Act. The management team in related units evaluated their internal control by using the internal control evaluation form according to the internal control framework of The Committee of Sponsoring Organizations of the Treadway Commission (COSO). The result found that the Company has the good, appropriate internal control system that is sufficient for the business. This is aligned with the auditor's opinion that the internal control of the financial statement preparation is appropriate. The personnel have adequate knowledge and skills. There is no concealed information.



5. **Internal Audit Regulation** - The Audit Committee assured that the Internal Audit team had sufficient independence, directly reported to the Audit Committee, regulated and provided suggestion to make Audit team work in compliance with the approved 2013 Audit Plan and to add the sustainable and continuous value to the organization. The result achieved the objectives and plan.
6. **Compliance with Law Requirement Audit** - The Audit Committee audited and regulated the Company to comply with the legal requirements, SEC and SET's Act and other related law concerning the Company's business. In 2014 there was no finding on the Company's transactions against the related law and regulations.
7. **Consideration of the accounting auditor and internal auditor appointment in 2015** - The Audit Committee considered the selection of accounting auditor from his/her performance, independence of performing in the previous year and the reasonable fees of both firms. The Audit Committee proposed to appoint PricewaterhouseCoopers ABAS Ltd. to be the Company's accounting auditor and Multiplus Audit & Consulting Co., Ltd. to be the internal auditor in 2015 to the Board of Directors and for further consideration of the shareholder meetings.

In summary, the Audit Committee monitored the Company's operations with sufficient knowledge, capability and independence, in compliance with its duties and responsibilities stated in the Charter of the Audit Committee. The Audit Committee had opinion that the preparation of the Company's financial statements was credible and in compliance with the generally accepted accounting standard. The disclosure of information of connected transactions or transactions with possible conflicts of interest was sufficient. The Company had good corporate governance system, sufficient risk management system, appropriate and effective internal control system. It was in compliance with the law, rules and regulations related to the Company's business correctly and completely.

On behalf of Audit Committee

(Assoc. Prof. Dr. Saowanee Thairungroj)

Chairman of Audit Committee



Board of Directors



Mr. Suvit Yoadjarust

Chief Executive Officer / Director /
Risk Management Committee



Assoc. Prof. Dr. Paiboon Sareewiwatthana

Chairman of Board of Directors /
Chairman of Risk Management Committee



Mr. Thepthai Sila

Vice Chairman / Managing Director
Executive Director /
Risk Management Committee



Assoc. Prof. Dr. Montri Sokatiyanurak

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



Assoc. Prof. Dr. Saowanee Thairungroj

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



Mr. Sarawut Jarujinda

Audit Committee /
Independent Director



Mr. Sompong Sirikayon

Director / Executive Director



Mr. Varunyoo Sila

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



General Information and References

Name of stock company	: Union Auction Public Company Limited (“Company”)
Stock Quote	: AUCT
Type of Business	: Auction Service
Registered capital	: 137,500,000 baht consist of paid-up common stock : 550,000,000 shares, valued 0.25 baht per share
Number of employees	: 260 persons (as of December 31, 2014)
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.union-auction.com
Telephone	: (662) 934-7344-8
Fax.	: (662) 935-6202
Investor Relation	: (662) 934-7344-8

References

Registrar of Securities	: Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: (662) 229 2800, 0-2229-2888 (Call center)
Auditor	: PricewaterhouseCoopers ABAS Co., Ltd. Bangkok City Tower, 15 th fl., 179/74-80 South Sathorn, Tungmahamek sub district, Sathorn district, Bangkok 10120

Investors can find more information of the Company’s securities in the Filing document (Form 56-1) in www.sec.or.th or www.union-auction.com



General Information

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

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

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

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

With the transparent auction process up to the standard and long term experiences, the Company has gained acceptance and trust from many financial institutions, private sectors and governmental sectors. For example, Financial Sector Restructuring Authority (FRA) has assigned the Company to serve as an intermediary to conduct an auction for all types of property, i.e. cars, properties, and others, for years.



History and Development of the Company :

- | | | |
|--------------------|---|---|
| 1991 - 1997 | - | The Company was incorporated with a start-up registered capital of 3 million baht to operate a vehicle auction business, and then increased the paid-up capital to 13 million baht and 25 million baht consecutively to increase business expansion and working capital. The Company also started the motorcycle auction to expand customer base. |
| 1998 - 2002 | - | The Company was appointed by the Financial Sector Restructuring Authority (FRA) to conduct the public auctions of vehicles and assets of insolvent finance companies. |
| | - | The Company was the first and only Thai firm and the second in Asia, after Japan, to become a member of the National Auto Auction Association (NAAA) which is the non-profit international auction organization in USA with members from 270 countries. It aims to increase the standard of the car auction by protecting the benefits for buyers and sellers and supporting the business transparency and fairness. |
| | - | The Company increased the registered and paid-up capital to 110 million baht for business expansion and commenced the auctions for other products, such as land and houses, shares, furniture, etc. in order to respond to customer's 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, Udonrthani, 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 car's test drive. This marketing strategy was to strengthen the confidence for customers before the auction started. The Company also extended the types of auction by joining with Toshiba Thailand Co., Ltd. for the electric appliances auction at Rangsit - Klong 8 branch. |
| | - | The Company became the public company and changed the common share value from 10 baht/share to 0.50 baht/share and increased the registered capital from 110 million baht to 145 million baht. |



March 2013

- The Company changed the value of common share from 0.50 baht to 0.25 baht per share and reduced the registered capital to 137.50 million baht by offering 110 million common shares to the public. The total capital increase was 27.50 million baht.
- The Company expanded its head office compound by about 14 rai and raised the ground level as a flood safety zone. The auction at Chaeng Wattana office was moved to the head office.

August 2013

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

2014

- The Company opened the new auction space at Phutthamonthon sai 2.
- The Company expanded the storage to 3 provinces: Chiangmai, Nakorn Ratchasima and Surin.
- The Company increased the frequency of the auction to Everyday, rotating to each branch.



Business Overview and Policy

Vision, Objectives, Goals and Strategies for the Company and Subsidiaries

Within 3-5 years, the Company has the goal to continuously develop the organization. It plans to level up the operations and organizational management to the international by hiring professionals and sustain the leadership position in auction business under the name of “Union Auction”. The services include all types of properties, not only automobiles and motorcycles, in order to meet customer’s demand. The Company focuses on providing quality service, effective management, transparent auction process and intends to provide accurate and honest information all through the process in order to build trust and confidence for the fairness to sellers and buyers. The properties will be examined with the standard system, cost estimated at reasonable price or accepted by the owners. The bidders can buy properties at valuable price to the seen condition and functional quality according to the Company’s motto of “AUCTION OF TRUST”.

The Company plans to increase revenues and profits in the future and to become the internationally professional auction business in ASEAN after the Asian Economic Community arrives in 2016 when the competition will get stronger. The plan is as follows:

1. Expand the property base of automobiles by increasing the portion of personal cars from direct users.
2. Expand customer base of bidders.
3. Add more categories of auctioned properties



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 normally does not collect commissions from property owners.

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, fixable 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.
- 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



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.

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.

At the beginning, other types of property in auction are mainly sourced from Financial Sector Restructuring Authority. Now, there are many kinds of property to be auctioned acquired via direct and indirect contact with owners such as of real estate e.g. house and land, and others.

However, in 2014, the Company slowed down the auction service for other types of property and refocused on the development and renovation of the auction sites for automobiles and motorcycles which have been expanding.

Auction venue

The Company has 13 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.

Regular auction venues in Bangkok and its vicinity areas have 2 locations:

- **Head Office:** Located at 518/28, Soi Ramkhamhang 39 (Theplila), Wang Thonglang sub-district, Wang Thonglang District, Bangkok 10310.

This is the auction site for automobiles, motorcycles and other properties. The auction for automobiles is held 5 days per week: Monday, Tuesday, Thursday, Saturday and Sunday. The auction for motorcycles is held 2 days per week: Thursday and Saturday. Automobiles for auction at the head office are of all types. The other properties and brand-name goods are slowing down for now.

- **Rangsit:** Located on Rangsit-Nakorn nayok Road, Klong 8, Patumthani

This is the auction site for automobiles and motorcycles, non-drivable cars, ruined cars, agricultural cars, trucks and electrical appliances. The auction for automobiles is held 4 days per week: Wednesday, Friday, Saturday and Sunday. The auction for motorcycles is held every Sunday. The company slows down the auction for electrical appliances for now.

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 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 region	:	Pitsanulok, Chiangmai
North eastern region	:	Udonthani, Khon Kaen, Nakorn Ratchasima, Ubon Ratchathani
Eastern region	:	Chonburi, Rayong
Central region	:	Ratchaburi
Southern region	:	Suratthani



In addition, the Company occasionally conducted auctions at places on request of the property owners, such as Krungthai Bank Public Co., Ltd. Head Office, The Customs Department.

Other Auction Related Services

Other auction related services are as follows:

1) Automobile Transportation Service

The Company provides automobile transportation service, charging to the bid winner. The service prices are declared in the auction property list prior to each auction. In the case that a contract or agreement with sellers states that the transportation charge is abstained to the bidder, the Company will absorb the cost for customer's convenience. Yet, transportation is not the main service of the Company.

The transportation service charges are calculated from cost of transportation from the place where the Company receives the automobiles from sellers to the auction venue. The total costs will be shared on average by each automobile.

2) Price Estimate Service

The Company provides price estimate service for properties and charges the service fee for the items that do not join the Company's auction.

The Company has 25 storages for the auctioned properties located in 23 provinces as follows:

Central	North	North East	East	South
1. Bangkok: head office	1. Chiangmai	1. Udonthani	1. Chonburi:	1. Suratthani
2. Patumthani: Rangsit	2. Pitsanulok	2. Khon Kaen	Pattaya	2. Nakorn
3. Putthamonthol sai 2		3. Nakorn	2. Chonburi:	Srithammarat
4. Nakorn Sawan		Ratchasima	Ban Bueng	3. Trang
5. Ayutthaya		4. Ubon	3. Rayong	4. Phuket
6. Nokorn Pathom		Ratchathani		5. Songkhla
7. Saraburi		5. Sakolnakorn		6. Prachuab
		6. Roy-ed		kirikhan
		7. Surin		

* The Company has 13 auction venues, e.g. Bangkok: Head Office, Putthamonthol sai 2, Patumthani: Rangsit, Chiangmai, Pitsanulok, Udonthani, Khon Kaen, Nakorn Ratchasima, Ubon Ratchathani, Chonburi: Pattaya, Rayong, Suratthani, and Ratchaburi



Automobile storage capability

The Company's 25 storages in 23 provinces that can store automobiles and motorcycles are as follows.

Storage site	Types of property	31 December 2014	
		Maximum storage (unit)	Actual storage (unit)
Bangkok 2 sites	Automobile	2,000	1,984
	Motorcycle	1,500	705
Upcountry 23 sites	Automobile	11,070	9,544
	Motorcycle	9,550	1,758
Total 25 sites	Automobile	13,070	11,528
	Motorcycle	11,050	2,463

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.

- 1) 20,000 Baht (for automobile and motorcycle bidding)
- 2) 5,000 Baht (for motorcycle bidding)
- 3) 2,000 Baht (for brand name goods and electrical appliances bidding)
- 4) 20,000 Baht (for house bidding)
- 5) 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 users.



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

Other types of property (are slowing down on service):

- Brand name goods Opening price at less than 10,000 Baht sees price increment at 100 Baht per call.

Opening price more than 10,000 Baht price increment 500 Baht per call.

- Electrical appliances Opening price at less than 10,000 Baht sees price increment at 200 Baht per call.

Opening price at more than 10,000 Baht sees price increment at 500 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 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

a) 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 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.

b) 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.

Pricing Policy

	Commission from property owner ^{1/}	Auction service charge from bidder ^{1/}
Automobile ^{2/}	<u>For individual</u> no commission <u>For juristic entity</u> negotiable according to a contract.	<ul style="list-style-type: none">• Over 6-wheels vehicle = 10,000 Baht/car• Car = 8,000 Baht/car• Car with opening price lower or equal to 10,000 Baht/car = 4,000 Baht (VAT not included)
Motorcycle ^{3/}	<u>For individual</u> no commission <u>For juristic entity</u> negotiable according to a contract.	1,500 Baht/motorcycle (VAT not included)



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. Since July 1st, 2014, the Company categorized 3 types of customers for automobiles based on the bidder card number in order to provide privileges for the current customers. Since July 1st, 2014, 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 (except for top 10 customers)	On time	On time
Privileges	Card no. 8	Card no. 7	Card no. 6
1. Card deposit	No deposit required		Full amount
2. Number of cars allowed for bidding	unlimited		payment (in
3. Payment to take car out on auction	No payment needed	Full amount payment (in cash, transfer, credit card, cashier cheque, bill of exchange)	cheque within 3 days after the bidding or 2 days for bidding in upcountry)



Overview of the Company's Business in 2014

In 2014, Union Auction Public Company Limited's business had the big and significant growth. The continuous growth since the first quarter of the year came from the trust of business partners and leading financial institutions in Thailand who continuously provided cars for auction to the Company. 90% of major customers buying cars from the Company are medium to large second-handed cars dealers from all over the country. Another key of success is to have car storage and auction facilities in every region of the country. These factors provide business support to the Company's business partners in every province in Thailand.

There were about 100,000 cars and motorcycles joining the auction of Union Auction Public Co., Ltd. in 2014. The succession rate is 60% which is the continuous growth. It results in the increasing income and profits of the Company, which is higher than the estimate in every quarter of 2014. Almost every leading financial institution in the country continuously provided cars for auction to the Company. Many car rental companies also trusted the Company to conduct the auction for their rental cars. The trend continues to grow. The Company also gain trust from many governmental organizations and state enterprises, such as The Customs Department, PTT Public Company Limited, etc.

Union Auction Public Co., Ltd. has very low operating costs compared to the income. The Company does not focus on the increase in number of employees but rather on their quality. The Company supports the employees with the opportunities to work on many areas for their self-development and the organization development. It makes them own the expertise in auction and receive trust from customers. The efficient management of car storage is another factor that makes the Company gain trust from business partners and resulting in the business growth over all regions. In the previous year, the Company opened the new branches in Chiangmai, Ubonratchathani, Udonrthani, Nakorn Ratchasima and Suratthani to cover the major cities of all regions over the country.

The additional round of auction is another key success factor of the Company's growing income. The objective is the provide convenience to the key customers buying cars from the Company since they have businesses in different regions all over the country. The branch expansion in the big cities of each region makes Union Auction Public Co., Ltd. number one market shares owner among all auction business companies in Thailand.



Union Auction Public Co., Ltd.'s Business Direction in 2015

The Company's business direction in 2015 focuses on the innovative development and services to its partners and the convenience provided to customers. The organization itself focuses on the internal development. Comments are taken into account for service improvement to create the highest satisfaction to the Company's partners and customers.

There are some projects being continued from 2014, e.g. branch expansion to cover key areas in the country, especially in the main cities of each region. This is to increase the efficiency in providing convenience to financial institutions and the Company's partners who take automobiles to the Company's for auction.

The 2015 development of Information System is another direction that the Company aims to finish within this year. The Company's E-Auction is every efficient and supports the auction business very well. When the whole system is complete, it is believed that the E-Auction of the Company will be very well-known in the industry.

Moreover, customers from private sectors have full trust in the Company and been joining its auction. Other than that are many organizations in government sectors. This is due to the Company's reputation in transparency and auditability. In 2015, the Company will continue the development to gain trust in auction business from customers and government sectors.



Revenue Structure

The company's revenue structure as of December 31 for the year 2012 - 2014 is as followed:

	2012		2013		2014	
	Mio Baht	%	Mio Baht	%	Mio Baht	%
<u>Revenue from auction services</u>						
Automobiles						
- Property owners	31.95	9.07	42.90	9.04	66.60	9.23
- Bidders	224.68	63.78	307.12	64.69	495.28	68.65
Total	256.64	72.85	350.02	73.72	561.88	77.88
Motorcycles						
- Property owners	8.26	2.34	8.30	1.75	9.93	1.38
- Bidders	40.27	11.43	49.45	10.42	50.11	6.95
Total	48.53	13.78	57.75	12.16	60.04	8.32
Other goods						
- Property owners	-	-	-	-	-	-
- Bidders	0.41	0.12	0.13	0.03	-	-
Total	0.41	0.12	0.13	0.03	-	-
Total Revenue from auction services						
- Property owners	40.21	11.41	51.20	10.78	76.53	10.61
- Bidders	265.37	75.33	356.70	75.13	545.39	75.59
Total	305.58	86.75	407.90	85.92	621.92	86.20
Revenue from other services	34.76	9.87	59.06	12.44	87.95	12.19
Revenue from sales	5.93	1.68	0.30	0.06	-	-
Total revenue from sales and services	346.26	98.30	467.26	98.42	709.87	98.39
Other revenue	6.00	1.70	7.51	1.58	11.60	1.61
Total revenue	352.26	100.00	474.77	100.00	721.47	100.00



Overview of the Industry

Automobile industry went through a highly competitive market of 2014. Domestic cars tend to be more energy- saving and conveniently-compact, to cope with the increasing cost-conscious demands of customers and challenging situation of urban parking.

Thailand automobile industry has entered the transitional stage in technology to offer more eco-and-environment friendly driving cars to meet different demands and specifications of many consumer targets. The demand for leading branded cars is still predominant while cars originally manufactured for commercial use such as pick-up sedans becomes of an increasing demand for householders.

Throughout 2014, total new car sales in Thailand were 859,000 cars. The number significantly dropped, compared to the year 2013 with that of 1.3 million cars; this is mainly caused by the growth of used-car industry.

Non-stopping car manufacturing has made an influx to the market of the last quarter in 2014, stocking up on the unsold models, both queuing for release. Many new models were released while the old models were not sold out yet. This situation is unprecedented in Thailand industry. It is predicting a tight market of this following year; yet indicating that consumers have alternative supplies to enjoy.

Competitive Automobile Market

Automobile industry in 2014 was highly competitive particularly in the first half year. Car manufacturers, new and old, actively launched many different attractive promotions and campaigns to win consumers. Discounts, offers and all types of bargain came with plentiful arrays of new models trying to secure competitive market segments of the year, truly in favor of customers.

Constantly stacking up new releases has created a need to boost sales at a discount of old models in stock. Many big automobile companies were in such situation. Motor shows came in series, in March, then November of 2014 where every make of car was on display waiting for purchase.

Also, used cars, almost a half lower in price, were at competitive edge of the market. Two to three years old used vehicles cost about only a half of new cars, very attractive to buyers on budget or with secondary demand for newness rather looking for functions.

The first quarter of 2014 went stable for used-car business owners, having been over the crisis of 2013 especially near the year end where down pricing was quite an issue. Many businesses went down. Not until early 2014 did used-car traders make their way back in the business, given a relatively stable situation in pricing and demand, and become the options for consumers.



Social Responsibilities

Union Auction Public Co., Ltd. has the policy to conduct business with social and environmental responsibility for the sustainability of the business and overall society as follows:

1. Business Fairness

1.1 Fairness in business competition

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

1.2 Fairness to trade counterparts

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

2. Human rights respect

2.1 Human rights respect for internal corporate

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

2.2 Human rights respect for external corporate

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



3. Fair Treatment to Employees

3.1 Equal employment

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

3.2 Convenience and safety in the work place

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

3.3 Career Path

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

4. Responsibility for Consumers

4.1 Safety for trade counterparts

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

4.2 Product information

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



5. Environment Conservation

5.1 Resource conservation for sustainability

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

5.2 Pollution Prevention

The Company intends to conserve the environment and prevent the pollution around the company by watering the vehicle storage facilities and the streets within the Company's area in order 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.

7. The Innovation derived from the social, environmental and stakeholders' responsibility

7.1 Innovation of E-Auction

The Company has set up the e-auction system which is the modern auction system that provides convenience to the bidders. They do not have to travel to the Company's office but can participate in the auctions from anywhere. This helps reduce the pollution impact on environment



and expenses to a certain extent. The Company also intends to further develop this type of auction system and make it more proliferated in the future.

The Company has invested in the development of the vehicle's engine and body inspection system in order to ensure that every vehicle participating in the auction can be in function effectively and help reduce the pollution.

