

ANNUAL REPORT 2016

AUCT

UNION AUCTION

บริษัท สหการประมูล จำกัด (มหาชน) | Union Auction Public Company Limited



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

“YOUR SUCCESS IS OUR PRIDE”

VISION

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

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

MISSION

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

VALUE

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

“YOUR SUCCESS IS OUR PRIDE”

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Message from the Board of Directors



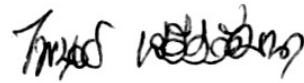
The year 2016 was another year that the automobile industry faced external environments that were unfavorable to business operations. This included a new structure to excise taxes and new debt collection laws that affected banks impounding cars for auctions. The overall economy continues to be stable both domestically and internationally. This impacted exports and the price of agricultural products was low. These risk factors affected the Thai automobile industry over the previous year which resulted in lower revenues from service provisions and the Company's net profit was lower than 2015.

The Company was well aware of these unavoidable external environments that were unfavorable to the business. As a result, the Company needed to speed up the Company's development in order to be strong, ready to compete in every circumstance and able to build stable profits.

The year 2017 will be another challenging year because the Company must be prepared for the coming future changes. The Company determined to improve the Company management in order to be effective and have stability under the corporate governance principles and proper code of conduct. This included increasing the effectiveness of work by developing information technology systems that are web based. This will enable people to be able to review automobile information and follow bidding results in real time. The Company will develop online auction systems that are able to support all kinds of auction processes.

In my opinion, the most challenging task for the Company is allowing end users to bring cars to auction and/or using auctions. The Company has plans to build customer confidence. Other than this, the Company created a joint venture with TSF Energy Company Limited, a subsidiary company of Three Sixty Five Company Limited, which was set up by Action and Auction Company Limited. This was done to increase channels that increase the Company's revenues. This will bring good results to both the Company and its shareholders.

On behalf of the Company's board of directors, I would like to express my gratitude to the shareholders, executive directors, employees, business allies, customers and any relevant party that continually supports the Company. The board of directors assures that the Company will conduct its business according to the Company's code of conduct and corporate governance principles so that the Company will have continuous, sustainable growth.



(Assoc. Prof Dr. Paiboon Sareewiwatthana)

Chairman of the Board of Directors

Report of Risk Management Committee



The Board of Directors was aware of the importance of risk management which will help the business to proceed continually. As a result, the risk management committee was appointed to determine risk management policies, organize a risk management plan, evaluate business risks, and determine risk prevention and control measures along with regular follow-ups.

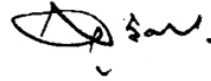
In 2016, the risk management committee held 2 meetings in order to review the risk assessment plan and risk management guidelines according to the risk management policies and procedures manual. The committee considered and reviewed the effectiveness and appropriateness of risk management processes caused by both internal and external factors. The committee followed up on the progress of major risk management, considered risk factors that cover operations, the likeliness that risk will occur and the effects of risk management. As a result of this risk assessment, the committee is confident that the Company systematically evaluated major risks by adding and improving lists of risk factors that occurred in the middle of the year and proposed risk management guidelines to executive management.

Important agenda items are summarized as follows:

Consider risk factors that may affect business operations from both internal factors and external factors.
Follow up risk management operations and give executives recommendations in order to effectively enhance operations.

The risk management committee is of the opinion that in 2016, the Company determined to effectively improve its risk management systems in order to be in compliance with Good Corporate Governance Principles and Guidelines. Internal control systems were sufficient and appropriate for the business and were in complete

compliance with laws and regulations and are well prepared in all aspects in advance. The Company is able to manage risk and continue stably.



(Mr. Suvit Yoadjaras)

Chairman of the Risk Management Committee

Report of Nomination and Remuneration Committee



In 2016, the Nomination and Remuneration Committee held 2 meetings. The important resolutions are summarized below

1. Consider recruiting directors who have appropriate qualifications which are in accordance with the components and the structure of directors based on the Company's business strategy to replace retired directors and propose it to the Board of Directors to consider and approve the appointment of directors according to the resolution of the board of Nomination and Remuneration Committee.
2. Consider remuneration for the year 2016 for the Board of Directors, the Audit Committee, the Risk Management Committee and then Nomination and Remuneration Committee in order to propose it to the Board of Directors and the Shareholders' Meeting for approval. Consideration of remuneration was based on the responsibilities and its appropriateness including comparing it to the remuneration of other companies in the same or similar industry. The shareholders' meeting made the resolution according to the proposal.