7.2 Business expertise appliance to social organizations

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

Corporate Social and Environmental Responsibility Activities in 2014

As the Company aims to develop the sustainable growth of the organization along with the business, it focuses on the quality of life improvement of people in the society. The Company continuously created activities to support and develop the community. In 2014, the Company and its customers did the fund raising activity for the education support on 30th August 2014,. All income, without expense reduction, at the amount of 20,424 baht was donated to Surao Ladprao School, Wang Thonglang District, for the school development.



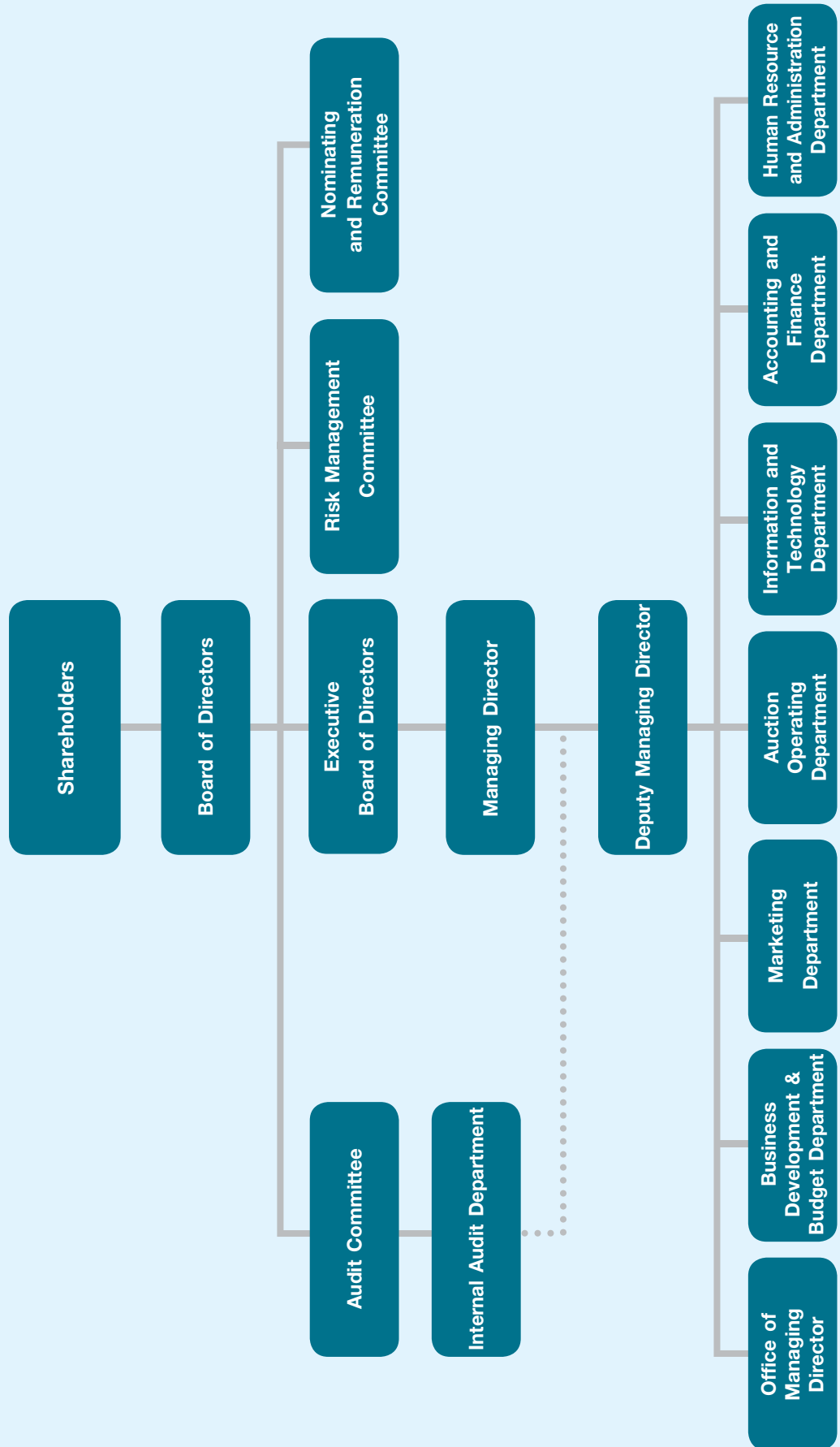


The Company and Wang Thonglang District Office joined the public walk way cleaning activity in the neighborhood area of Union Auction Plc. for the community development support on 5th December 2014. The Company also gave 20,000 baht to the District Office for its further development.



Union Auction Public Company Limited

Organization Structure





Shareholders and Management Structure

Union Auction Public Company Limited

As of January 15, 2015, the top 10 major shareholders of the Company are as follows:

No.	Shareholder name		No. of shares	% of capital
1.	Sila Family			
	Mr. Thepthai	Sila	94,820,000	17.24
	Mr. Pakphoom	Sila	59,110,000	10.75
	Mr. Vatunyoo	Sila	58,000,000	10.54
	Mr. Varunyoo	Sila	48,000,000	8.73
	Miss Thidararat	Sila	33,590,000	6.11
	Mrs. Wipha	Sila	13,600,000	2.47
	Mrs. Pannee	Sila	250,000	0.04
	Miss Pacharamon	Sila	100,000	0.02
	Miss Rungkarn	Sila	1,900	0.00
	Total shares of Sila family		307,471,900	55.90
2.	Sareewiwatthana Family			
	Mrs. Waranee	Sareewiwatthana	16,800,000	3.05
	Miss Pitchsinee	Sareewiwatthana	14,800,000	2.69
	Miss Pimsiri	Sareewiwatthana	14,000,000	2.55
	Mr. Paiboon	Sareewiwatthana	500,000	0.09
	Total shares of Sareewiwatthana family		46,100,000	8.38
3.	Pinrat Family			
	Mr. Suthai	Pinrat	18,200,000	3.31
	Mr. Natthawat	Pinrat	5,290,000	0.96
	Total shares of Pinrat family		23,490,000	4.27
4.	Mr. Pracha	Dumrongsuthipong	21,344,100	3.88
5.	Yoadjarust Family			
	Mr. Suvit	Yoadjarust	6,388,800	1.16
	Mr. Nutthavut	Yoadjarust	4,650,000	0.85
	Miss Nutthida	Yoadjarust	1,555,000	0.28
	Total shares of Yoadjarust family		12,593,800	2.29
6.	Mr. Suthipong	Vesvarut	10,134,000	1.84
7.	Mr. Vichaya	Mecha-apirak	8,520,000	1.55
8.	Mr. Natthachai	Ratanthammawong	7,690,000	1.40
9.	Mrs. Sanlaya	Jarujinda	5,871,300	1.07
10.	Miss Saowaluk	Chaidechsuriya	5,158,700	0.94
11.	Minor shareholders		101,626,200	18.48
	Total		550,000,000	100.00



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, Executive Board and Risk Management Committee.

Board of Directors

Board of Directors consists of 8 persons as of December 31, 2014 as follows:

Full name		Position
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana ^{/1}		Chairman of Board of Directors
2. Mr. Suvit Yoadjarust		Chairman of Executive Board / Director
3. Mr. Thepthai Sila ^{/2}		Vice Chairman of BOD/ Managing Director
4. Assoc. Prof. Dr.Saowanee Thairungroj		Chairman of Audit Committee / Independent Director
5. Assoc. Prof. Dr.Montri Sokatyanurak		Audit Director / Independent Director
6. Mr. Sarawut Jarujinda		Audit Director / Independent Director
7. Mr. Varunyoo Sila		Director / Deputy Managing Director
8. Mr. Sompong Sirikayon		Director

Miss Ampaporn Lakruangsup is the Company Secretary.

Note: ^{1/} Assoc. Prof. Dr. Paiboon Sareewiwatthana was appointed to be the Nomination and Remuneration Director from BOD meeting of 7/2557 on November 11, 2014, effective from November 12, 2014.

^{2/} Mr. Thepthai Sila resigned from the Nomination and Remuneration Director since November 12, 2014.

^{3/} Mr. Varunyoo Sila was appointed to be Deputy Managing Director from BOD meeting of 40/2557 on October 6, 2014, effective from October 1, 2014.

Authorized Directors on behalf of the Company

As of December 31, 2014, 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 or Mr. Sompong Sirikayon, total in 2 persons with the Company's seal affixed.

Scope of duties and responsibilities of Board of Directors

1. Establish business vision, business direction, business administration to align with the law, the objectives, Articles of Association and resolutions of shareholders to bring the best benefits to shareholders and business value.
2. Consider and approve the policy, strategy, financial objective, business plan, budget and human resource development of the Company. Also ensure on the operations efficiency according to the plan, budget and resource deployment of the Company.



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

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

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



Audit Committee

As of December 31, 2014, the Company's Audit Committee consists of 3 directors as follows:

Full name	Position
1. Assoc. Prof. Dr. Saowanee Thairungroj	Chairman of Audit Committee
2. Assoc. Prof. Dr. Montri Sokatiyanurak	Audit Director
3. Mr. Sarawut Jarujinda ^{1/}	Audit Director

Note: ^{1/} He is the audit committee with knowledge and experiences in financial statement audit of the Company. He graduated his Bachelor Degree in Accounting from Chulalongkorn University and MBA-Finance from University of Mississippi, USA. He currently holds the position of Chairman of Debt Management, Executive Director, Risk Management Director and Credit Director for key customers and Property for Sales of Kiatnakin Bank Public Co., Ltd.

Miss Sucharat Jueng 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 asset's maintenance and ensure its physical existence.
8. Assess the effectiveness of the Company's resources deployment.
9. Specify the scope of work of the internal audit, provide the comments on the annual audit plan and evaluate the audit result of the internal auditor.
10. Appoint the external advisor for the advice and assistance in the audit process.
11. Approve the designation, relocation, dismissal and set the remuneration of the internal audit directors.
12. Perform any other tasks assigned by the Board of Directors.



The Nomination and Remuneration Committee

As of December 31, 2014, the Company's Nomination and Remuneration Committee consists of 3 directors as follows:

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

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

Scope of duties and responsibilities of the Nomination and Remuneration Committee

1. Set the criteria or procedures to nominate the Directors or Managing Director to propose to the Board of Directors with transparency.
2. Specify the qualification of the replaced directors in order to meet the requirement of related regulations and law and also specify the procedures to propose the qualified candidates with full support tom 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. Board of Directors also requires the Nomination and Remuneration Committee to have meetings at least twice a year.



Executive Board

As of December 31, 2014, the Company's Executive Board consists of 5 directors as follows:

Full name		Position
1. Mr. Suvit	Yoadjarus	Chairman of Board of Directors
2. Mr. Thepthai	Sila	Executive Director
3. Mr. Varunyoo	Sila	Executive Director
4. Miss Saowaluck	Chaidejsuriya	Executive Director
5. Mr. Sompong	Sirikayon	Executive Director

Scope of duties and responsibilities of the Executive Board

1. Identify the strategy, policy, financial objective, business plan, budget, human resource development and executive power for Board of Directors' approval.
2. Follow up and review the operations, plans, budget, and human resource development to ensure the efficiency and the alignment with the policy and plan.
3. Identify the standard business administration system, human resource development system, financial system, information system and corporate structure.
4. Provide the policy, advice and suggestion to Managing Director for the important decision making issues.
5. Screen, support and manage the risks of the Company as follows:
 - Support the risk management policy to ensure it is implemented all over the company.
 - Review the policy, framework, strategies, plans and risk management guideline and propose to the Risk Management Committee for approval.
 - Manage the risk according to the policy, framework, strategies, and plans as assigned by Risk Management Committee and review risk management guideline regularly.
 - 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 within 10 million baht as assigned by the Board of Directors. The scope of approval includes the advanced budget or



expenses, contingent liabilities/ aval/ guarantee, the working plan/ budgeting/ procurement of products and services for sales promotion, and the procurement and maintenance of assets.

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

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

Risk Management Committee

As of December 31, 2014, the Company's Risk Management Committee consists of 4 directors as follows:

Full name		Position
1. Assoc. Prof. Dr. Paiboon	Sareewiwatthana	Chairman of Risk Management Committee
2. Mr. Suvit	Yoadjarus	Risk Management Director
3. Mr. Thepthai	Sila	Risk Management Director
4. Mr. Varunyoo	Sila	Risk Management 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. Monitor the risk indicating and risk assessment process.
7. Assess the risks and approve the risk management plans.
8. Report the risks and the plans to manage them to the Board of Directors.
9. Perform any other tasks assigned by the Board of Directors.



Executives

As of February 1, 2014, the Company's Executives are as follows:

Full name	Position
1. Mr. Suvit Yoadjarus	Chairman of Board of Directors
2. Mr. Thepthai Sila	Managing Director
3. Mr. Varunyoo Sila ^{/1}	Deputy Managing Director
4. Mr. Buranit Yuktanantana ^{/2}	Assistant Managing Director, Office of Managing Director
5. Mr. Kriangsak Dhammaraksa ^{/2}	Assistant Managing Director - Information and Technology Department
6. Miss Yajai Tongpool ^{/3}	Acting Deputy Managing Director - Accounting - Finance Department
7. Mr. Somchai Udommongkolkul ^{/2}	Assistant Managing Director - Human Resources and Administration Department

Note: ^{/1} Mr. Varunyoo Sila was appointed to Deputy Managing Director from the Board meeting of 40/2557 on October 6, 2014, effective from October 1, 2014.

^{/2} Mr. Buranit Yuktanantana, Mr. Kriangsak Dhammaraksa, Mr. Somchai Udommongkolkul were appointed to Assistant Managing Directors from the Board meeting of 3/2558 on January 19, 2015, effective from February 1, 2015.

^{/3} Miss Yajai Tongpool was appointed to Acting Deputy Managing Director from the Board meeting of 3/2558 on January 19, 2015, effective from February 1, 2015.

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 within 2 million baht 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.

Nomination of Directors and Executives

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.

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.



Remuneration of Directors and Executive

(a) Remuneration in cash

Directors

The annual general meeting 2014 on April 22, 2014 had resolution of remuneration for directors and executives. The remuneration of Board of Directors is as follows:

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

The annual bonus for the board and audit committee shall be considered based on the company's performance in 2013, in total 1.175 million baht. The executive directors shall not receive any bonus for the director position.

In 2014, the Company held Board of Directors and Audit Committee meetings and the remuneration is as follows:

Name	Position	Remuneration ^{/6} (baht)	
		Director	Audit Director
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana	Chairman of Board	780,000	-
2. Mr. Thepthai Sila	Vice Chairman / Managing Director	-	-
3. Assoc. Prof. Dr. Saowanee Thairungroj	Chairman of Audit Committee	-	670,000
4. Assoc. Prof. Dr. Montri Sokatiyanurak	Audit Director	-	560,000
5. Mr. Sarawut Jarujinda	Audit Director	-	560,000
6. Mr. Suvit Yoadjarus	Director / Chairman of Executive Board of Directors	-	-
7. Mr. Varunyoo Sila	Director	470,000	-
8. Mr. Sompong Sirikayon	Director	385,000	-

Note: Remuneration of Directors include monthly and annual remuneration.



Executives

As of December 31, 2014, the Company has 8 executives. The remuneration for the executives are paid in form of salary, social security, provident fund, life insurance, bonus and other welfare, totaling 21.41 million baht in 2014.

b) Remuneration in other than cash

-none-



Table of Authorities

As of December 31, 2014

	Board of Directors	Executive Board	Managing Director	Deputy Managing Director	Assistant Managing Director
1. Investment in fixed assets	Over 50 MB	Not over 50 MB	Not over 2 MB	Not over 30,000 MB	----
2. Financial transaction					
- Loan from financial institutions	Not over 50 MB	Not over 50 MB	Not over 2 MB	----	----
- Advance payment and fixed expenses	Over 50 MB	Not over 50 MB	Not over 2 MB	Not over 300,000 MB	Not over 30,000 MB
3. Accounting transactions					
- Selling fixed assets	Over 10 MB	Not over 10 MB	Not over 1 MB	----	----
- Entertaining customers	----	----	Over 8,000 baht	Not over 8,000 baht	Not over 4,000 baht
- Donation	----	----	Over 5,000 baht	Not over 5,000 baht	Not over 2,000 baht
4. Legal transaction					
- Obligation, aval, guarantee	Over 50 MB	Not over 50 MB	Not over 2 MB	----	----
- Prosecution, case withdrawal, reorganization	----	Over 1 MB	Not over 1 MB	----	----
5. Marketing transaction					
- Approval for promotional items or services	Over 5 MB	Not over 5 MB	Not over 2 MB	Not over 30,000 MB	----
- Credit limits approval for customers	----	Over 5 MB	Not over 5 MB	----	----



Record of attendance in committee's meetings in 2014

(January 1 - December 31, 2014)

Name	Committees				
	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee	Nomination & Remuneration Committee
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana	8/8	-	-	4/4	-
2. Mr. Suvit Yoadjarust	8/8	45/51	-	4/4	-
3. Mr. Thepthai Sila	8/8	46/51	-	4/4	3/3
4. Assoc. Prof. Dr. Saowanee Thairungroj	8/8	-	4/4	-	3/3
5. Assoc. Prof. Dr. Montri Sokatiyanurak	8/8	-	4/4	-	3/3
6. Mr. Sarawut Jarujinda	8/8	-	4/4	-	-
7. Mr. Varunyoo Sila	8/8	47/51	-	4/4	-
8. Mr. Sompong Sirikayon	8/8	50/51	-	-	-
9. Miss Saowaluk Chaidechsuriya	-	48/51	-	-	-



Common shares held by Directors

Name	Position	At Dec.31, 2014	At Dec.31, 2013	Increase (Decrease)
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana ^{/1}	Chairman	17,300,000	16,800,000	500,000
2. Mr. Suvit Yoadjarust	Director / Chairman of Executive Committee	6,388,800	3,400,000	2,988,800
3. Mr. Thepthai Sila ^{/2}	Managing Director	107,470,000	71,600,000	35,870,000
4. Assoc. Prof. Dr.Saowanee Thairungroj	Chairman of Audit and Independent Director	-	-	-
5. Assoc. Prof. Dr. Montri Sokatyanurak	Audit Director and Independent Director	-	-	-
6. Mr. Sarawut Jarujinda	Audit Director and Independent Director	-	-	-
7. Mr. Varunyoo Sila	Director / Deputy Managing Director	48,000,000	58,000,000	(10,000,000)
8. Mr. Sompong Sirikayon	Director	37,000	10,000	27,000

Note: ^{/1} includes spouse's 16,800,000 shares

^{/2} Includes spouse's 13,600,000 shares

Dividend Policy

The Company has dividend policy of paying not less than 40% of net profit according to its financial statements after deduction of corporate income tax, legal reserve and other reserves. However, the Company may consider paying dividend less than the specified rate, regarding to the necessity of working capital for business operation, business expansion and other factors related to the Company's management.

The resolution of the Board of Directors which is to approve the dividend payment will have to be proposed for the approval of the shareholder meeting except for the interim dividend that the BOD can approve by themselves and report to the next shareholder meeting.



Personnel

Number of employees (excluding executives)

As of December 31, 2014, the Company has 260 employees (excluding executives) in the following departments:

Department	No. of employees (persons)		
	As of December 2012	As of December 2013	As of December 2014
General management	33	26	18
Public relation	6	5	3
Marketing	38	32	36
Accounting - Finance	25	28	25
Operation and vehicle stock	82	60	118
Human resource and administration	12	13	19
Information system	7	6	9
Audit	9	8	8
Security	14	12	12
Registration	12	12	12
Total	238	202	260

Employee Remuneration

The employee remuneration of the Company (excluding the executives) in 2014 is 82.26 million baht in total and is paid in the form on salary, social security, provident fund, life insurance, bonus and other welfare.

Labor Disputes in the past 3 years

There is no labor dispute in the past 3 years.

Human Resource Development Policy

Union Auction Public Co., Ltd. has the policy of human resource development and sees the importance of personnel as the key driver for the Company's growth and operation efficiency. If the Company's staff does not have enough knowledge and skills in his/her expertise career or lack of development, (s)he could cause the problems and bad impact on the organization. Thus, the Company sets the policy of human resource development in many areas to improve its people's potential to drive the Company's to the future.



Training programs for employees

There were 19 training programs for employees in 2014:

1. New employee orientation 1/2014
2. Service mind technique 1/2014
3. Fundamental knowledge of the Company's auction business
4. Effective communication (theory & workshop) 1/2014
5. Tasks of upcountry staff 2014
6. Service mind technique 2/2014
7. New employee orientation 2/2014
8. English training 2014
9. Prevention and Firefighting: Fire Drill 2014
10. Teamwork (theory & activity) 1/2014
11. Service mind technique 3/2014
12. First Aid 2014
13. New employee orientation 3/2014
14. Effective communication (theory & workshop) 2/2014
15. How to assess the automobile condition and price estimate
16. Service mind technique 4/2014
17. Teamwork (theory & activity) 2/2014
18. Ethics and Morality Training
19. "Decision Making" Training Program 1/2014



The Directors, Executives, Authorized Persons and the Corporate Secretary

Name and Position	Age (yrs.)	Education	No. of shares* (%)	Relationship in the management team	5 years working experiences			
					Period	Position	Department/ Company	Type of Business
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana - Chairman of the Board - Chairman of Risk Management Committee - Nomination & Remuneration Director - Director	60	Doctoral Degree, University of Mississippi, USA Major in Finance, University of Mississippi, USA MBA (Honor) from NIDA Bachelor Degree of Engineering, Chulalongkorn University Training course of DCP 12/2001, RPM 3/2014 Thai Institute of Directors	3.14	-none-	2012 - Present 2011 - 2012 2013 - Present 2012 - Present 2002 - Present 2001 - Present 1984 - Present 1988 - Present 1993 - Present	Chairman Audit Committee Chairman of the Board Chairman Chairman of Audit Committee / Independent Director Audit Committee / Independent Director Assoc. Prof. level 9 Committee Committee	Union Auction Plc. Union Auction Plc. Thai Packaging Industry PCL Universal Absorbent & Chemical Plc. Maybank Kim Eng (Thailand) Plc. Team Presentation Plc. NIDA BRCS Co., Ltd. B&P Services Co., Ltd.	Auction services Auction services Packaging Chemical products Securities Manufacturer of electronics supply Educational Institute Marketing Consultant Property leasing
2. Assoc. Prof. Dr. Sauwanee Thairungroj - Chairman of Audit Committee - Vice Chairman of Nomination and Remuneration Committee - Independent Director	56	Doctoral Degree in Economics, Washington State University, USA Master Degree from NIDA Bachelor Degree of Economics, Thammasart University Training course of DCP 21/2002 Thai Institute of Directors	-none-	-none-	2011 - Present 2012 - Present 2012 - Apr. 2014 2011 - Oct. 2014	Chairman of Audit Committee / Independent Director / Remuneration Committee President Independent Director Committee of Financial Institution Policy	Union Auction Plc. University of Thai Chamber of Commerce Kaset Thai Sugar Industry Plc. Bank of Thailand	Auction services Educational Institute Manufacturer of sugar Financial Institution

Name and Position	Age (yrs.)	Education	No. of shares* (%)	Relationship in the management team	5 years working experiences			
					Period	Position	Department/ Company	Type of Business
3. Assoc. Prof. Dr. Montri Sokatiyanurak - Audit Committee - Independent Director - Chairman of Nomination and Remuneration sub-committee	57	Doctoral Degree of Economics, University of Minnesota U.S.A. Master Degree of Economics, University of Minnesota U.S.A. Bachelor Degree of Economics, Thammasart University Training course of DAP 69/2008, Thai Institute of Directors	-none-	-none-	2013 - Present	Chairman of Board	Ocean Commerce Plc. Auction Plc.	Faucet manufacturer Auction services
					2011 - Present	Chairman of Audit Committee / Independent Director / Nomination & Remuneration Director		
					2012 - Present	Chairman of Audit Committee / Independent Director	East Coast Furnitech	Manufacturer and distributor of furniture
						Chairman of board		
					2010 - 2014 2010 - Present 2007 - Present	Director	S.P.C. Precious Metals Co., Ltd	Manufacturer and distributor of precious metals
						Director		
						Associate Dean		
					2008 - 2012	Chairman of Audit Committee / Independent Director	Siam Global Houses Plc.	Furniture Distributor
						Chairman of Audit Committee / Independent Director		
					2008 - 2010	Chairman of Audit Committee / Independent Director	Asian Green Energy Plc.	Import coal



Name and Position	Age (yrs.)	Education	No. of shares* (%)	Relationship in the management team	5 years working experiences			
					Period	Position	Department/ Company	Type of Business
4. Mr. Sarawut Jarujinda - Audit Committee - Independent Director	55	MBA – Finance University of Mississippi U.S.A. Bachelor Degree of Accounting (2 nd honor), Chulalongkorn University Training course of DCP 31/2003, Thai Institute of Directors	-none-	-none-	2012 - Present	Audit Committee / Independent Director	Union Auction Plc.	Auction services
					2013 - Present	Chairman of Audit Committee / Independent Director	Thai Packaging Industry PCL	Packaging
					2011 - Present	Managing Director	Erawan Law Office Co., Ltd.	Legal consulting
					2012 - Present	Deputy Managing Director	Kiatnakin Bank Plc. President of Business Loans Department	Financial Institution
					1999 - Present	Chairman of Debt Management Executive Director	Kiatnakin Bank Plc.	Financial Institution
5. Mr. Thepthai Sila ^{/2} - Director - Managing Director - Executive Director - Risk Management Committee	55	Bachelor Degree of Puplic Administration, Ramkhamhaeng University Training course of DAP 100/2013 RMP 3/2014, Thai Institute of Directors	19.71	Father of Mr. Varunyoo Sila	1991 - Present	Director / Managing Director / Executive Director / Risk Management Director	Union Auction Plc.	Auction services
					2010 - Present	Director	At 800 Co., Ltd.	Property Development
					2010 - Present	Director	Bliss Khao Kho Co., Ltd.	Property Development
					1998 - Present	Director	Sahakarn Holding Co., Ltd.	Property Development
					1993 - Present	Director	Khao Kho Highland Resort Co., Ltd.	Property Development



Name and Position	Age (yrs.)	Education	No. of shares* (%)	Relationship in the management team	5 years working experiences		
					Period	Position	Department/ Company Type of Business
6. Mr. Varunyoo Sila - Deputy Managing Director - Director - Executive Director - Risk Management sub-committee	31	MBA, Assumption University Bachelor of Communication Arts, Assumption University Training course of DCP 166/2012, Thai Institute of Directors	8.73	Son of Mr. Thepthai Sila	2014 – Present	Deputy Managing Director	Union Auction Plc. Auction services
					2012 – Present	Director / Executive Director / Risk Management Director	Union Auction Plc. Auction services
					2014 –Present	Director	Sahakarn Holdings Co., Ltd. Property Development
					2009 – Present	Director	Khao Kho Highland Resort Co., Ltd. Property Development
7. Mr. Suvit Yoadjarust - Director - Executive Director - Risk Management Director	59	Master of Marketing Communication Management, Suan Dusit Rajabhat University Training course of DAP 109/2014, RMP 3/2014, Thai Institute of Directors	1.16	-none-	2013 - Present	Director / Chairman of Executive Bord / Risk Management Committee	Union Auction Plc. Auction services
					2001 - Present	Managing Director	Quality Syndicate Co., Ltd. Distributor of Sauna Well
8. Mr. Sompong Sirikayon - Director - Executive Director	77	Bachelor of Law, Ramkhamhaeng University Training course of DAP 109/2014, Thai Institute of Directors	0.0067	-none-	2013 - Present	Director / Executive Director	Union Auction Plc. Auction services
					1996 - Present	Vice Chairman	Quality Syndicate Co., Ltd. Distributor of Sauna Well

Name and Position	Age (yrs.)	Education	No. of shares* (%)	Relationship in the management team	5 years working experiences			
					Period	Position	Department/ Company	Type of Business
9. Mr. Buranit Yuktanantana - Assistant Managing Director, Office of Managing Director	46	MBA, Southern New Hampshire University Bachelor of Business Administration, Assumption University	-none-	-none-	2015 - Present	Assistant Managing Director, Office of Managing Director Head of Office of Managing Director	Union Auction Plc. Union Auction Plc.	Auction services Auction services
10. Mr. Kriangsak Dhammaraksa - Assistant Managing Director, Information and Technology Department	42	Master of Science (Major in Information Technology Management) Songkhla Nakarin University	-none-	-none-	2014 - Present 2013 - Present	Assistant Managing Director, Information & Technology Department Department Head, IT	Union Auction Plc. Union Auction Plc.	Auction services Auction services
11. Mr. Somchai Udommongkolkul Assistant Managing Director, Human Resources and Administration Department	64	Master of Management and Innovation, King Mongkut's Institute of Technology Bachelor of Public Communication, Chulalongkorn University	-none-	-none-	2015 - Present 2000 - 2008	Assistant Managing Director, Human Resources and administration Department Managing Director	Union Auction Plc. Honda Motorcycle Logistics Company	Auction services Logistics & Motorcycles Management



Name and Position	Age (yrs.)	Education	No. of shares* (%)	Relationship in the management team	5 years working experiences			
					Period	Position	Department/ Company	Type of Business
12. Miss Yajai Tongpool Acting Assistant Managing Director - Accounting & Finance	47	Bachelor of Business Management (Management), Bangkok University	-none-	-none-	2015 - Present	Acting Assistant Managing Director - Accounting & Finance	Union Auction Plc.	Auction services
					1992 - 2014	Assistant Managing Director - Budget & Finance Department		
13. Miss Ampaporn Lakruangsap	54	Master of Business Administration - Finance, NIDA	-none-	-none-	2013 - Present	Corporate Secretary	Union Auction Plc.	Auction services
					2009 - 2011	Special Project Consultant	Getabec Co., Ltd.	Manufacturer of boiler and pressure vessel
					2007 - 2011	Investment Banking Manager	Adkinson Securities Plc.	Securities trading business

Note: * No. of shares as at the register book closing date, January 15, 2015.

^{/1} Include spouse's 16,800,000 shares

^{/2} include spouse's 13,600,000 shares



Internal Control

In the Board meeting of Union Auction Plc. 7/2557 on 11th November 2014 also attended by the Audit Committee, the Board of Directors evaluated the sufficiency of the Company's Internal Control system according to the SEC's internal control system assessment form. The information was provided from the management in 5 topics as follows:

- 1) Corporate and environment
- 2) Risk management
- 3) Operation control from executive team
- 4) Information system and Communications
- 5) Monitoring system

The Board of Directors had comments that the Company had sufficient internal control system. Every function had operated efficiently and been in compliance with the generally accepted accounting standard, SEC's Acts and SET's regulations by consistently reporting the financial statements on the quarterly and annually basis. The preparation and disclosure of the information in the financial statements were complete, correct, sufficient and timely. The internal control system was sufficient, efficient and was revised to be in line with the changing situation effectively, which in turn made the Company's business achieve the objectives and comply with the related law and regulations. There was no issue found on problems or deficiency significant enough to lead to damages to the Company's operations, internal control system on transactions with major shareholders, directors, executives or any concerned parties. The Company's assets were sufficiently and effectively protected from being abused by the executives or unauthorized persons. The Independent Directors and Audit Committee do not have different opinions from the Board of Directors. The Audit Committee shall also focus more on ensuring the Company's Good Corporate Governance.

The Company has set up the good management and internal control system. The executives supported the recognition of the need to have the internal control system, by setting up the practice of Good Corporate Governance and identifying roles and responsibilities, regulations and policies, executive and approval authority level in writing. The Company has also set up the Internal Control Committee that can work independently to monitor and evaluate the internal control. This committee, reporting directly to the Audit Committee, shall audit the operational system of all activities to ensure it achieves the overall objectives and goals of the Company. The Committee has found no significant deficiency in the internal control system. And the Board of Directors has found the internal control on other topics is sufficient as well.

The Company has appointed Multi Plus Consulting Co., Ltd. to be its Internal Audit agency to audit, evaluate and provide suggestions on the internal control system of the Company and monitor the follow up. The evaluation and result review is conducted regularly every quarter. The latest internal control audit based on the audit report on 17th November 2014 stated that the internal auditor conducted 5 complete audits according to the plan and had comment that there was no significant deficiency of the internal control system. The result was presented to the Audit Committee meeting of 4/2557 on 11th November 2014. The Audit Committee recognized the result and considered that there was no significant deficiency of the internal control system.



Environment Control

The Company set the environment of the good internal control to be as follows:

- The organization structure and reporting line must be clear and appropriate. The business objectives and Key Performance Indicators (KPI) must be used to evaluate the performance efficiency and to monitor the result against the company's objectives regularly. The guideline of authority exercise and the operational guideline of every system shall be written for the standard instruction.
- All executives and employees of the company shall be instilled for the good corporate governance. The policy of good corporate governance, business ethics, morals of directors, executives and employees is created in writing. The company supports all employees to have the conscious and regularly act accordingly by providing the training every year in order to emphasize on the transparent and justified action to all stakeholders.
- The value and organization culture are set to be align with the company's vision, mission and direction. The top executives commit to be the role model and communicate to employees via activities of the Company and the subsidiaries. They are included in the KPI.

Risk Management

The Company set the risk management policy and the Risk Management Committee (RMC) to control, evaluate, examine, review and monitor the problem solving and risk management to be in line with the objectives in order to reduce and prevent the risks in the aspects of strategy, operation, finance, rule and regulation and safety. The results shall be reported to the RMC every quarter and to the Board of Directors every year. The risk factors that can affect the company are also reviewed every year.

Management Control

The Company clearly separated the roles and responsibilities of each position. The authority exercise and operational procedure guideline is reviewed to be align with the organization structure and current operation. Each position can balance the power and check back the issues in doubt. The performance review process is regularly reviewed on its compliance with the rules, regulations, authority exercise guideline and operational guideline. All is done for the confidence that the operation gets sufficient and appropriate internal control and efficiency.



Information System and Communication

Realizing the significance of the Information System and Communication, the Company continuously supports the Information System development to get the accurate and up to date information. The Company has implemented the modern and efficient Information Technology (IT) System to get the accurate, adequate and timely information that the management, executives and stakeholders can use for business decision making. The Company also set the IT security policy, information usage and the intranet system to internally communicate the policy, rule, order, authority exercise guideline, operational guideline and messages to all over the organization. The Secretary of the company is assigned to be in charge for the information arrangement and documents for the meetings preparation, including taking notes on comments and meeting resolutions in the minutes of every BOD meeting.

Monitoring and Evaluation System

The Board of Directors set the internal control system that covers all functions, such as Accounting and Finance, Operations, Law / Rules Compliance and Asset Control. BOD assigned the Audit Committee to be in charge for the internal control system auditing via the internal audit to ensure the findings from the audit can be resolved correctly in time. Moreover, the internal audit of Accounting and Finance is conducted by the certified auditor and the result is presented to Audit Committee regularly every quarter and every year. There was no finding on significant deficiency from such audit.

Internal Audit

The Company has the policy to outsource the internal control auditor to audit and evaluate the Company's internal control system and to propose to the Audit Committee and the Board of Directors. The Company has appointed Multi Plus Consulting Co., Ltd. to be its internal audit agency since 2010 to review, evaluate and provide suggestions on the internal control system in various areas. The internal control system has been improved and more efficient.



Related Party Transactions

In the year 2014, the company has significant transactions with related parties, who may have conflict of interest, in terms of management remuneration mainly comprised salary and bonus for management and directors as follows:

	2013 Baht	2014 Baht
Salaries and other short-term benefits	13,429,934	24,837,600
Retirement benefits	566,787	1,011,756
	13,996,721	25,849,356

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.



Legal Disputes

As of December 31, 2014, the Company did not have any legal disputes that can have significant negative effect on its business and its properties which accounted for over 5% of shareholders'.

Obligation to issue debenture in the future

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

Information about debenture or bill

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



Risk Factors and Risk Management

The risk factors that could have significant effect on the operations, financial status and return on investment in common shares of the Company can be as follows:

1. Risk from reliance on property owners as a source of auction items

The Company has primarily procured automobiles and motorcycles for auction and they have made 88% of the company's total income for the past three years. In 2013 and 2014, the Company obtained most automobiles and motorcycles from juristic entity owners which mostly are financial institutions that have extended leasing facilities and put the vehicles seized from their defaulting customers up for auction. They are Thanachart Bank Public Company Limited, TISCO Bank Public Company Limited and Ayutthaya Capital Auto Lease Company Limited, for instance. The number of vehicles offered by the top three owners made up 61% and 59% of the Company's total procurement in 2013 and 2014, with a particular leasing company owning about 32%-33% of all items procured by the Company in such period. Those owners are among the top four predominants in the industry which have policy not to do the auction of their seized automobiles and motorcycles for their business transparency. However, the Company could be exposed to risk in the event that those owners conduct a vehicle auction business by themselves or offer the vehicles to other auction houses, thus potentially hurting the Company's business operation.

However, the Company's management believes that the above is less likely to happen because those financial institutions who are major customers have a policy to heavily focus on their core activities and to embrace transparency of auction. Conducting the auction themselves would only turn them into leaser and auctioneer in one which possibly causes dispute with their customers who demand transparency of practice. Regarding the risk in their shifting to other auction houses, the Company is confident that its competitive edge accumulated through over 20 years of experience in this business plus its good service should provide a solid base for retaining massive customers with longstanding trust and business relationship with the Company. Also provided are over 20 vehicle storage areas across the country and free pre-auction check-up service at the headquarters and the Rangsit Branch. The Company also guarantees on the refund within 24 hours after the auction if the buyers do not receive the properties as specified. These create the trust in the Company's management and certainly make a barrier for new players and competitors.

In addition, the Company plans to increase procurement from businesses and individuals by enforcing marketing channels and strategies such as sales promotions, auction fees reduction, fees waivers in case of failure in bidding, and providing pre-auction expert consultancy on appraisal. These strategies are to be adjusting to the ever changing competitive market. By doing so, the Company relies less on those leasing companies and can expand the individual customer base.



2. Risk from flooding

In view of the late-2011 flood crisis in many areas of Northern region, Central region and Bangkok and its vicinity, the Company was directly affected from the risk of the flood swamping its auction locations and vehicle storage sites and damaging the stocked vehicles while being indirectly affected from the risk of a decline in number of participating bidders, given inefficient management.

The Company has devised preventive measures against floods by acquiring new locations that are above flood level in certain areas and new storage facilities for stocking vehicles at more than 23 locations in all parts of the country in case any areas are flooded in the future. At the headquarters, Safety Zone is assigned in emergency by putting up 2-meter soil shielding lines on a 3-rai plot of line and those 1.5-meter high on another 6-rai. In 2013, an additional 3-meter high shield was put up on a greater 14-rai area. Also given was an insurance of structures, vehicles and furniture in the headquarters area as well as 23 storage and maintenance sites across the country. Achieving the above, the Company claimed to be satisfactory in risk management. To date, it has faced no impact from the previous flood.

3. Risk from fires

The Company sees the importance of the fires damages and has prepared the plans to prevent and handle such issues by inspecting the buildings, places and electricity systems regularly. The training of fire prevention, fire-fighting and fire drills are provided to employees. The equipment is also prepared and set to cover the areas in order to minimize the risk as possible. The Company also plans for the worst scenario by buying fire insurance that protects customers' properties with the sum insured not less than the properties' value in order to build confidence to customers. The Company, nonetheless, never has any fires so far.

4. Risk from properties becoming damaged while under the Company's possession

As set forth in the agreements between the Company and financial institutions, the Company shall take care of the pre-auction vehicles. Before auctions, the seized vehicles are stored at the Company's storage facilities, for 1 - 45 days for automobiles and 1 - 15 days for motorcycles. The Company shall also be responsible for moving those vehicles to the auction venues. This could create a possible risk of the company being held liable for any damage or loss of such vehicles while under its supervision.