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

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

(Assoc.Prof. Dr. Montri Sokatiyanuruk)

Chairman of the board of Nomination and Remuneration Committee

Report of Executive Committee

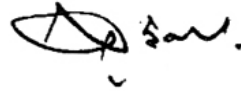


In 2016, the overall domestic economy remained a challenge for all business operators. This pushed the Company to prepare and plan marketing strategies that could handle every situation when changes arise. This was the year that the Company built relationships with customers through every channel and optimized working systems, especially information technology systems in order to meet the needs of customers and business allies at every level.

The Company continues to be No.1 in the market share. This resulted from the committed and dedicated team work of both executives and employees that developed and improved systems, created service networks by renovating storage facilities to be a branch that is able to store assets and conduct auctions. This will enable the Company's auction revenue to increase, lower the cost of transferring property, and reduce risk associated with transferring property so that the Company can hold auctions in locations that people want to auction their cars. Besides this, the Company added other channel to acquire property for auctions from other sources. This included actual property owners being able to bring their cars to auction more conveniently.

The Company determined to maximize the effectiveness of its core business operations, constantly develop the foundation of its business in order to make it strong among its competitors and changes. The process of business operations is driven by the Board of Directors, executives, and employees at all levels that operate and manage the business in accordance with the principles of good corporate governance, develop and strengthen society and communities to live together with happiness. This included creating a sense of value along with using resources and taking care of the environment for sustainable business growth.

On behalf of the board of the executive committee and all its employees, I would like to express my gratitude to all shareholders, customers, business allies and everyone who is involved for always trusting and supporting the Company's business operations in all aspects.

A handwritten signature in black ink, appearing to read 'Suvit Yoadjarus'.

(Mr. Suvit Yoadjarus)

Chairman of the Board of the Executive Committee

Board of Directors



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

Policies and Overall Business Operation

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

"Your Success is our Pride"

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

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

History and Development of the Company

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

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

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

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

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

History and Development of the Company

1991 - 1997	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - The Company was appointed by the Financial Sector Restructuring Authority (FRA) to conduct the public auctions of vehicles and assets of insolvent finance companies. - The Company was the first and only Thai firm and the second in Asia, after Japan, to become a member of the National Auto Auction Association (NAAA) which is the non-profit international auction organization in USA with members from 270 countries. It aims to increase the standard of the car auction by protecting the benefits for buyers and sellers and supporting the business transparency and fairness. - The Company increased the registered and paid-up capital to 110 million baht for business expansion and commenced the auctions for other products, such as land and houses, shares, furniture, etc. in order to respond to customers demand, both buyers and sellers.
2003 - 2007	<ul style="list-style-type: none"> - The Company launched the first mobile auction in the upcountry and set up the automobile storage facilities in 17 provinces: Pitsanulok, Chiangmai, Nakorn Sawan, Sakonnakorn, Roi Ed, Ayutthaya, Chonburi, Nakorn Pathom, Saraburi, Ubonratchathani, Nakorn Ratchasima, Udonthani, Khon Kaen, Songkhla, Suratthani, Trung, and Phuket. <p>This covered all regions in Thailand for the convenience of property's owners.</p> <p>The Company set up the new branch in Rangsit - Klong 8 to cover the customer base in Bangkok's vicinity.</p>
2008 - 2009	<ul style="list-style-type: none"> - The Company expanded the automobile storage facilities in 3 provinces in the South region: Prachuab-kirikhan, Nakorn Srithamaratch, and Rayong.
2012	<ul style="list-style-type: none"> - The Company joined with Thailand Post - Chaeng Wattana branch for the auction space to be used for the auctioned cars test drive. This marketing strategy was to

	<p>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.</p> <ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - The Company started trading shares in MAI for the first time on August 9, 2013.
2014	<ul style="list-style-type: none"> - The Company opened the new auction space at Phutthamonthon sai 2. - The Company expanded the storage to 3 provinces: Chiangmai, Nakorn Ratchasima and Surin. - The Company increased the frequency of the auction to Everyday, rotating to each branch.
2015	<ul style="list-style-type: none"> - The Company expanded branches into 4 provinces: Ubonratchathani Udonthani Surajthani and Hadyai - The Company increased the frequency of auction - The Company increased properties auction to include brand name product and real estate. - The Company had granted the licensed to conduct auction for government agency namely; Customs Department, Office of the Narcotic Control Board and Anti Money Laundering Office. - The Company had gained trust to conduct 1800 and 900 Mhz spectrum or 4G auction of the Office of the National Boardcasting Telecommunications Committee (NBTC)

2016	<ul style="list-style-type: none"> - - The Company opened another branch for auction services in Phitsanulok. - The Customs Department entrusted the Company to conduct an auction for vehicles and motorcycles. The Office of National Broadcasting and Television also entrusted the Company to auction 16 beautiful mobile numbers. - The Company added assets for auction such as real estate, luxurious furniture, etc.
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Nature of Business

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.