To safeguard against possible loss arising from accidents or damages to the vehicles while under the Company's possession, the Company has installed surveillance cameras at the storage sites, implemented a strict access control, provided security guarding, and taken out a 615 million -baht insurance covering Bangkok and its vicinity and a 1,791 million baht policy to cover provincial areas. To



prevent unnecessary damage during transportation, the Company requires that the contractors hired to transport the vehicles provide an insurance against damage on mobile, covering full liability of the contractors and the sub-contractors. Through these measures, the Company is confident to be able to reduce a risk of loss or damage to the vehicles to some extent. Evidently, the past three years have seen no case of damage as such.

5. Risk from credit terms granted to buyers

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

Criteria	Deposit	Payment	Full payment to take cars out
Card no. 8	None	None	none
Card no. 7	None	None	Pay in cash, transfer, cashier cheque, draft
Card no. 6	None	None	Pay in cheque
Card no. 5	Need to pay	Need to pay	Pay in cash, transfer, cashier cheque, draft
Card no. 1 (old auction customers)	Need to pay	Need to pay	Pay in cash, transfer, cashier cheque, draft
Card no. 9 (first time auction customers can bid for 1 item per card)	Need to pay	Need to pay	Pay in cash, transfer, cashier cheque, draft

Source: The Company

^{1/} The auction at Head Office, Rangsit and Putthamonthol sai 2 is subject to payment no later than 4 working days after the auction.

^{2/} Mobile auction is subject to payment no later than 3 working days after the auction.

^{3/} Customers paying by advanced pay cheque is subject to payment no later than 2 working day after the auction.

The Company is fully aware of such a risk and attempts to mitigate it. As a basis for considering granting the privileges to bidders, to be used for analysis purpose are statistical records of bidders with respect to their transaction volume, characteristics, consistency of contact with the Company, and payment records with no default history. Besides, the Company will withhold the vehicle registration books and will not deliver them to buyers until a full payment has been made. This should prevent a risk of undesirable reselling or retransferring the vehicles. Since some of the bidders also offer their vehicles for auction with the Company, the Company can confiscate those vehicles as 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 review credit for bidders every year without increasing credit limits. Bidders' credit is regularly reviewed for revision.

6. Risk from the group of major shareholders having a control power

As of January 15, 2015, the Sila Family is the Company's major shareholder owning 307.47 million shares equaling 55.90 % of the 550 million shares of registered and paid-up capital (with the registered par value at 0.25 Baht), which is greater than 50% of its post-IPO registered and paid-up capital. This will potentially allow this group of shareholders to have a control and influential power over its operation and over the voting by the shareholders' meeting on the usual business activities, except for crucial voting that requires a three-fourths affirmative vote from the shareholders.

Recognizing the importance of checks and balances, the Company has measures to prevent this group of shareholders from exercising unlimited power. At the board level, four nominated directors are unrelated to the major shareholders or the management group. Three of these four board members or 33.33% of the total number serve as independent directors who are entitled to examine and review the operation, exercise checks and balances on behalf of the minority shareholders to a certain extent, and scrutinize all issues before proposing to the shareholders' meeting.

7. Risk from site development

The Company has policy to develop the sites with the following objectives:

1. To increase safety for automobile pick up.
2. To create safety for properties of the Company and customers
3. To increase safety for bidders.
4. To increase operation system's efficiency

Since the Company's sites are rental, the site development needs high investment, e.g. improving car park, building the fences, installing surveillance cameras, and some other building constructions.

The main revenue of the Company comes from commission of selling cars seized by financial institutions, which cannot be specifically forecasted. If the Company invests in the sites but the number of cars received is significantly low, it will not be worth the investment. Moreover, under the renting condition at the average of 3 years, it is possible that the renting contract will not be continued no matter the cause is and that will give the Company loss of return on investment. Nevertheless, the Company has plans to minimize the risk potential as follows:



1. Negotiate and build good relationship with the landlords and complies with the rental contract strictly.
2. Negotiate with the landlords to extend the rental period from 3 to 10 years.
3. Study the feasibility of the investment before decision making.

In 2015, the Company further reduced the risk potential by negotiating with the landlords for the joint-venture rather than renting.

8. Risk from issuing cheques without money in accounts.

The Company's auction business takes money from buyers and gives it to sellers within the agreed terms. The chance that the Company will pay cheques without money in account is as follows:

1. Key buyers or payable customers do not pay their debts within the agreed terms, with or without intention.
2. Sellers do not provide the registration book to buyers. The Company has to take responsible by returning the amount of purchase to buyers.

In order to prevent the risk from paying cheques without money, the Company audits the balance in the bank account and builds good relationship with the banks and reserves 25 million baht as financial provision for any emergency. The amount of financial provision is aligned with the business size.

9. Risk from sellers not providing registration books

The Company's auction business takes money from buyers and gives it to sellers within the agreed terms. As for the individual cars, the Company will receive the registration book when making payment to sellers. As for the juristic entity cars, the Company will receive the registration book 30 days after delivery. So there is the risk that the Company will not receive the book as planned. In such case, buyers can ask the Company to return the amount paid for cars and service charges which make the Company lose the service charge, the expense for auction and the Company's image. Buyers are able to claim that the Company sells the non-transferable properties via auction without prior checking.

The Company reduces this risk by setting up a function unit to follow up on the registration book and requires the non-financial institutional sellers to exchange the registration book with the cheque. The internal audit department will audit the seller's financial statements and business operation places of regular customers.



Corporate Governance

The Company has the policy to comply with the Code of Best Practice in order to create transparency and benefits for the Company business, which shall build the confidence to the shareholders, investors and all relevant parties. The Board of Directors has set up the corporate governance practice in compliance with the good corporate governance of SET which covers the 5 following sections:

Section 1: The Rights of Shareholders

The Company acknowledges the importance of the fundamental rights of shareholders as the company owners and investors, such as the rights to sell, buy or transfer the shares, the rights to obtain sufficient information from the company, the rights to receive the shares of profits, the rights to attend the shareholder meetings, express opinion and make decision on the significant matters, such as the dividend allocation, the appointment or removal of directors, the appointment of auditors, the approval of important transactions which have impact on the business direction.

The Company has policy of equitable treatment of shareholders regarding the fundamental rights of shareholders and encourages shareholders to exercise their rights according the law. The Company provides the complete information equally to shareholders for their trust and confidence in the investment.

In addition to the above fundamental rights, the Company has set the other operations to provide the convenience to the shareholders in exercising their rights as follows:

1. The Company shall arrange the annual general meeting for shareholders within 4 months after the fiscal year end and may arrange the extraordinary general meeting for shareholders during the year if there is the case that needs the shareholder meeting's resolution for the important transaction. The invitation letter, agenda and information needed for the meeting shall be sent to the shareholders 7 days in advance. The meeting schedule shall be published in the newspaper 3 consecutive days in advance. The comments of each director shall be included in the meeting agenda.
2. The Company shall select the meeting place and schedule for the shareholders based on the appropriateness and convenience for the attended shareholders.
3. In the case that the shareholders cannot attend the meeting, they can appoint their power of attorney to the Independent Director or Audit Director or any person to attend the meeting on their behalf, using the power of attorney document provided with the invitation letter.
4. Prior to the shareholder meeting, the shareholders can submit their opinions, suggestions, and questions via e-mail to the secretary of Board of Directors.
5. In the shareholder meeting, the Company shall inform the relevant persons, such as auditors (external) and other consultants, etc. to attend the meeting as appropriated.



6. In the shareholder meeting, the Company shall provide opportunity for the shareholders to raise questions, suggestions or comments to the meeting independently and equally. The related directors and executives shall provide answers and detail information to the meeting.
7. After the shareholder meeting, the Company shall submit the minutes of the shareholder meeting with the complete and accurate information to the shareholders.
8. The Board of Directors provides the opportunity for the shareholders to propose the agenda of the annual general meeting for shareholders and the list of candidates for the appointed directors at least 30 days in advance. The Audit Committee shall set the criteria and nominate the qualified candidates accordingly.

Section 2: The Equitable Treatment of Shareholders

The Company has policy to create the equitable treatment of shareholders. In each shareholder meeting, the Company shall treat every shareholder equally. The right to vote in the meeting shall comply with the number of shares held by the shareholder. One share equals one vote. In the case that the shareholders cannot attend the meeting, they can appoint the power of attorney to the Independent Directors or Audit Directors or any persons to attend the meeting on their behalf, using the power of attorney document provided with the invitation letter.

Moreover, the Company has set the articles of association to prevent the insider trading of any related persons, which mean directors, executives, and employees in the functions related to the inside information (including the spouse and immature children of such persons.) Those related persons are prohibited to buy or sell the shares of the Company for at least 30 days prior to the quarterly and annually financial statements disclosure and shall wait for at least 24 hours after the public disclosure. The inside information is also prohibited to be disclosed to other persons.

The Company has provided the information to the directors and executives about their duties to report their holding of the Company's securities and the penalty of the Securities and Exchange Act of B.E. 2535 and the Stock Exchange of Thailand Act. If the directors or executives do the Company's stock trading, they must report the share holdings of their own, spouse and immature children according to section 59 of the Securities and Exchange Act of B.E. 2535 within 3 working days to the Securities and Exchange Commission for the public announcement.

Section 3: The Role of Stakeholders

3.1 Respect to other stakeholders

The Company recognizes the rights of every group of stakeholders, be it internal stakeholders, i.e. employees and executives of the Company, or external stakeholders, i.e. competitors, partners, customers. The Company realizes that the support or opinions from all stakeholders shall bring



the benefits to the Company's operations and business development. The Company shall comply with the related law and regulations to bring the utmost benefits to the stakeholders. Moreover, the Company also encourages the cooperation between the Company and every group of stakeholders to build the Company's stability on the following directions:

- Shareholders : The Company aims to be the good representative of the shareholders in business administration to bring the highest satisfaction to the shareholders, taking into account the long term growth of the Company's value and the transparent and trusting information disclosure.
- Employees : The Company regards the employees as its valuable resources and intends to support the human resource development to bring the utmost benefits to the Company. The Company provides the fair treatment to every employee at every level both in remuneration and welfare with mercy. The employees are encouraged to participate in building the good corporate culture, team work and pleasant working atmosphere and safety at the workplace.
- Competitors : The Company contends with other trade competitors on the fair and ethical competition basis.
- Trade counterparts : The Company treats the trade counterparts within commercially honesty framework in compliance with the mutual contracts and agreement, focusing on the mutual and fair benefits.
- Customers : The Company is committed to respond and provide the services that prioritize on customer's demand for customer's satisfaction and confidence. The Company also delivers the promises made to customers and does the customer's satisfaction survey. The regulations and procedures to handle the customer's complaints have been clearly specified.
- Creditors : The Company is committed to build good relationship with creditors for the confidence and trust in compliance with the trading conditions.
- Society : The Company shall operate the business in compliance with the law and other regulations, support the social responsibility activities and shall not create any environmental pollution to the society.

The Company shall comply with the law and related regulations to assure the good protection of the stakeholders' rights.

3.2 Filing complaints or information

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

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

Website <http://www.union-auction.com>

Telephone : (662)-934-7344-8

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

Investor Relation contact

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

Email investor@union-auction.com

Web site <http://www.union-auction.com>

Fax : (662)-935-6202

Investor Relation (662)-934-7344-8



Section 4: Disclosure and Transparency

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

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 statement is 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 shares 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.

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, which 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 propose 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 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, 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, articles of associations and resolutions of the shareholder meetings.

2.1 Regulatory Policy

The Company has set the regulatory policy for the Company's business in writing. Such policy and practice shall be reviewed regularly as appropriated. Moreover, after the common shares of the Company are registered in the SET, the Company shall follow the rules and regulations of SEC and SET and/or Market for Alternative Investment (MAI). The report of Company's practices shall be published in the Annual Report and Annual



Registration Statement (Form 56-1). The Company encourages every director and secretary to take any training course relevant to the business administration provided by the Thai Institute of Directors Association (IOD), SET and other institutions to enhance their knowledge and expertise to further develop the Company's business administration.

2.2 Business Ethics

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

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

2.3 Conflict of Interest

The Board of Directors shall consider the report done between any persons who have conflicts of interest carefully and reasonably. The Board of Directors has set up the policy on the conflicts of interest transactions based on the principle that any decision 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 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).

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 became the operational policy and identified 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 have the efficient system and support the credibility to the Company's financial statement.

2.5 Risk Management

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

2.6 Report of Committee

The Audit Committee shall review the financial statement with the Accounting and Finance department and accounting auditor. The financial statements shall be reported to the Board of Directors on the quarterly basis. The Board of Directors is responsible for the Company's financial statements and information (report the committee's responsibility for financial statements) appeared in the annual report. Such financial statements are prepared in accordance with generally accepted accounting principles and are audited by the Company's auditors. The disclosure of significant information, both financial and non-financial information, is based on the complete and consistent facts.



3. Board Meeting

The Company set 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 chairman of the meeting shall provide opportunities to directors to express their opinion 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 vote as the casting vote.

In 2014, the Company arranged 8 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's 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 is any change 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 executive attended the seminars as follows:

1. Assoc. Prof. Dr. Paiboon Sareewiwatthana
 - Course of Director Certification Program (DCP),
class of 12/2544, Thai Institute of Directors
 - Course of Risk Management Committee Program (RMP),
class of 3/2014, Thai Institute of Directors
2. Mr. Suvit Yoadjarust
 - Course of Director Accreditation Program (DAP),
class of 109/2014, Thai Institute of Directors
 - Course of Risk Management Committee Program (RMP),
class of 3/2014, Thai Institute of Directors
3. Mr. Thepthai Sila
 - Course of Director Accreditation Program (DAP),
class of 100/2013, Thai Institute of Directors
 - Course of Risk Management Committee Program (RMP),
class of 3/2014, Thai Institute of Directors
4. Assoc. Prof. Dr. Saowanee Thairungroj
 - Course of Director Certification Program (DCP),
class of 21/2002, Thai Institute of Directors
5. Assoc. Prof. Dr. Montri Sokatiyanurak
 - Course of Director Accreditation Program (DAP),
class of 69/2008, Thai Institute of Directors



6. Mr. Sarawut Jarujinda
 - Course of Director Certification Program (DCP), class of 31/2003, Thai Institute of Directors
7. Mr. Varunyoo Sila
 - Course of Director Certification Program (DCP), class of 166/2012, Thai Institute of Directors
8. Mr. Sompong Sirikayon
 - Course of Director Accreditation Program (DAP), class of 109/2014, Thai Institute of Directors
9. Mr. Tom Voranatphankul
 - Course of How to Develop a Risk Management Plan (HRP), class of 5/2014, Thai Institute of Directors
10. Miss Yajai Tongpool
 - Course of How to Develop a Risk Management Plan (HRP), class of 5/2014, Thai Institute of Directors

7. Independent Director Meeting

The Board of Directors authorizes Independent Directors to set up own meetings at least once a year, in compliance with the good corporate governance. In 2014, the meeting was held on 27th February 2014.

8. 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 which includes:
- 3) The Board of Directors understands and supports the compliance with the professional standard of auditing practice.

- 3.1) Its 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) Its responsibility 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) Its 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.

9. 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.

10. 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.

11. 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 2014, there was no new director.

12. 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 taking a position as a director or executive in other companies or businesses which can cause conflict of interests with the company.



13. 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 has set 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.

14. 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, spouse' 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 that 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 relater persons who take advantage on insider trading or tend to cause the damage to the Company or shareholders.



Anti-Corruption

Since The Company provides service as an intermediary to conduct an auction of all types of property, it sees the anti-corruption as the significant issue. In order to show the transparency and auditability of business operation, the Company sets the policy of anti-corruption for both inside and outside the corporate.

1. Policy of anti-corruption outside the corporate

The Company has the policy of anti-corruption outside the corporate in order to create the transparency and possibility to examine all the expenses of the Company. The new policy specifies that the commission for the agents who arrange the vehicles for auctions will be paid to the corporate agents only and will not be applicable for the individual agents. The regulations are as follows:

- 1.1 The corporate agents for vehicle auction must have Thai nationality and shall not be the stakeholders of Union Auction Plc. either directly or indirectly.
- 1.2 The corporate agents shall not be the person under temporary or absolute receivership or bankruptcy.
- 1.3 The corporate agent or their Board of Directors must have experience in the agent or business or relevant business.
- 1.4 The agent commission shall be in compliance with the Board of Directors' resolution, that is, the payment shall be made only when the vehicle is sold. The method of payment is the account-payee crossed cheque after withholding tax as required by law.
- 1.5 The corporate agents shall register and sign the contracts with the Company in every transaction under the condition that if the agents cannot coordinate or provide the channels for the Company to receive the vehicles of the organizations engaged in the auction contracts, such contract or agreement shall be deemed terminated.

2. Policy of anti-corruption inside the corporate

The Company has policy to conduct the business with transparency and has set the regulations for the employees as follows:

- 2.1 Employees of all departments shall not receive or give any gifts or premiums as incentives that could lead to the transaction that may create the conflicts on customer's treatment, except for the gift by affection which must not be cash or cheque and must not have over 2,000 baht value. The employees must inform the direct supervisor/ manager accordingly every time.
- 2.2 Employees cannot give or receive the bribes or incentives in any form and cannot authorize other persons to give or receive the bribes or incentives for themselves. The bribery in business is considered illegal and criminal.



Key Financial Information

Financial Ratio of Union Auction Public Company Limited

List	Unit	2012	2013	2014
<u>Liquidity Ratio</u>				
Current Ratio	time	1.27	1.80	2.16
Quick Ratio	time	1.23	1.79	2.15
Cash Flow Current Ratio	time	(0.13)	0.93	0.80
Receivable Current Ratio ^{/1}	time	395.69	204.51	228.72
Average Debt Collection Period ^{/1}	day	0.91	1.76	1.57
Account Payable Turnover ^{/2}	time	41.03	37.63	35.53
Average Payment Period ^{/2}	day	8.77	9.57	10.13
Cash cycle ^{/3}	unit	n/a	n/a	n/a
<u>Profitability Ratio</u>				
Gross Profit Margin	%	37.98	40.37	50.92
Operating Income Margin	%	13.13	18.84	35.82
Net Profit (Loss) Ratio	%	9.69	14.65	28.06
Return on Equity Ratio	%	25.35	26.66	47.73
<u>Efficiency Ratio</u>				
Return on Asset	%	10.28	13.57	28.75
Return on Fixed Asset	%	82.12	84.70	354.69
Asset Turnover	time	1.06	0.93	1.02
<u>Financial Analysis Ratio</u>				
Debt to Equity Ratio	time	1.48	0.79	0.55
Interest Coverage Ratio	time	(27.60)	315.65	521.16
Commitment Coverage Ratio (cash basis)	time	(0.41)	1.84	1.08
Payout Ratio	%	101.89	39.53	65.21
<u>Other Ratios</u>				
Book value per share	Baht	0.30	0.71	0.84
Earnings per share	Baht	0.08	0.13	0.37
Dividends per share	Baht	0.08	0.08	0.24
Par value per share	Baht	0.25	0.25	0.25
No. of shares ^{/2}	million	440.00	550.00	550.00

^{/1} Trade receivables include commission receivables from asset's owner and auction service counterpart receivables.

^{/2} Trade payables include transport service payables and vehicle inspection service payables.

^{/3} Cash cycle does not reflect real information since it cannot be calculated for the average selling period.



Management Discussion and Analysis

Management discussion and analysis on financial status and operations

Overall Business Performance

The Company serves as an intermediary to conduct an auction of all types of property, as well as provide other related services, such as vehicle transportation which is additional and optional only, to better facilitate auctioneers. For the past several years, however, the Company had increased this additional business by purchasing vehicles from car rental companies and put them in auctions, or leasing vehicles to car rental companies. Yet, those services were not the core business; hence in 2014, the Company terminated them to focus only on automobiles and motorcycles auction which is its core business. During 2012-2014, the major corporate revenue comes from the auctions at 87-88% whereas secondary revenue at 12-13% is from other services.

In the auction business, fees are charged in two categories, one to auctioneers and the other to property owners. Success relies on quantity and variety of auctioned property to attract auctioneers. The primary gain is meant to come from the auctioneers, rather than the property owners' service fees. Fees are fixed by item regardless of the property value. The Company's revenue growth therefore relies on the amounts of auctioned items and the rates of service fees. The property in auction is in three categories, cars, motorcycles and other properties. Cars make the largest revenue of the Company and the auctions take place in Bangkok and other 13 provinces.

During 2012-2014, the revenue from sales and services increased from 346.26 million baht to 467.26 million baht and 709.87 million baht respectively, accounting for 34.94% growth in 2013 and 51.92% growth in 2014. Such growth was the result of the increasing revenue from auction, especially cars auction which is influenced by 2 factors: the increasing number of auctioned cars and the increase in the service fees from auctioneers in 2013.

The costs of sales and services in 2012-2014 were 214.76 million baht, 278.62 million baht and 348.38 million baht respectively, accounting for 62.02%, 59.63% and 49.08% respectively of total revenue from sales and services. The lower costs came from the fact that 50% of cost of sales and services was invariable to revenue, such as storage rentals. While the Company's total revenue increased, such cost did at a relatively lower rate, making the overall cost lower.

As for the expenses of sales and services including operating expenses during 2012-2014, they were 92.04 million baht, 108.09 million baht and 118.85 million baht respectively, making a 26.58%, 23.13% and 16.75% of the total revenue from sales and services. The decrease of cost resulted in a greater operating profits of the Company. The Company's greater profitability mainly came from the Economy of Scale since those sales and services expenses and operating expenses were invariables to revenue. In 2012-2014, the Company's operating profits has grown from 45.46 million baht, 88.06 million baht, and 254.25 million baht. The net profits were 34.12 million baht, 69.57 million baht, and 202.43 million baht respectively. The operating profits made a 13.13%, 18.84%, and 35.82% whereas the net profit was at 9.68%, 14.65%, and 28.06% in 2012-2014 respectively.



The nature of the Company's business makes it inevitable that several items of assets and debts shown in financial statements appear to be fluctuating. The Company is the intermediary for the property auction. The Company receives payment from buyers in the auction before delivering it to the property owner. The Company usually receives the payment in 4 days after the auction ends and delivers it forward in 5 days after the auction ends. This nature may affect the financial statements' lists of cash, bank deposits, trade receivables and trade payable as follows.

- After the auction, the Company records cash, bank deposits, trade receivables and trade payables to equal the value of the auctioned property.
- When the buyer pays for the item, the trade receivables will decrease whereas cash and bank deposits increase.
- When the Company delivers the property to the buyer, cash, bank deposits and trade payables will decrease.

The Company's total asset at the end of any accounting period may fluctuate depending on the auction value prior to the end period. At the end of 2012 to 2014, the total asset appeared to have had been growing continuously, accounting for 329.76 million baht, 695.20 million baht and 712.93 million baht respectively; whereas the total debts equaled 196.86 million baht, 306.27 million baht, and 253.57 million baht respectively. The shareholders' were 132.90 million baht, 388.92 million baht and 459.36 million baht respectively. As of the end of 2012-2014, the Company had debt to equity ratio at 0.55-1.48. The debts, however, are mostly trade payables that bear no burden of interests.

1. Business Performance Analysis

Revenue from sales and services

Revenue from sales and services comes from 3 major businesses: property auctions, other relevant services and sales. Revenue from property auctions is the core business revenue of the Company and it accounts for 87-88% of the total revenue from these 3 businesses during these past three years.

The revenue from sales and services has increased continuously mainly from the property auction business. During 2012-2014, it went up to 346.26 million baht, 467.26 million baht, 709.87 million baht, accounting as the growth rate of 34.94% in 2013 and 51.92% in 2014.

Type	2012		2013		2014	
	Mio Baht	%	Mio Baht	%	Mio Baht	%
Revenue from auction services	305.58	88.25	407.89	87.29	621.92	87.61
Revenue from other services ^{/1}	34.76 ^{/1}	10.04	59.06 ^{/1}	12.64	87.95	12.39
Revenue from sales	5.93	1.71	0.30	0.06	-	-
Total revenue from sales and services	346.26	100.00	467.26	100.00	709.87	100.00

^{/1} Revenue from other services in 2013 includes transportation service of 58.90 million baht and revenue from consignment service of 0.16 million baht. In 2014, the Company's revenue from transportation service was 87.95 million baht.



Revenue from auctions

Auctions contribute as the primary revenue of the Company. Auction property is divided into 3 categories: cars, motorcycles and other properties. During 2012-2014, car auctions made the major revenue accounting for 84-90% of the total income from auction. Motorcycles made 10-16% and other properties made 0-0.13% of the total auction revenue.

Revenue from auctions of each category of properties came from two parts: 1) operation fees charged to buyers and 2) commissions charged to property owners. The former made the main revenue which totaled 88% of the total revenue from auctions. Most of the revenue from vehicle auctions was from cars and motorcycles of the juristic entities, such as financial institutions, that were seized from their clients who could not pay as required by the leasing credit conditions.

In 2012-2014, the revenue from auction business equaled 305.58 million baht, 407.89 million baht, and 621.92 million baht respectively or with a growth rate of 33.48% in 2013 and 52.47% in 2014. The major growth came from the car auctions.

The revenue from auctions as per type of property and property owner during 2012-2014 is shown below.

Type	2012		2013		2014	
	Mio Baht	%	Mio Baht	%	Mio Baht	%
Revenue from auctions :						
<u>Cars</u>						
- from juristic entity owners	204.90	67.06	313.57	76.88	85.56	13.76
- from individuals	51.74	16.93	36.45	8.94	476.32	76.59
Total cars	256.64	83.99	350.02	85.81	561.88	90.35
<u>Motorcycles</u>						
- from juristic entity owners	45.19	14.79	54.60	13.39	14.60	2.35
- from individuals	3.34	1.09	3.15	0.77	45.44	7.31
Total motorcycles	48.53	15.88	57.75	14.16	60.04	9.65
Total others ^{1/}	0.41	0.13	0.12	0.03	-	-
Total revenue from property auctions	305.58	100.00	407.89	100.00	621.92	100.00

^{1/} Others include brand name goods, houses, electrical appliances, etc.

- *Revenue from car auctions*

The past 3 years has seen a continuous increase of revenue from car auctions, which is due to 2 main factors: the increase in service fees per car and the increase in the amount of acquired and auctioned cars.

Type	2012		2013		2014	
	Mio Baht	%	Mio Baht	%	Mio Baht	%
Revenue from auctions						
Bidders	224.68	87.55	307.12	87.74	495.28	88.15
Property owners	31.96	12.45	42.90	12.26	66.60	11.85
Total revenue from car auctions	256.64	100.00	350.02	100.00	561.88	100.00
Average revenue from bidders (baht/car)	6,995.89		7,057.15		7,739.35	
Number of bid out cars from auctions	32,116	100.00	43,519	100.00	63,995	100.00
- Number of cars from juristic entity owner's	24,650	76.75	38,333	88.08	61,620	96.24
- Number of cars acquired from individuals	7,466	23.25	5,186	11.92	2,375	3.76

Most of the revenue from car auctions comes from the operation fees charged to the bidders at the rate of 3,500-10,000 baht per car depending on the type of vehicles, which makes 88% of the total revenue from car auction, whereas the commissions charged to the car owners is 12-13%. This explains that the Company has no policy to make profits from the commissions but encourages the property owners to offer their cars in auctions through the Company. In many cases, the contract with property owners is determined to charge the commission at 1-3% of value of the bid-out property. In other times, the charge is fixed at a flat rate.

During 2012-2014, car auctions made continuous growing revenue from 256.64 million baht, 350.02 million baht, and 561.88 million baht or at a growth rate of 36.39% and 60.53% comparing to the previous year respectively. This is due to two factors: the increase in number of auctioned cars and the raise of operation fees charged per car.

In 2013, revenue from car auctions increased by 93.38 million baht compared to the previous year. The main reason is from the increase in the amount of juristic entity's cars which is due to the 2 factors below.

- 1) The amount of auctioned cars acquired from juristic entity owners and individuals went up from 32,116 cars in 2012 to 43,519 cars in 2013 although the Company closed a new auction venue at Thailand Post Office, Chang Wattana Branch in March 2013. This is because the amount of car seized from financial institutions has been increasing since August 2013. The Company increased the auction frequency at the head office from 2 days per week to 4 days per week and at the Rangsit Klong 8 branch from 1 day to 4 days per week. The frequency of mobile auctions was also increased from 98 times in 2012 to 174 times in 2013.



- 2) The Company increased the operation fees charged from 7,000 to 8,000 baht per car for a sedan in November 2013. This makes an average charge per car per buyer to increase from 6,995.89 baht/car to 7,057.15 baht/car.

In 2014, revenue from car auctions increased for 211.86 million baht comparing to the previous year mainly due to the increasing amount of cars acquired from juristic entities from 43,519 cars in 2013 to 63,995 cars in 2014. In July 2014, the Company added a new auction venue at Putthamonthon Sai 2 and became the auction agency for many governmental sectors, e.g. The Customs Department, The Narcotics Control Board and The Anti-Money Laundering Office.

- *Revenue from motorcycle auctions*

The Company's revenue from motorcycle auctions has increased along the past 3 years for two reasons. First is the increase in the revenue from service per car, second is the increase in number of bought motorcycles in auction.

Type	2012		2013		2014	
	Mio Baht	%	Mio Baht	%	Mio Baht	%
Revenue from auctions						
Bidders	39.98	82.38	49.45	85.63	50.11	83.46
Property owners	8.55	17.62	8.30	14.37	9.93	16.54
Total revenue from motorcycle auctions	48.53	100.00	57.75	100.00	60.04	100.00
Revenue from average operation fees/car charged to bidders (baht/car)	1,497.71		1,499.53		1,499.31	
Amount of bought cars in the auction (no.)	26,694.00	100.00	32,977.00	100.00	33,422.00	100.00
- Cars from juristic entity owners (no. of cars)	25,343.00	94.94	30,970.00	93.91	30,374.00	90.71
- Cars from individuals (no. of cars)	1,351.00	5.06	2,007.00	6.09	3,110.00	9.29

Most revenue from motorcycle auctions during 2012-2014 at 82-86% comes from the operation fees at 1,500 baht/vehicle charged to bidders. The rest of 14-18% of the revenue comes from the commission charged to the property owners. The Company has contracts with some property owners to charge the commission rate at 1-2% of the value of bought cars in the auction. In some cases, a flat rate is applicable.

The revenue from motorcycle auctions has the increasing trend, from 48.53 million baht to 57.75 million baht and 60.04 million baht in 2012-2014 or at the growth rate of 19.00% in 2013 and 2.29% in 2014 respectively.

In 2013-2014, the revenue from motorcycle auctions increased by 2.29 million and 3.97 million baht due to the increase in number of auctioned motorcycles acquired from juristic entity owners and the more rounds of auctions at the head office from 1 day to 2 days per week.



- *Revenue from auctions of other properties*

Other properties for auctions include houses, shares, brand name goods, electrical appliances and others. During 2012-2013, the total revenue in this group comes from the operation fees charged to bidders at an agreed rate.

During 2012-2013 the revenue from auctions of other properties is 0.41 million baht, 0.12 million baht, or at the rate of 0.13% and 0.03% of the total revenue from auctions respectively. In 2013, the revenue from this source decreased from the previous year because the Company renovated the auction venue and vehicle storage to better accommodate the increasing quantity of vehicles in auction.

Revenue from other services

This category of revenue comes from vehicle transportation service charges and consignments which started in 2012 and was terminated in 2013. The Company has the revenue from other services at 34.76 million baht in 2012, 59.06 million baht in 2013 and 87.95 million baht in 2014 or at 10.04%, 12.64%, and 12.39% of the total revenue from other services in those respective years.

The revenue from vehicle transportation service charges during the past 3 years has increased in the same way the total revenue from auctions has. The Company charged the transportation fees only to winning bidders as per the announced rate in the auction list prior to the auction. An exception is in some cases where the Company has contracts with the sellers to give a transportation fees waiver to the bidders whereas the Company absorbs the fees instead. However, transportation service is not a core service of the Company but provided to facilitate some cases only.

The Company calculates the transportation service charges by considering the distance between the property acquisition venue and the auction venue. The cost of trailer service is averagely calculated into each vehicle. The fees are chargeable to the winning bidders.

Revenue from sales

The Company first recognized, in 2012, the revenue from sales which is 5.93 million baht earned from selling used cars bought from juristic entity clients which are car rental companies that want to put rented cars in auction. The Company arranges that the used cars are offered to bidders in the system at the Head Office, which is another channel to increase the supply of cars for auctions for the Company. In 2012, 18 used cars were acquired and 17 cars were bought in auction, leaving only 1 car to be bought away in the first quarter of 2013, at the value of 0.30 million baht. After that the Company has not, to date, acquired more used car for auctions.



Other Revenues

Other revenues come from interest receivables and others, to equal 6.00 million baht, 7.51 million baht and 11.60 million baht, respectively, during 2012-2014. This type of revenue mainly comes from the interest of the loans to two associated companies and from bank deposits. The revenue in this category decreased from that in 2012 due to that the Company had paid up the loans in full in the middle of 2012. As for 2013 and 2014, almost all of the interest receivable is from bank deposits.

Type	2012		2013		2014	
	Mio Baht	%	Mio Baht	%	Mio Baht	%
Revenue from interest receivables	4.19	69.88	4.45	59.33	7.42	64.00
Others ^{/1}	1.81	30.12	3.05	40.67	4.18	36.00
Total other revenues	6.00	100.00	7.51	100.00	11.60	100.00

^{/1} Others include revenue from canteen rental, profit from selling property, profit from capital value adjustment, revenue from the interest receivable from leasing contracts (rented car) and revenue from rentals as in the business contract, for instance.

Costs of Sales and Services

- Costs of Services

The Company's costs of services can be divided into 2 groups: variable costs and fixed costs. In the past 3 years, the proportion of fixed costs has been decreasing to 40-50% of total service costs. The detail of service costs in 2012-2014 is as follows:

Table of detail of service costs in 2012-2014

Type	2012		2013		2014	
	Mio Baht	%	Mio Baht	%	Mio Baht	%
Rental fees of space and equipment related to the auction ^{/2}	40.64	11.94	53.92	11.55	64.26	9.05
Salary and employee-related expenses	27.92	8.20	29.68	6.36	37.31	5.26
Security expenses	16.11	4.73	16.73	3.58	17.87	2.52
Depreciation	6.04	1.78	8.09	1.73	16.85	2.37
E-Auction system	2.73	0.80	3.15	0.67	3.66	0.52
Others	3.85	1.13	5.22	1.12	5.70	0.80
Total fixed costs	97.28	28.58	116.79	25.01	145.65	20.52



Type	2012		2013		2014	
	Mio Baht	%	Mio Baht	%	Mio Baht	%
Transportation expenses ^{/3}	48.09	14.13	87.65	18.77	110.76	15.60
Operating expenses ^{/4}	37.08	10.89	39.85	8.53	47.94	6.75
Expenses of auction arrangement ^{/5}	26.19	7.70	33.96	7.27	44.03	6.20
Total variable costs	111.36	32.72	161.46	34.58	202.73	28.55
Total costs of services	208.64	61.30	278.24	59.59	348.38	49.07

^{/1} % of revenue from services

^{/2} Rental fees of space and equipment related to the auction were the rental fees of the car and motorcycle's storage and the auction sites in Bangkok and provincial areas, including such equipment as copy machines, sound system, tents, etc.

^{/3} Transportation expenses were the expense of hiring the transportation company to move the cars that would be in the auction from the storage site to the other place while waiting for the auction and the car rental fees for the staff at the storage site to be used on duty.

^{/4} Operating expenses were the expenses that the Company paid to agents as a motivation to participate in the Company's auctions on the agreed rate, such as the fixed amount per car, the percentage of final winning price or the fixed amount per month, etc.

^{/5} Expenses of auction arrangement included the auctioned cars cleaning, the fuel for the auctioned cars which should be much enough for them to reach the next gas station, the wage of daily hired employees on the auction day, the decoration set of the auction site, etc.

Costs of services in 2012-2014 consist of transportation expenses on average of 29.51%, followed by rental fees of space and equipment related to the auction on average of 19.01%, operating expenses on average of 14.95%, auction arrangement expenses on average of 12.47%, salary and employee-related expenses on average of 11.36%, security expenses on average of 6.07% and others on average of 6.62% of total costs of services.

Costs of services were 208.64 million baht, 278.24 million baht, and 348.38 million baht in the year 2012-2014 respectively. However, compared to revenue from services, the costs of services seemed to be decreasing from 61.30% to 59.59% and 49.07% in the year 2012-2014 respectively. It was because some services costs were fixed and did not vary to the revenue growth, such as rental fees of space and equipment related to the auction and salary and employee-related expenses.

In 2013, the cost of services was 278.24 million baht, increased for 69.60 million baht from the previous year. The main reason is the expanded space of the head office for 14 rai, prepared for future growth. This resulted in the increase in rental fees of space and equipment related to the auction, transportation expenses and the auction arrangement expenses. These variable costs varied to the number of auctions that increased from 264 times to 462 times.



However, when comparing costs of services to revenue from services, we found its decrease from 61.30% to 59.59% due to the decrease in percentage of fixed costs. The revenue from services increased while some services costs were fixed, such as salary and employee-related expenses, security expenses, and depreciations.

In 2014, the cost of services was 348.38 million baht, increased for 70.14 million baht from the previous year, mainly from the Company's expansion at Putthamonthol sai 2 and some provincial areas, prepared for the future growth. This resulted in the increase in rental fees of space and equipment related to the auction, transportation expenses and the auction arrangement expenses. These variable costs varied to the number of auctions that increased from 462 to 849 times.

However, the percentage of costs of services to revenue from services decreased from 59.59% to 49.07% due to the decreasing fixed costs percentage out of the increasing revenue. Such fixed costs include salary and employee-related expenses, security expenses and depreciation, etc.

- **Costs of Sales**

Costs of sales are costs of the cars that the Company bought from juristic entity which do car rental business who wanted to sell their lease ended cars since the beginning of the year. The cost of 17 cars was 6.12 million baht in 2012 and the cost of 1 car was 0.38 million baht in the first quarter of 2013, accounting for 103.20% and 126.66% of revenue from sales respectively. In 2012, the average selling price of second-handed cars went down by 5-10% since the beginning of the year. It was the effect from the first car policy of the government.

Sales and Services Expenses and Administrative Expenses.

Sales and services expenses and administrative expenses increased from 92.04 million baht to 108.09 million baht and 118.85 million baht in 2012-2014 respectively. However, the increasing rate of such expenses was lower than the increasing rate of revenue. The percentage of the sales and services expenses and administrative expenses to the revenue from sales and services has been decreasing in the past 3 years, from 26.58% to 23.13% and 16.75% respectively. Such decrease was the result of the decreasing administrative expenses from 16.08% in 2013 to 11.67% in 2014. The sales and services expenses decreased from 7.05% in 2013 to 5.08% of revenue from sales and services in 2014.



Type	2012		2013		2014	
	Mio Baht	% ^{/2}	Mio Baht	% ^{/1}	Mio Baht	% ^{/1}
Sales and services expenses	28.20	8.14	32.95	7.05	36.04	5.08
Administrative expenses	63.84	18.44	75.14	16.08	82.81	11.67
Total sales & services expenses and administrative expenses	92.04	26.58	108.09	23.13	118.85	16.75
Revenue from sales and services	346.26	100.00	467.26	100.00	709.87	100.00

^{/1} % of revenue from sales and services

- **Sales and Services Expenses**

Sales and services expenses in 2012-2014 consist of 3 main expenses: advertising and PR expenses for 19-41%, salary and employee-related expenses for 30-36%, public utilities and money transport service 5-11%.

Sales and services expenses were 28.20 million baht, 32.95 million baht, and 36.04 million baht, accounting for 8.14%, 7.05%, and 5.08% of revenue from sales and services in 2012-2014 respectively. In 2013 and 2014, sales and services expenses increased at the rate of 16.84% and 9.40% compared to the previous year. The main cause came from the increasing advertising and PR activities to promote the auctions and the new E-Auction channel to customers. Another cause was the increase in employee-related expenses resulted from the increase in minimum wage of the government's policy.

- **Administrative Expenses**

The administrative expenses in 2012-2014 consist of 3 main expenses: salary and employee-related expenses for 57-70%, expenses of public utilities, rental fees and depreciation for 14-16%, consultant and other fees for 6 - 9%.

The administrative expenses were 63.84 million baht, 75.14 million baht, and 82.81 million baht in 2012-2014 respectively, accounting for 18.44%, 16.08%, and 11.67% of revenue from sales and services. The administrative expenses had the increasing rate of 17.70% and 10.21% in 2012 and 2013 respectively.

In 2012, the percentage of administrative expenses to revenue from sales and services tended to slightly decrease due to the effective corporate management. However, the high increase in revenue provided the opportunities for the Company to recruit more personnel for the business expansion, resulted in the increasing expenses for employees. Moreover, the leasing contract of the head office site was long-term lease of which the leasing fee would increase every 10 year. As a result, the Company's expenses on the land leasing fee increased for 40% compared to the previous year's total administrative expenses.



In 2013, the Company's administrative expenses increased for 11.30 million baht or 17.70%. The Company increased the minimum wage according to the government's policy. The Company also terminated the car leasing business and sold all cars to external parties, resulted in the loss from financial leasehold of 2.37 million baht.

In 2014, the Company's administrative expenses increased for 7.67 million baht or 10.21% due to the increase in the raise of salary and bonus and the hiring of more management teams, following the business expansion in 2014.

Profitability

In 2012 - 2014, the Company's profitability has been increasing continuously. The net profits were 34.12 million baht, 69.57 million baht, and 202.43 million baht, accounting for 9.68%, 14.65% and 28.16% in 2012 - 2014 respectively.

Type	2012		2013		2014	
	Mio Baht	%	Mio Baht	%	Mio Baht	%
Gross profits	131.50	37.98*	188.64	40.37	361.49	50.92
Operating profits	45.46	13.13	88.06	18.84	254.25	35.82
Net profits	34.12	9.69	69.57	14.65	202.43	28.06

* including revenue from sales and cost of selling cars bought from car leasing companies for the auction

In 2012, the increase in operating profits was only 2.32% compared to the previous year although the growth rate of revenue from sales and services was 46.31% compared to the previous year. This was because the variable costs of services varied to the increasing revenue from sales and services while the fixed costs of services increased at lower percentage. For example, the costs of employees increased due to the increasing number of new employees and the increasing minimum wage by government's policy. The land leasing fees increased due to the new site opening at Thailand Post Office. The security expenses, sales and services expenses and administrative expenses also increased. As a result, the operating profits in 2012 increased for only 2.32% compared to the previous year.

However, in 2012, the Company did not receive the tax deduction benefits from accumulated loss. As a result, the net profit was closed to the previous year.

In 2013, the operating profits increased for 5.71% compared to the previous year because the revenue from sales and services had high growth rate of 34.94% while the fixed costs of services, such as rental fees for space and equipment related to the auction, salary and employee-related expenses, security expenses, etc., decreased. The Company tried to reduce the expenses, such as salary and employee-related expenses, by utilizing the existing resources efficiently. The percentage of sales and services expenses and administrative expenses also decreased. As a result, the operating profits increased to 18.84% and the net profits increased to 14.65% in 2013.



In 2014, the operating profits increased for 16.98% compared to the previous year because the revenue from sales and services had high growth rate of 51.93% while the fixed costs of services, such as rental fees for space and equipment related to the auction, salary and employee-related expenses, security expenses, etc., decreased. The Company tried to reduce the expenses, such as salary and employee-related expenses, by utilizing the existing resources efficiently. The percentage of sales and services expenses and administrative expenses also decreased. As a result, the operating profits increased to 35.82% and the net profits increased to 28.06% in 2014.

2. Financial Status Analysis

Assets

Total assets of the Company continuously increased in the last 3 years. Current assets accounts for 65-74% of total assets and fixed assets accounts for 19-25% of total assets. At the end of 2014, the Company's main assets were cash and bank deposits, trade account receivables, and the improvement of land, buildings and equipment-net, accounting for 54%, 8%, and 25% of total assets respectively. In total it accounts for 88% of total assets.

Total assets were 329.76 million baht, 695.20 million baht and 712.93 million baht at the end of 2012-2014 respectively. The increase came from cash and cash equivalents and the improvement of land, buildings and equipment-net.

- **Cash and Cash Equivalents**

The Company had cash and cash equivalents of 92.01 million baht, 399.01 million baht, and 386.19 million baht, accounting for 27.90%, 57.39%, and 54.17% of total assets at the end of 2012-2014 respectively.

In the auction services business, the Company shall receive the payment of the auctioned property from the bidding winner and then pay it to the property's owner. The process takes around 1 week after the auction date. As a result, the accrued cash value at the end of period varies according to the auctioned property's value before the closing accounting period and has not yet transferred to the property's owner.

In 2014, cash and cash equivalents increased was 386.19 million baht which was mainly from the increasing capital when the Company issued the common share's Initial Public Offering (IPO) in the third quarter of 2013 for 110 million shares at 2 baht/share, totaling in 211.50 million baht of net cash received after deducting expenses of IPO. During 2014, the Company spent IPO cash for the business expansion and working capital. At the end of 2014, the Company's net cash was 124.24 million baht.



• Trade and Other Account Receivables

Most trade and other account receivables are car debtors and advanced payment of land leasing fee, accounting for 78-94% of total account receivables.

	As of Dec. 31, 2012		As of Dec. 31, 2013		As of Dec. 31, 2014	
	Mio Baht	%	Mio Baht	%	Mio Baht	%
Car debtors -net	84.60	89.51	79.73	87.09	38.78	66.74
Advanced payment of land leasing fees	4.11	4.35	4.64	5.07	6.65	11.44
Advanced payment	2.26	2.39	2.53	2.76	7.09	12.20
Prepaid expenses	1.80	1.91	1.79	1.96	2.19	3.77
Other account receivables - net	1.36	1.43	2.22	2.43	2.94	5.06
Accrued interest receivables	0.38	0.40	0.63	0.69	0.46	0.79
Total	94.51	100.00	91.54	100.00	58.11	100.00

Car Debtors - net

The balance of car debtors based on their due dates of payment is as follows:

	As of Dec. 31, 2012		As of Dec. 31, 2013		As of Dec. 31, 2014	
	Mio Baht	%	Mio Baht	%	Mio Baht	%
Within due date	76.40	89.83	68.77	85.79	21.51	54.90
Over due date						
- Less than 3 months	8.24	9.69	10.95	13.66	17.26	44.05
- Over 3 - 6 months	-	-	0.00	0.00	0.00	0.00
- Over 6 - 12 months	0.41	0.48	-	-	0.00	0.00
- Over 12 months	-	-	0.44	0.55	0.41	1.05
Total	85.05	100.00	80.17	100.00	39.18	100.00
Deduct allowance for doubtful debt ^{1/}	(0.45)	(0.52)	(0.44)	(0.55)	(0.41)	(1.05)
Car debtors - net	84.60	99.48	79.73	99.45	38.78	98.98

Note: ^{1/} The Company's policy set the Allowance for Doubtful Debt rate at 100% of the car debtors who made late payment over 3 months due. This rate came from the Company's analysis on their payment records and their status reviewed on the date of issuing the financial statement.

Car debtors-net came from the credit term that the Company gave to the bidding winner. At the end of 2012-2014, the Company had car debtors at value of 84.60 million baht, 79.73 million baht, and 38.78 million baht respectively. The increase (decrease) in the car debtors at the end of period varies upon the car debtors, whose due dates have not arrived, during the last week of the year's auctions.



The Company gave 4-28 working days of credit term, mostly 4 working days, to customers. There were only 2 in the motorcycle customer group who had over 4 working days. At the end of 2012-2014, the number of car debtors with different due date periods was as follows: not due yet 55-90%, less than 3 months 10-44%, over 6-12 months 0-0.5%, and over 12 months 0-1%, of total car debtors.

Car debtors with over 3 months due date was 0.41 million baht, 0.44 million baht, and 0.41 million baht at the end of 2012-2014 respectively. At the end of 2014, the Company reserved the allowance for doubtful debt for 2 cases at the amount of 0.44 million baht. The first case, with 0.04 million baht accrued debt as of December 31, 2011, was the previous owner of the car taken by the car financing company who took the car out of the Company's storage without permission. The Company had to pay for such damage to the car financing company and then charged for such damage to the previous car owner who was under debt negotiation with his creditors. The Company received part of debt payment from the previous owner.

The second case was when bidding winner returned the auctioned passenger car to the Company because it was found being flooded earlier, the Company took responsible by refunding to the bidder and then put that car on auction again at its condition. There occurred the difference of 0.04 million baht in winning price. The Company charged the difference to the seller. The court ordered the seller to pay the difference with interests in total of 0.07 million baht to the Company. In the beginning of June 2013, the seller signed the agreement to pay by installment to the Company. The seller paid the debt but not by the agreed condition. The Company was following up on the case but reserved the allowance for doubtful debt for these 2 cases. The amount of these 2 cases as of December 31, 2013 remained at 0.04 million baht.

The advanced payment of the land leasing fee was for the land parcels used as the auction venues at Rangsit, Putthamonthol sai 2 and the provincial areas. The amount at the end of 2012-2014 was 4.11 million baht, 4.64 million baht, and 6.65 million baht respectively.

The advanced payment was for the expenses in the auction, expenses for the stock in provincial areas, and expenses for other functions in the head office and other sites. The amount at the end of 2012-2014 was 2.26 million baht, 2.53 million baht, and 7.09 million baht respectively.

The prepaid expenses include the advanced payment of the group insurance fees, advanced payment of leasing creditors, advanced payment of advertising and PR signage, advanced payment of leased land registration fees, etc. The amount at the end of 2012-2014 was 1.80 million baht, 1.79 million baht, and 2.19 million baht respectively.

Other account receivables are: 1) trade account receivables which include commission from property's owner, auction expense supported by counterparts; 2) other account receivables - employee which was the expenses left from each auction which employees had to return to the Company; 3) others. The amount at the end of 2012-2014 was 1.36 million baht, 2.22 million baht, and 2.94 million baht respectively.



Accrued interest receivable was the accrued interest from bank deposits as collateral. The amount at the end of 2012-2014 was 0.38 million baht, 0.63 million baht, and 0.46 million baht respectively.

- **Account Receivables of Finance Lease**

	As of Dec. 31, 2012		As of Dec. 31, 2013		As of Dec. 31, 2014	
	Mio Baht	%	Mio Baht	%	Mio Baht	%
Finance lease receivables due within 1 year	2.81	23.15	-	-	-	-
Finance lease receivables	9.33	76.85	-	-	-	-
Total finance lease receivables	12.14	100.00	-	-	-	-

Finance lease receivables occurred in 2012 for the first time since the Company opened the car leasing services in order to increase the number of auctioned cars in the future from the leased cars as they reached the leasing period end. The Company bought 16 cars for leasing by cash and installment with a financial institution. 14 cars were for finance lease and 2 cars were for operating lease with 36 installments.

The Company recorded the revenue from finance lease customers by Effective Interest rate method on the 48-60 installments lease. Car leasing customers were able to pay the installments on finance lease as per condition. At the end of 2012, the Company had 12.14 million baht of finance lease receivables.

However, the Company terminated the car leasing business and sold all leased cars to others in the first quarter of 2013, resulting in no finance lease receivables left as of December 31, 2014.

- **Inventory**

The Company's inventory is the 18 cars that the Company bought to sell via the auction system at the head office. During the year 2012, the Company sold 17 cars. At the end of 2012, there was 1 car left at the value of 0.37 million. It was sold in the first quarter of 2013. On December 31, 2014, the Company had no inventory left.

- **Bank Deposit used as Collateral**

The Company had bank deposit used as collateral of 38.36 million baht, 39.61 million baht, and 32.56 million baht, accounting for 11.63%, 5.70%, and 4.57% of total assets at the end of 2012-2014 respectively. The bank deposit used as collateral at the end of 2014 was used as collateral for the domestic commercial bank to issue the electricity guarantee of 0.43 million baht, for the auction guarantee of 7.13 million baht and for the overdraft and credit line guarantee from 3 financial institutions of 25.00 million baht.



- **Improvement of Land, Building and Equipment**

The Company conducts the business of property auction in Bangkok and provincial areas on the leasing land plots owned by many unrelated persons. In the past 3 years, the Company has not invested in building any significant fixed assets but mostly invested in the improvement and expansion of the buildings and buying vehicles to develop the servicing areas and provide convenience to customers participating in the auction. As a result, the improvement of land, building and equipment was 61.60 million baht, 133.29 million baht, and 166.35 million baht at the end of 2012-2014 respectively.

In 2013, the improvement of land, building and equipment increased for 71.69 million baht compared to the previous year. The main cause came from the land improvement and the asset investment at the head office. The car vehicle storage at the head office included the steel structure with roof construction, the canteen renovation for customer's convenience, the improvement of the auctioned car park at Rangsit Klong 8 site prepared for the future expansion, and the improvement of the site at Thailand Post - Chang Wattana.

In 2014, the improvement of land, building and equipment was 166.35 million baht compared to 33.06 million baht at the end of 2013. This is because the Company has been renovating the sites at head office, Rangsit Klong 8, Chiangmai, Nakorn Ratchasima, Putthamonthon 2.

- **Intangible Assets - net**

Intangible assets-net consists of land leasehold, license and software, totaling value was 0.38 million baht, 2.35 million baht, and 14.16 million baht at the end of 2012-2014 respectively. The detail was as follows:

1. The Company held the lease of a land plot to build the head office building. The land of 0-3-99 rai was leased from unrelated persons on August 1, 1995. The lease period was 21 years, from August 1, 1995 to July 31, 2016. The Company had to pay for the leasehold for 1 million baht and the monthly leasing fee for 25,000 baht, effective from August 1, 1996. The Company has depreciated the leasehold every year for 21 years. At the end of 2012-2014, the Company had the decreased leasehold value at 0.17 million baht, 0.12 million baht, and 0.07 million baht respectively.
- The Company has the leasehold of the land title deed number 62232 of 2 rai 2 ngan 10 square wah, title deed number 1046 of 5 rai 1 ngan 44 square wah, title deed number 5435 of 2 ngan 30 square wah and title deed number 1047 of 2 ngan 16 square wah at Nong Kwai subdistrict, Hang dong district, Chiangmai in order to be used as the auction venues. The leasing period is 10 years, starting from January 23, 2014 to January 22, 2024.



The Company has paid the leasing fees for the amount of 1.06 million baht, 2.26 million baht, and 0.47 million baht respectively and has been paying 44,297.89 baht, 94,035.79 million baht and 19,561.05 baht per month since January 23, 2014.

As of December 31, 2014, such leasehold had the accounting net value of 3.64 million baht with the remaining period of 9 years 22 days.

- The Company has the leasehold of the land title deed number 1046 of 5 rai 3 ngan 06 square wah, title deed number 62232 of 4 rai 2 ngan 21 square wah at Nong Kwai subdistrict, Hang dong district, Chiangmai in order to be used as the auction venues. The leasing period is 9 years, starting from March 1, 2015 to February 28, 2024. The Company paid the leasing fees for the amount of 3.82 million baht and 3.02 million baht respectively and has been paying 1.18 million baht and 0.98 million baht per year since March 1, 2015.

As of December 31, 2014, such leasehold had the accounting net value of 3.82 million baht and 3.02 million baht with the remaining period of 9 years.

2. Deferred leasehold fees paid to the Department of Lands for the servitude of the leased land at the head office, Rangsit and Chiangmai sites were 2.03 million baht and 2.63 million baht at the end of 2012-2014.
3. Computer programs consist of E-auction license for the auction via E-auction system and software programs that the Company used in conducting business were 0.21 million baht, 0.20 million baht, and 0.10 million baht at the end of 2012-2014 respectively.

• Other Non-Current Assets

Other non-current assets consist of deposits, public utilities guarantee, advanced payment for land leasing fees, and other prepaid expenses, accounting for 4.18 million baht, 3.35 million baht, and 15.10 million baht, or 1.27%, 0.48% and 2.12% at the end of 2012-2014 respectively.

Type	As of Dec. 31, 2012		As of Dec. 31, 2013		As of Dec. 31, 2014	
	Mio Baht	% ^{/1}	Mio Baht	% ^{/1}	Mio Baht	% ^{/1}
Deposit ^{/2}	0.52	0.16	0.91	0.13	0.45	0.06
Guarantee for public utilities and vehicle storage rental fees	1.67	0.50	1.70	0.24	1.64	0.23
Advanced payment for land leasing fee	0.71	0.22	0.71	0.10	12.69	1.78
Other prepaid expenses	1.28	0.39	0.04	0.01	0.32	0.04
Total	4.18	1.27	3.35	0.48	15.10	2.12

^{/1} % of total assets

^{/2} Deposits consist of cash deposit for security staff's rooms and prepaid deposit to financial institutions according to the car leasing agreements.



Liabilities and Shareholder's Equity

Liabilities

Total liabilities of the Company include trade and other account payables that own the assets participated in the Company's auction and have not been transferred yet, accounting for 76-88% of total liabilities of the Company. At the end of 2012-2014, the Company had total liabilities of 196.86 million baht, 306.27 million baht, and 253.57 million baht, accounting for 59.70%, 44.06% and 35.57% of total assets in 2012-2014 respectively.

- **Trade and Other Account Payables**

Trade and other account payables are auctioned vehicle owners, accrued expenses and other account payables, accounting for 159.64 million baht, 270.84 million baht, and 192.38 million baht in the year 2012-2014 respectively.

Car creditor is the owner of the car participated in the auction, accounting for 142.16 million baht, 230.85 million baht, and 156.04 million baht at the end 2012-2014 respectively. Normally it takes the Company 5-7 days from the auction date to deliver the auction payment to the property or vehicle owner. Any change in the car creditors in each period was the result of the schedule of payment to property owners and the accounting closing period.

Accrued expenses include bonuses, site leasing fees, and services fees, such as vehicle transportation services fees and vehicle inspection services fees. They accounted for 16.83 million baht, 37.93 million baht, and 34.39 million baht at the end of 2012-2014 respectively.

Other account payables include property account payables, postdated cheque, accrued dividends and others, accounting for 0.65 million baht, 2.06 million baht, and 1.93 million baht at the end of 2012 - 2014 respectively.

- **Finance Lease Liabilities**

Type	As of Dec. 31, 2012		As of Dec. 31, 2013		As of Dec. 31, 2014	
	Mio Baht	% ^{/1}	Mio Baht	% ^{/1}	Mio Baht	% ^{/1}
Finance lease liabilities due within 1 year	3.78	1.15	1.91	0.27	2.08	0.29
Finance lease liabilities	9.76	2.96	4.80	0.69	2.72	0.38
Total finance lease liabilities	13.54	4.11	6.72	0.97	4.80	0.67

^{/1} percentage of total assets



Finance lease liabilities were 13.54 million baht, 6.72 million baht, and 4.80 million baht at the end of 2012-2014 respectively. The Company bought one car for the executive by leasing with a financial institution in 2010 and another one in 2012. The leasing period was 60 months. The Company has met the required payment condition.

- **Other Non-current Liabilities**

Other non-current liabilities include employee's provident fund, internet deposit, and bidder's card deposits of loyal customers who made long-term deposits with the Company for their convenience so that they do not have to pay at every single auction. The other non-current liabilities accounted for 6.93 million baht, 6.13 million baht, and 17.27 million baht, accounting for 2.10%, 0.88%, and 2.42% of total assets at the end of 2012-2014 respectively.

Type	As of Dec. 31, 2012		As of Dec. 31, 2013		As of Dec. 31, 2014	
	Mio Baht	%	Mio Baht	%	Mio Baht	%
Employee's provident fund	3.48	1.05	2.85	0.41	2.74	0.38
Internet deposit	1.54	0.47	1.82	0.26	2.98	0.42
Bidder's card deposit	1.50	0.46	1.46	0.21	2.28	0.32
Deferred income from car leasing fees	0.41	0.12	-	-	-	-
Payable expenses (leasing fees)	-	-	-	-	9.27	1.30
Total	6.93	2.10	6.13	0.88	17.27	2.42

Shareholder's Equity

At the year end of 2012-2014, the shareholder's equity of the Company was 132.91 million baht, 388.92 million baht, and 459.36 million baht respectively. In 2012-2014, the Company had paid-up capital of 110 million baht and has been profitable. However, the shareholder's equity decreased mainly because of the dividend payment and the retained earnings adjustment for the employee's benefits. In 2012, the Company paid dividend for 2 times at the rate of 1.80 baht/share for 11.00 million shares, totaling in 19.80 million baht and at 1.36 baht/share for 11.00 million shares, totaling in 14.96 million baht. Total dividend payment was 34.76 million baht, including the loss on Actuarial Estimates of the Employee's Benefits project for 3.56 million baht.

In 2013, the Company's shareholder's equity increased for 256.02 million baht. The main cause was, in the third quarter of 2013, the Company issued 110 million shares for public offering and the paid-up capital was 220 million baht. So the Company had the issued and paid-up capital of 27.50 million baht and the share premium of 192.50 million baht. The expenses recorded for the share offering was 8.51 million baht which was deducted from the premium on common shares. So the common share premium was decreased from 192.50 million baht to 183.99 million baht. The Company had net profits



of 69.57 million baht and paid dividend for 2 times during the year for 11 million baht and 16.50 million baht on April 1, 2013 and October 8, 2013 respectively.

As of December 31, 2014, the Company paid dividend for 2 times at the amount of 49.50 million baht and 82.50 million baht on May 19, 2014 and September 5, 2014 respectively.

- **The Increase in Registered Capital and Paid-up Capital**

The shareholder meeting of 2013 on March 20, 2013 had the resolution to approve the change in the Company's registered capital as follows:

1. Approved the decrease in registered capital from 145 million baht to 110 million baht by cut off the 70 million unissued shares at par value of 0.50 baht/ share.
2. Approved the change in par value from 0.50 baht/share to 0.25 baht/share. After the change, the Company increased the number of registered common shares from 220 million to 440 million shares.
3. Approved the increase in registered capital for 27.50 million baht, resulted in the increasing registered capital from 110 million baht to 137.50 million baht, by issuing 110 million common shares at 0.25 baht/share. After the change, the Company had 137.50 million registered capital, of which were 550 million common shares at par value of 0.25 baht.
4. Approved the adjustment and change of public share offering to 110 million shares at par value of 0.25 baht.

Commitments and Contingency Liabilities that may occur on December 31, 2014

1. The Company had operating lease related to the land lease for its operation sites and for the advertising space for the period from 1 to 30 years. The expense of 1 year was 42.53 million baht. The expense of over 1 year but less than 5 years was 157.29 million baht. And the expense of over 5 years was 147.96 million baht. The total expenses were 347.78 million baht.
2. The Company held the guaranty issued by the domestic commercial bank for the electricity guarantee of 0.43 million baht and for the auction guarantee for 7.13 million baht.
3. The Company did not have any promissory note credit from financial institutions since the Company cancelled credit limits in 2014.
4. The Company received the approval on overdraft of 25 million baht from 3 financial institutions to be used as its working capital. It was guaranteed by the bank deposit.
5. The Company had commitments to be in compliance with the auction agreements with 62 unrelated companies and 5 commercial banks from May 2006 to May 2016. The Company shall follow the significant conditions in the agreements, such as commissions, etc.



Liquidity Analysis

(unite : million baht)	2012	2013	2014
Profits from operational activities before change in assets and operational liabilities	53.41	100.73	269.24
Net cash generated from (spent on) operational activities	(22.84)	211.73	203.55
Net cash generated from (spent on) investing activities	18.97	(81.92)	(82.45)
Net cash generated from (spent on) financing activities	(36.10)	177.18	(133.92)
Net cash and cash equivalents increase (decrease)	(39.98)	307.00	(12.82)
Cash and cash equivalents at the end of period	92.01	399.01	386.19

- **Cash Flow**

The Company has net cash generated from (spent on) operational activities of (22.84) million baht, 211.73 million baht, and 203.55 million baht in 2012-2014 respectively. The change in cash flow from the Company's operational activities mainly depends on the change in transactions of trade account receivables and payables at the end of period, that is, the auctioned car's account receivables and payables that have not yet reached the due date. In 2012, the cash flow was negative. Although the Company gained operating profits before the change in operating assets and liabilities of 53.41 million baht, it had the increase in trade and other account receivables of 45.22 million baht, trade account receivables from car rental project of 8.7 million baht, and trade account payables of 17.96 million baht. In 2013, the Company's cash generated from operations was positive, mainly from the higher profits growth compared to the previous year and the increasing car creditors whose due dates have not yet arrived. As a result, the Company had higher cash flow from operation to be paid to car creditors on the due date. In 2014, the cash flow was positive since the Company has not yet paid the debts to trade payables and debtors whose due dates have not yet arrived.

The Company had net cash generated from (spent on) investing activities of 18.97 million baht, (81.92) million baht, and (82.45) million baht in 2012-2014 respectively. In 2012, the Company had positive net cash generated from investing activities mainly because the Company received cash from related companies for 57 million baht and received paid-up long-term capital for 5.40 million baht respectively and others. On the other hand, the Company deposited its cash with a financial institution for 22.64 million baht and invested 19.54 million baht to renovate the vehicle storage sites and clean up the drain to prevent the Company's area from the flood, to renovate canteen and to buy vehicles for business operations, and others. In 2013, cash spent on investing activities was (81.92) million baht, mainly on the Company's development and improvement of the 14 rai leased land next to the head office and the Rangsit site, prepared for the increasing vehicle stock in the future. In 2014, cash spent on investing activities was (82.45)



million baht, mainly on the expanding auction sites and the leasing fees of the auction sites in Chiangmai.

The Company has net cash generated from (spent on) financing activities for (36.10) million baht, 177.18 million baht, and (133.92) million baht in 2012-2014 respectively. In 2012, the Company paid for dividend and long-term leasing liabilities for 36.10 million baht. In 2013, the Company received cash from common shares offering to increase capital for 211.50 million baht but paid for dividend and long-term leasing liabilities for 34.32 million baht. In 2014, the Company paid for dividend and long-term leasing liabilities for 133.92 million baht

In overall, the change in cash flow of the Company mainly came from the operating cash flow. In 2012-2014, the Company's change in net cash flow was (39.98) million baht, 307.00 million baht, and (12.82) million baht. As a result, the Company's net cash flow and cash equivalents at the end of period were 92.01 million baht, 399.01 million baht, and 386.19 million baht respectively.



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 2014 financial report. The financial statements were prepared according to the generally accepted accounting standard in Thailand. The appropriate accounting policy was selected and practiced regularly. The significant information disclosure in the notes of financial statements was sufficient, transparent and beneficial for shareholders and general investors.

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

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

(Assoc. Prof. Dr. Paiboon Sareewiwatthana)

Chairman

(Mr. Thepthai Sila)

Managing Director



Auditor's Report

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

I have audited the accompanying financial statements of Union Auction Public Company Limited, which comprise the statement of financial position as at 31 December 2014, and the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Union Auction Public Company Limited as at 31 December 2014, and its results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Paiboon Tunkoon

Certified Public Accountant (Thailand) No. 4298
PricewaterhouseCoopers ABAS Ltd.

Bangkok

24 February 2015



Statement of Financial Position

Union Auction Public Company Limited
As at 31 December 2014

	Notes	2014	2013
		Baht	Baht
Assets			
Current assets			
Cash and cash equivalents	7	386,186,802	399,006,563
Short-term investments	8	34,950,175	22,782,641
Trade and other receivables	9	58,108,882	91,540,695
Other current assets, net		1,594,802	2,271,568
Total current assets		480,840,661	515,601,467
Non-current assets			
Restricted deposit at bank	10	32,558,700	39,608,930
Leasehold improvements, buildings and equipment, net	11	166,350,894	133,288,427
Intangible assets, net	12	14,161,469	2,347,670
Deferred tax asset		3,920,412	998,203
Prepaid land leases		12,687,376	705,645
Other non-current assets		2,413,707	2,646,165
Total non-current assets		232,092,558	179,595,040
Total assets		712,933,219	695,196,507

The accompanying notes on pages to are an integral part of the financial statements



Statement of Financial Position (Cont'd)

Union Auction Public Company Limited

As at 31 December 2014

	Notes	2014 Baht	2013 Baht
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	14	192,361,205	270,843,665
Accrued income tax		23,544,879	10,216,565
Current portion of liabilities under finance leases	15	2,076,927	1,911,530
Other current liabilities		5,005,418	3,773,492
Total current liabilities		222,988,429	286,745,252
Non-current liabilities			
Liabilities under finance leases	15	2,721,319	4,804,218
Employee benefit obligations	16	10,597,422	8,595,325
Other non-current liabilities		17,266,664	6,129,393
Total non-current liabilities		30,585,405	19,528,936
Total liabilities		253,573,834	306,274,188
Shareholders' equity			
Share capital	17		
Authorised share capital			
Ordinary share, 550,000,000 shares			
at par value of Baht 0.25 each		137,500,000	137,500,000
Issued and paid-up share capital			
Ordinary share, 550,000,000 shares			
at par value of Baht 0.25 each		137,500,000	137,500,000
Retained earnings			
Share premium	17	183,998,784	183,998,784
Appropriated - Legal reserved	18	13,750,000	6,503,899
Unappropriated		124,110,601	60,919,636
Total shareholders' equity		459,359,385	388,922,319
Total liabilities and shareholders' equity		712,933,219	695,196,507

The accompanying notes on pages to are an integral part of the financial statements



Statement of Comprehensive Income

Union Auction Public Company Limited
For the year ended 31 December 2014

	Notes	2014	2013
		Baht	Baht
Revenue from sales and services	6	709,872,169	467,260,130
Cost of sales and services		(348,376,247)	(278,624,030)
Gross profit		361,495,922	188,636,100
Other income		11,605,682	7,506,697
Selling and services expenses		(36,035,653)	(32,949,503)
Administrative expenses		(82,810,486)	(75,138,162)
Finance costs		(489,326)	(711,860)
Profit before income tax		253,766,139	87,343,272
Income tax	21	(51,329,223)	(17,774,692)
Profit for the year		202,436,916	69,568,580
Other comprehensive income (expense)			
Actuarial gain (loss)	16	-	3,192,509
Income tax relating to actuarial gain (loss)	21	-	(745,290)
Other comprehensive income (expense) for the year, net of tax		-	2,447,219
Total comprehensive income for the year		202,436,916	72,015,799
Profit for the year attributable to:			
Owners of the parent		202,436,916	69,568,580
Non-controlling interests		-	-
Profit for the year		202,436,916	69,568,580
Total comprehensive income for the year attributable to:			
Owners of the parent		202,436,916	72,015,799
Non-controlling interests		-	-
Total comprehensive income for the year		202,436,916	72,015,799
Basic earnings per share	22		
Basic earnings per share attributable to owner of the parent		0.37	0.15

The accompanying notes on pages to are an integral part of the financial statements

Statement of Changes in Shareholders' Equity

Union Auction Public Company Limited
For the year ended 31 December 2014

	Notes	Issued and paid-up share capital	Share premium	Retained Earnings		Total shareholders' equity
				Appropriated - legal reserved	Unappropriated retained earnings	
		Baht	Baht	Baht	Baht	Baht
Opening balance at 1 January 2013		110,000,000	-	5,021,348	17,884,651	132,905,999
Changes in shareholders' equity for the year						
Proceeds from shares issued	17	27,500,000	183,998,784	-	-	211,498,784
Legal reserve	18	-	-	1,482,551	(1,482,551)	-
Dividend paid	19	-	-	-	(27,498,263)	(27,498,263)
Total comprehensive income for the year		-	-	-	72,015,799	72,015,799
Closing balance at 31 December 2013		137,500,000	183,998,784	6,503,899	60,919,636	388,922,319
Opening balance at 1 January 2014		137,500,000	183,998,784	6,503,899	60,919,636	388,922,319
Changes in shareholders' equity for the year						
Legal reserve	18	-	-	7,246,101	(7,246,101)	-
Dividend paid	19	-	-	-	(131,999,850)	(131,999,850)
Total comprehensive income for the year		-	-	-	202,436,916	202,436,916
Closing balance at 31 December 2014		137,500,000	183,998,784	13,750,000	124,110,601	459,359,385

The accompanying notes on pages to are an integral part of the financial statements



Statement of Cash Flows

Union Auction Public Company Limited
For the year ended 31 December 2014

	Notes	2014	2013
		Baht	Baht
Cash flows from operating activities			
Profit before income tax		253,766,139	87,343,272
Adjustments for:			
Depreciation	11	21,187,102	12,969,972
Amortization	12	648,029	248,325
Allowance for doubtful account (reversal)		(71,135)	39,205
(Gain) loss from fair value of investments	8	11,400	9,150
Loss (gain) on disposals of equipments		(1,368,614)	510,507
Loss from diminution in value of inventories		-	(89,159)
Loss on disposal of finance lease receivables		-	2,052,794
Dividend income		(4,200)	(6,000)
Employee benefit obligations	16	2,002,097	1,399,453
Interest income		(7,416,326)	(4,453,481)
Finance cost - interest expense		489,326	711,860
Changes in operating assets and liabilities			
Trade and other receivables		33,337,334	3,112,562
Finance lease receivables		-	10,093,700
Inventories		-	379,159
Other current assets		676,766	821,784
Other non-current assets		232,458	824,488
Trade and other payables		(78,482,460)	104,496,209
Other current liabilities		1,231,926	836,695
Other non-current liabilities		11,137,271	(799,897)
Cash flows from operating activities		237,377,113	220,500,598
Payment for finance cost - interest expense		(489,326)	(711,860)
Interest income received		7,581,940	4,196,929
Tax paid		(40,923,118)	(12,246,397)
Net cash generated from (used in) operating activities		203,546,609	211,739,270

The accompanying notes on pages to are an integral part of the financial statements



Statement of Cash Flows (Cont'd)

Union Auction Public Company Limited
For the year ended 31 December 2014

	Notes	2014	2013
		Baht	Baht
Cash flow from investing activities			
(Increase) decrease of restricted deposit at bank		7,050,230	(1,244,115)
Purchases of short-term investments	8	(34,890,475)	-
Proceeds from redemption of short-term investments	8	22,711,541	-
Purchases of leasehold improvements and equipment		(54,270,876)	(80,802,724)
Proceeds from disposals of equipment		1,389,921	2,335,851
Purchases of intangible assets		(12,461,828)	(2,213,395)
Purchases of prepaid land leases		(11,981,731)	-
Dividend received		4,200	6,000
Net cash generated from investing activities		(82,449,018)	(81,918,383)
Cash flows from financing activities			
Repayments of liabilities under finance leases		(1,917,502)	(6,824,478)
Dividend paid	19	(131,999,850)	(27,498,263)
Proceeds from issue of ordinary shares	17	-	211,498,784
Net cash used in financing activities		(133,917,352)	177,176,043
Net (decrease) increase in cash and cash equivalents		(12,819,761)	306,996,930
Opening balance of cash and cash equivalents		399,006,563	92,009,633
Closing balance of cash and cash equivalents	7	386,186,802	399,006,563
Supplementary information for cash flows:			
Non-cash transactions			
Significant non-cash transactions comprise:			
Acquisition of equipment through finance lease		-	-
Acquisition of leasehold improvements which have not been paid		-	6,704,443

The accompanying notes on pages to are an integral part of the financial statements



Notes to the Financial Statements

Union Auction Public Company Limited
For the year ended 31 December 2014

1 General information

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

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

The Company has become 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 opened a branch since 28 October 2005, which is located at 49/24 Moo 2, Tumbon Lumpakkood, Thanyaburi, Pratum Thani. At the present, the Company has 13 auctions throughout places in Thailand.

These financial statements were authorised for issue by the Board of Directors 24 February 2015.

2 Accounting policies

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

2.1 Basis of preparation

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

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

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

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



2.2 New financial reporting standards and revised financial reporting standards

- 1) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Company:

TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of cash flows
TAS 12 (revised 2012)	Income taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee benefits
TAS 21 (revised 2012)	The effects of changes in foreign exchange rates
TAS 24 (revised 2012)	Related party disclosures
TAS 34 (revised 2012)	Interim financial reporting
TAS 36 (revised 2012)	Impairment of assets
TAS 38 (revised 2012)	Intangible assets
TFRS 8 (revised 2012)	Operations operating segments
TFRIC 10	Interim financial reporting and impairment
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 32	Intangible assets - Web site costs

The revised accounting standards, financial reporting standards, financial reporting interpretations committee, and standing interpretations committee has no material impact to the Company.

- 2) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Company and are not early adopted:

- a) Financial reporting standards, which are expected to have a significant impact to the Company:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements

TFRS 11	Joint arrangements
TFRS 12	Disclosure of interest in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

TFRIC 20 (revised 2014) Stripping costs in the production phase of a surface mine
TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. This standard has no impact to the Company.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. The Company is yet to assess the full impact of the amendments.

TAS 27 (revised 2014) provide the requirements relating to separate financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the



new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This standard has no impact to the Company.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the Company.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the Company.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the Company.

TFRIC 14 (revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

TFRIC 20 (Revised 2014), this interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. This standard has no impact to the Company.



- b) Financial reporting standards with minor changes and do not have impact to the Company are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contract
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants & disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures



TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2014)	Applying the restatement approach under IAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers

- 3) New financial reporting standard which is effective on 1 January 2016.

TFRS 4 (revised 2014) Insurance contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Company's operations.

2.3 Foreign currency translation

- a) Functional and presentation currency

Items included in the financial statements of each 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.

2.4 Cash and cash equivalents

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 than the date of acquisition and bank overdraft. Bank overdraft is presented as liabilities in the statement of financial position. Restricted cash is not included in cash and cash equivalents.

2.5 Investments

Investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.

Trading investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in profit or loss.

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets. Held-to-maturity investments are carried at amortised cost using the effective yield method.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

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 costs.



2.7 Leasehold improvements, buildings and equipment

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

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

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

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

The average lease period is between 3 months to 30 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

Leasehold right of land

Leasehold right of land with definite life is stated at cost less any accumulated amortization and any accumulated impairment losses (if any). Amortisation is calculated on straight line basis over their estimated useful lives of 9-20 years.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, not exceeding a period of 3 years.



2.9 Impairment of assets

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

2.10 Leases

Where the Company is the lessee

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

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

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

2.11 Employee Benefits

The Company operates various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Company has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.



A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Legal severance service

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

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

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

Provident funds

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

2.12 Provisions

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



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

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

2.13 Share Capital

Ordinary shares are classified as equity.

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

2.14 Revenue recognition

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

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

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

Interest income is recognised using the effective interest method.

2.15 Dividend distribution

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

2.16 Income tax

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



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

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

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

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

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

2.17 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

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value 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.

3.1.1 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.

3.1.2 Foreign exchange rate risk

The Company has no foreign exchange rate risk because of no foreign receivables and payables. As such, the Company has not entered into the financial instruments to protect the foreign exchange rate risk.

3.1.3 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 28 days.

3.1.4 Liquidity risk

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



3.2 Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

The carrying value less impairment allowance of trade receivables from auction service is assumed to approximate to their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

4. Critical accounting estimates and judgements

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

4.1 Critical accounting estimates and assumptions

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

a) Allowance for doubtful accounts

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

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

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

c) Employee benefits

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

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

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

5. Capital risk management

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

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



6. Segment information

Financial information by business segments analysis as follow;

For the year ended 31 December 2014

	Vehicle auction	Motorcycle auction	Transportation income	Other service	Sales	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Revenue from sale and service income	561,886,703	60,041,665	87,943,801	-	-	709,872,169
Cost of sale and services						(348,376,247)
Gross profit						361,495,922
Operating profit						242,649,783
Other income						11,605,682
Financial costs						(489,326)
Income tax						(51,329,223)
Profit for the year						202,436,916

For the year ended 31 December 2013

	Vehicle auction	Motorcycle auction	Transportation income	Other service	Sales	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Revenue from sale and service income	350,018,786	57,749,750	58,903,821	285,773	302,000	467,260,130
Cost of sale and services						(278,624,030)
Gross profit						188,636,100
Operating profit						80,548,435
Other income						7,506,697
Financial costs						(711,860)
Income tax						(17,774,692)
Profit for the year						69,568,580

The Company is in the process to identify an appropriate basis for cost allocation since there are various common costs shared between segments.



7. Cash and cash equivalents

	2014	2013
	Baht	Baht
Cash on hand	119,615	145,973
Deposits with banks - Current	68,920,684	56,481,814
- Saving	167,143,935	121,416,170
Short-term bank deposits	150,002,568	220,962,606
Total	386,186,802	399,006,563

The effective interest rate on short-term bank deposits was 2.37% per annum (2013: 2.65% per annum).

8. Short-term investments

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

	Fixed deposit due within 1 year	Available for sale	Total
	Baht	Baht	Baht
At 1 January 2013	22,640,490	80,250	22,720,740
Interest	71,051	-	71,051
Fair value adjustments	-	(9,150)	(9,150)
At 31 December 2013	22,711,541	71,100	22,782,641
Additions	34,890,475	-	34,890,475
Disposals	(22,711,541)	-	(22,711,541)
Fair value adjustments	-	(11,400)	(11,400)
At 31 December 2014	34,890,475	59,700	34,950,175

Fair values of investment are as follow:

	Fixed deposit due within 1 year	Available for sale	Total
	Baht	Baht	Baht
Cost as at 31 December 2014	34,890,475	47,500	34,937,975
Unrealised gain	-	12,200	12,200
Fair value as at 31 December 2014	34,890,475	59,700	34,950,175



	2014	2013
	Baht	Baht
Held-to-maturity:		
- Fixed deposits	34,890,475	22,711,541
Trading security:		
- Equity security	59,700	71,100
Total	34,950,175	22,782,641

Fixed deposits are bank deposit accounts due in 3 - 12 months. Bank deposit account amounting to Baht 34.95 million is due on December 2015 and bears interest rate at 1.75% - 2.90% per annum (2013: 2.25% - 3.15% per annum). Equity security is a security of a company which is traded in the Stock Exchange Market.

9. Trade and other receivables

	2014	2013
	Baht	Baht
Trade receivables - vehicles	39,182,021	80,166,268
<u>Less</u> Allowance for doubtful accounts	(405,000)	(440,135)
Trade receivables, net	38,777,021	79,726,133
Prepaid land rental	6,656,161	4,644,758
Advances paid	7,088,985	2,528,305
Prepaid expenses	2,186,427	1,791,750
Account receivables - others	2,936,306	2,220,153
Interest receivable	463,982	629,596
Total	58,108,882	91,540,695

	2014	2013
	Baht	Baht
Current	21,512,496	68,772,515
Overdue less than 3 months	17,263,525	10,953,348
3 - 6 months	1,000	270
6 - 12 months	-	-
Over 12 months	405,000	440,135
	39,182,021	80,166,268
<u>Less</u> Allowance for doubtful accounts	(405,000)	(440,135)
Total	38,777,021	79,726,133

Normally, credit term of trade receivables is between 4 - 28 working days.



10. Restricted deposit at bank

As at 31 December 2014, the Company had outstanding deposit at a bank of Baht 32.56 million (2013: Baht 39.61 million) being used as guarantees for letters of guarantee facility issued by a local commercial bank in respect of electricity usage and contract performance guarantee for auction biddings of Baht 7.56 million (Note 24.2), and guarantees for overdraft facility from 3 financial institutions amounting to Baht 25.00 million (Note 24.4).

11. Leasehold improvements, buildings and equipment, net

	Leasehold improvements	Buildings	Building improvements and facilities	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2013								
Cost	71,173,551	19,813,042	28,260,855	21,778,452	1,780,550	29,287,925	1,170,169	173,264,544
Less Accumulated depreciation	(44,210,638)	(13,035,818)	(23,331,738)	(13,087,150)	(1,311,513)	(16,690,096)	-	(111,666,953)
Net book value	26,962,913	6,777,224	4,929,117	8,691,302	469,037	12,597,829	1,170,169	61,597,591
For the year ended 31 December 2013								
Opening net book value	26,962,913	6,777,224	4,929,117	8,691,302	469,037	12,597,829	1,170,169	61,597,591
Additions	7,410,362	96,757	2,421,510	3,346,896	144,766	3,350,009	70,736,687	87,506,987
Disposals	-	-	-	(12,208)	-	(2,673,135)	(160,836)	(2,846,179)
Transfers in (out)	42,475,529	225,766	1,075,274	594,000	-	-	(44,370,569)	-
Depreciation charge	(4,494,546)	(441,428)	(1,576,026)	(3,139,083)	(135,645)	(3,183,244)	-	(12,969,972)
Closing net book value	72,354,258	6,658,319	6,849,875	9,480,907	478,158	10,091,459	27,375,451	133,288,427
At 31 December 2013								
Cost	121,059,441	20,135,565	31,757,639	25,421,206	1,925,316	26,588,291	27,375,451	254,262,909
Less Accumulated depreciation	(48,705,183)	(13,477,246)	(24,907,764)	(15,940,299)	(1,447,158)	(16,496,832)	-	(120,974,482)
Net book value	72,354,258	6,658,319	6,849,875	9,480,907	478,158	10,091,459	27,375,451	133,288,427



	Leasehold improvements	Buildings	Building improvements and facilities	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
For the year ended 31 December 2014								
Opening net book value	72,354,258	6,658,319	6,849,875	9,480,907	478,158	10,091,459	27,375,451	133,288,427
Additions	8,938,481	-	2,276,191	9,261,179	252,504	6,550,910	26,991,611	54,270,876
Disposals	(1)	-	-	(9,302)	(4)	(12,000)	-	(21,307)
Transfers in (out)	48,943,742	-	3,450,316	520,187	-	-	(52,914,245)	-
Depreciation charge	(11,247,286)	(489,000)	(2,242,439)	(4,048,658)	(158,082)	(3,001,637)	-	(21,187,102)
Closing net book value	118,989,194	6,169,319	10,333,943	15,204,313	572,576	13,628,732	1,452,817	166,350,894
At 31 December 2014								
Cost	177,411,664	20,135,565	37,484,146	34,874,937	2,156,167	31,012,777	1,452,817	304,528,073
Less Accumulated depreciation	(58,422,470)	(13,966,246)	(27,150,203)	(19,670,624)	(1,583,591)	(17,384,045)	-	(138,177,179)
Net book value	118,989,194	6,169,319	10,333,943	15,204,313	572,576	13,628,732	1,452,817	166,350,894

During the year 2014, the Company completed its construction of car parking at head office, Rangsit branch and upcountry branches. As such, the amount of construction in progress of Baht 52.91 million was transferred to related asset categories in December 2014.



The Company has the assets under financial lease which are cars as follow:

	2014	2013
	Baht	Baht
Cost - Capitalised finance leases	9,614,486	16,584,393
<u>Less</u> Accumulated depreciation	(5,153,246)	(10,200,254)
Net book amount	4,461,240	6,384,139

12. Intangible assets, net

	Lease right on land	Computer software	Installation in progress	Total
	Baht	Baht	Baht	Baht
At 1 January 2013				
Cost	1,000,000	340,120	-	1,340,120
<u>Less</u> Accumulated amortisation	(829,364)	(128,156)	-	(957,520)
Net book amount	170,636	211,964	-	382,600
For the year ended 31 December 2013				
Cost	170,636	211,964	-	382,600
Additions	2,099,370	114,025	-	2,213,395
<u>Less</u> Amortisation charge	(118,576)	(129,749)	-	(248,325)
Closing net book amount	2,151,430	196,240	-	2,347,670
At 31 December 2013				
Cost	3,099,370	454,145	-	3,553,515
<u>Less</u> Accumulated amortisation	(947,940)	(257,905)	-	(1,205,845)
Net book amount	2,151,430	196,240	-	2,347,670
For the year ended 31 December 2014				
Cost	2,151,430	196,240	-	2,347,670
Additions	11,587,828	-	874,000	12,461,828
<u>Less</u> Amortisation charge	(554,236)	(93,793)	-	(648,029)
Closing net book amount	13,185,022	102,447	874,000	14,161,469
At 31 December 2014				
Cost	14,687,198	454,145	874,000	16,015,343
<u>Less</u> Accumulated amortisation	(1,502,176)	(351,698)	-	(1,853,874)
Net book amount	13,185,022	102,447	874,000	14,161,469

Installation in progress was program development cost for E-Auction and other information technology systems.



13. 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% (2013: 20%).

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

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

	2014	2013
	Baht	Baht
At 1 January	998,203	473,958
Credited to profit or loss	2,922,209	1,269,535
Tax charged directly to equity	-	(745,290)
At 31 December	3,920,412	998,203

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

	1 January 2014	Increase (decrease) to statement of comprehensive income	Increase (decrease) to statement of other comprehensive income	31 December 2014
	Baht	Baht	Baht	Baht
Deferred income tax assets				
Employee benefit obligations	1,719,065	400,419	-	2,119,484
Land rental	949,697	904,076	-	1,853,773
Finance lease receivables	-	-	-	-
Total deferred income tax assets	2,668,762	1,304,495	-	3,973,257
Deferred income tax liabilities				
Depreciation	(1,094,796)	1,351,597	-	256,801
Finance lease obligations	(575,763)	266,117	-	(309,646)
Total deferred income tax liabilities	(1,670,559)	1,617,714	-	(52,845)
Deferred income taxes, net	998,203	2,922,208	-	3,920,412



	1 January 2014	Increase (decrease) to statement of comprehensive income	Increase (decrease) to statement of other comprehensive income	31 December 2014
	Baht	Baht	Baht	Baht
Deferred income tax assets				
Employee benefit obligations	2,077,676	386,679	(745,290)	1,719,065
Land rental	-	949,697	-	949,697
Finance lease receivables	172,507	(172,507)	-	-
Total deferred income tax assets	2,250,183	1,163,869	(745,290)	2,668,762
Deferred income tax liabilities				
Depreciation	(1,356,004)	261,208	-	(1,094,796)
Finance lease obligations	(420,221)	(155,542)	-	(575,763)
Total deferred income tax liabilities	(1,776,225)	105,666	-	(1,670,559)
Deferred income taxes, net	473,958	1,269,535	(745,290)	998,203

14. Trade and other payables

	2014	2013
	Baht	Baht
Trade payables - car	156,037,807	230,852,011
Accrued expenses	34,392,782	37,929,574
Other payables	1,930,616	2,062,080
	192,361,205	270,843,665

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

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



15. Liability under finance leases

Liability under finance leases related to cars is as follow:

	2014	2013
	Baht	Baht
Not later than one year	2,406,828	2,406,828
Later than 1 year but not later than 5 years	2,843,657	5,250,484
	5,250,485	7,657,312
<u>Less</u> Future finance charges on finance leases	(452,239)	(941,564)
Present value of finance lease liabilities	4,798,246	6,715,748
Representing lease liabilities		
- Short-term	2,076,927	1,911,530
- Long-term	2,721,319	4,804,218
	4,798,246	6,715,748

The present value of finance lease liabilities is as follow:

	2014	2013
	Baht	Baht
Not later than 1 year	2,076,927	1,911,530
Later than 1 year but not later than 5 years	2,721,319	4,804,218
	4,798,246	6,715,748

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:

	2014	2013
	Baht	Baht
Severance pay	10,597,422	8,595,325



Employee benefit obligations based on actuarial estimation recognised in the statement of financial position is determined as follows:

	2014	2013
	Baht	Baht
Present value of defined benefit obligation	10,597,422	8,595,325
Plan assets	-	-
Net funded status	10,597,422	8,595,325

The principal actuarial assumptions used were as follows:

	2014	2013
	%	%
Discounted rate	4.56	4.56
Future salary increases		
Prior to age 29 years	7.53	7.53
Aged 30 - 39	7.53	7.53
Aged 40 - 49	7.53	7.53
Aged 50 and above	7.53	7.53

The movement in employee benefit obligations is as follows:

	2014	2013
	Baht	Baht
Beginning net book amount	8,595,325	10,388,381
Current service cost	1,531,213	1,027,400
Interest cost	470,884	372,053
Actuarial (gain) loss	-	(3,192,509)
Actual paid	-	-
Ending net book amount	10,597,422	8,595,325

The Company engaged an independent actuary to perform the valuation of net present value of defined benefit obligations in September 2013. The actuarial assumptions used in the valuation have been revised to reflect the current economic situation. This resulted in an actuarial gain of Baht 3,192,509 which was recognised in other comprehensive income.



The amounts recognised in the profit or loss are as follows:

	2014	2013
	Baht	Baht
Current service cost	1,531,213	1,027,400
Interest cost	470,884	372,053
Total, included in staff costs	2,002,097	1,399,453

17. Share capital

Issued and paid-up

	Authorised share capital		share capital		
	Ordinary		Ordinary		Shares premium
	Shares	Baht	Shares	Baht	Baht
At 1 January 2013	290,000,000	145,000,000	220,000,000	110,000,000	-
Decrease in share registered	(70,000,000)	(35,000,000)	-	-	-
	220,000,000	110,000,000	220,000,000	110,000,000	-
Change in par value from Baht 0.50 to Baht 0.25 per share	220,000,000	-	220,000,000	-	-
	440,000,000	110,000,000	440,000,000	110,000,000	-
Issuance of shares	110,000,000	27,500,000	110,000,000	27,500,000	183,998,784
At 31 December 2013	550,000,000	137,500,000	550,000,000	137,500,000	183,998,784
Issuance of shares	-	-	-	-	-
At 31 December 2014	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 (2014: 550,000,000 shares) with a par value of Baht 0.25 per share (2013: Baht 0.25 per share). All issued shares are fully paid.

At the Shareholders' meeting held on 20 March 2013, they passed a resolution for certain changes in share capital as follow:

1. Decrease in the registered share capital of Baht 35 million by decreasing the unpaid share of 70 million shares with par value at Baht 0.50 per share. Then, the registered share capital is changed from Baht 145 million to Baht 110 million;
2. Change in par value from Baht 0.50 per share to Baht 0.25 per share. After the change in par value, the number of registered share is changed from 220 million shares to 440 million shares with the paid-up capital of Baht 110 million;



3. Increase in the registered share capital of Baht 27.50 million by issuing the registered share of 110 million shares with par value at Baht 0.25 per share. Consequently, the share capital is changed from Baht 110 million to Baht 137.50 million.

As a result of the above changes in registered share capital, the registered share capital is Baht 137.50 million from the registered ordinary shares of 550 million shares at par value Baht 0.25 per share. The Company registered the change in registered share capital and par value with the Ministry of Commerce on 26 March 2013.

During the third quarter 2013, the Company sold its ordinary shares 110 million shares to public and called-up the ordinary shares of Baht 220 million. This results in the share capital increase of Baht 27.50 million and share premium of Baht 192.50 million. In addition, the Company recorded expenses in respect of shares distribution amount of Baht 8.51 million as a deduction to the share premium. Consequently, the share premium is changed from Baht 192.50 million to Baht 183.99 million. The Company registered the additional shares issued with the Ministry of Commerce on 26 August 2013.

18. Legal reserve

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

	2014	2013
	Baht	Baht
At 1 January	6,503,899	5,021,348
Additions	7,246,101	1,482,551
At 31 December	13,750,000	6,503,899

19. Dividends paid

At the Annual Shareholders' Meeting for the year 2014 held on 22 April 2014, the shareholders passed a resolution to approve the dividend payment to 550 million shares from the retained earnings at Baht 0.12 per share totaling Baht 66.00 million. The Company paid the interim dividend at Baht 0.03 per share totaling Baht 16.50 million on 8 October 2013 and the remaining dividend at Baht 0.09 per share totaling Baht 49.50 million was paid on 19 May 2014.

At the Board of Director's Meeting for the year 2014 held on 7 August 2014, the Board of Directors approve the interim dividend from the retained earnings as at 30 June 2014 at Baht 0.15 per share to 550 million shares, totaling to Baht 82.50 million. The dividend was paid to the shareholders on 5 September 2014. As such, total dividends paid in 2014 were Baht 132.00 million.



At the Annual Shareholders' Meeting for the year 2013 held on 20 March 2013, the shareholders passed a resolution to approve the dividend payment from the retain earnings totaling Baht 25.96 million. The Company paid the interim dividend at Baht 1.36 per share to 11 million shares, totaling to Baht 14.96 million and the remaining dividend at Baht 0.05 per share to 220 million shares, totaling Baht 11.00 million. The dividend was paid to the shareholders on 1 April 2013.

At the Board of Directors' Meeting held on 10 September 2013, the Board of Directors approved dividend from the retain earnings as at 30 June 2013 at Baht 0.03 per share to 550 million shares, amounting to Baht 16.50 million. The dividend was paid to the shareholders on 8 October 2013. As such, total dividends paid in 2013 were Baht 27.50 million.

20. Expenses by nature

	2014	2013
	Baht	Baht
Staff costs	102,113,594	82,264,245
Transportation costs	102,823,963	81,846,873
Commission expenses	47,937,611	39,849,756
Land rental expenses	52,845,783	45,092,934
Other auction costs	50,955,111	37,532,161
Security costs	17,921,558	16,788,679
Depreciation (Note 11)	21,187,102	12,969,972
Amortisation (Note 12)	648,029	248,325

21. Income tax

	2014	2013
	Baht	Baht
Income tax expense for the period	54,251,432	19,044,227
Deferred income tax (Note 13)	(2,922,209)	(1,269,535)
Income tax expense	51,239,223	17,774,692



The tax on the Group'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:

	2014	2013
	Baht	Baht
Profit before tax	253,766,139	87,343,272
Tax calculated at a tax rate of 20% (2013: 20%)	50,753,228	17,468,654
Tax effect of:		
Expenses not deductible for tax purpose	601,847	315,946
Expense that are deductible at a greater amount from actual expenses	(25,852)	(9,908)
Tax charge	51,329,223	17,774,692

The weighted average applicable tax rate was 20% (2013: 20%).

22. Earnings per share

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

	2014	2013
Profit attributable to ordinary shareholders (Baht)	202,436,916	69,568,580
Weighted average number of ordinary shares (share)	550,000,000	476,666,667
Basic earnings per share (Baht)	0.37	0.15

There is no potential dilutive ordinary shares in issue for the year ended 31 December 2014 and 2013.

23. Related party transactions

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



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

The following significant transactions were carried out with related parties:

23.1 Key Management compensation

	2014	2013
	Baht	Baht
Salaries and other short-term employee benefits	24,837,600	13,429,934
Retirement benefits	1,011,756	566,787
	25,849,356	13,996,721

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

24. Commitments

24.1 Operating lease commitments

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

	2014	2013
	Baht	Baht
Not later than 1 year	42,528,439	28,447,602
Later than 1 year but not later than 5 years	157,287,347	100,714,549
More than 5 years	147,961,931	137,000,203
	347,777,717	266,162,354

24.2 Bank guarantees

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

	2014	2013
	Baht	Baht
Electricity guarantee	428,700	428,700
Guarantees for contract performance used for the auction biddings	7,130,000	7,577,360
	7,558,700	8,006,060



24.3 As at 31 December 2014, the Company has no credit facility which respect to promissory notes from financial institution (31 December 2013: Baht 120 million) as to the Company cancelled this credit facility during the year 2014.

24.4 As at 31 December 2014, the Company had overdraft facility of Baht 25 million (31 December 2013: Baht 25 million) from 3 financial institutes which was reserved for the Company's operation. The overdraft facility is guaranteed by related fix deposits (Note 10).

24.5 **Other agreements**

The Company has a commitment for the arrangement of auction biddings provided to 62 non-related companies and 5 local banks for the period from May 2006 to December 2016, the Company is required to comply with significant terms in related agreements such as commission rates.

25. Post statement of financial position event

At the Board of Director's Meeting held on 24 February 2015, the Board of Directors approved the additional annual dividend from the retained earnings as at 31 December 2014 at Baht 0.19 per share to 550 million shares, totaling Baht 104.50 million. The dividend will be distributed to the shareholders listed in the register on 12 March 2014. This dividend will be passed to the Annual Shareholders' Meeting for the year 2015 on 27 March 2015 for approval.



Audit Fees

At the end of accounting period of December 31, 2014, the Company paid the audit fees to Pricewaterhouse Coopers ABAS Co., Ltd. for 1.05 million baht.

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