In 2016, the Company held special auctions as described below.

1. The Company auctioned 4G and 16 beautiful mobile numbers for the Office of National Broadcasting and Television.
2. The Company auctioned vehicles and motorcycles from the Customs Department.

3. The Company auctioned Mr. Pongpat Chayapund's case which was entrusted by the Anti-Money Laundering Office.

Besides this, there was an auction for Union Pan furniture, auctions for brand name products, house auctions for Krung Thai Bank, an auction for land near Chao Praya River, a furniture auction for Good Wood Company at the Company's auction sites, etc.

Brand name product auction once a month



4G Auction



Auction Related Services

Auction related services include the following.

1) Vehicle Transfer Services

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

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

2) Price Estimate Services

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

Total Revenue Structure of the Company for the fiscal year ended December 31 2014-2016

	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Vehicle Auction Revenue	561.89	77.88	563.57	77.86	487.00	80.17
Motorcycle Auction Revenue	60.04	8.32	47.82	6.60	46.93	7.72
Revenue from Vehicle Transfer Services	87.94	12.19	80.83	11.16	59.69	9.83
Other Revenue	-	-	26.33	3.64	8.22	1.35
Total Service Revenue	709.87	98.39	718.73	99.26	601.83	99.07
Other Revenue	11.61	1.61	5.34	0.74	5.66	0.93
Total	721.48	100.00	724.06	100.00	607.49	100.00

The Company has 27 storages for the auctioned properties located in 25 provinces as follows:

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

Automobile storage capability

The Company's 27 storages in 24 provinces that can store automobiles and motorcycles are as follows.

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

The Company has 14 auctions in 13 provinces

Central	North	North East	East	South	West
Bangkok (2)	Chiangmai (1)	Nakornratchasima (1)	Rayong (1)	Suratthani (1)	Ratchaburi (1)
Patumthani (1)	Pitsanulok (1)	Ubonratchathani (1)	Chonburi (1)	Songkha (1)	
		Udonthani (1)			
		Khonkhean (1)			

Auction Process

Auction venue

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

Auction schedule

Auction Venue	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Bangkok: head office	★	★	★		★		★
Rangsit Klong 8	★			★		★	★
Puttamonton Sai 2	★			★		★	★
Chiangmai		★		★	★	★	★
Nakornratchasima	★	★			★		
Suratthani	★			★			
Ubonratchathani	★	★					
Udonthani				★	★		
Songkha (Hadyai)			★			★	
Pitsanulok	★			★			

Mobile auction venue

The Company has conducted mobile auctions in other regions, mainly in the big cities of each region where its automobile storages were located, in order to save the expenses on automobile transportation. The auction plan is scheduled 1 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
North eastern region :	Khon Kaen
Eastern region :	Chonburi, Rayong
Central region :	Ratchaburi

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

New Auction Service System

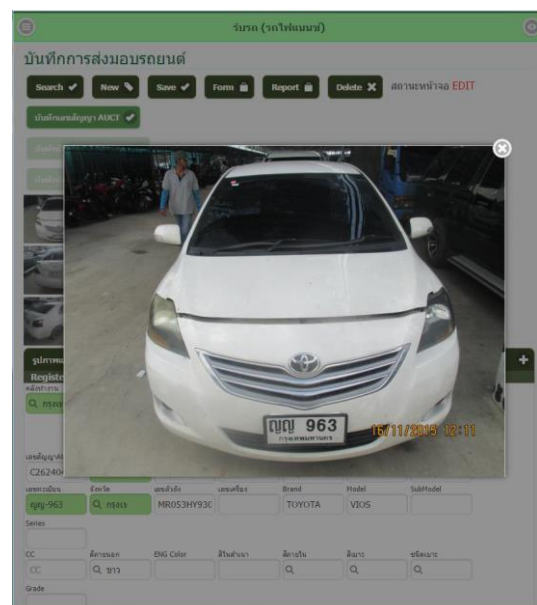
The Company has set up the new system for vehicle pick up and clarification as follows:



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

New Operation System

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



Auction Procedures

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

1. Raising a Bidding Card at the Auction Site

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

2. E-Auction Services

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

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

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 user.

Customer Relationship Campaign

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

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

Auction Procedure

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

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

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

Besides regular auction at the Head Office by bidders showing up bidder card, the E-Auction 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.

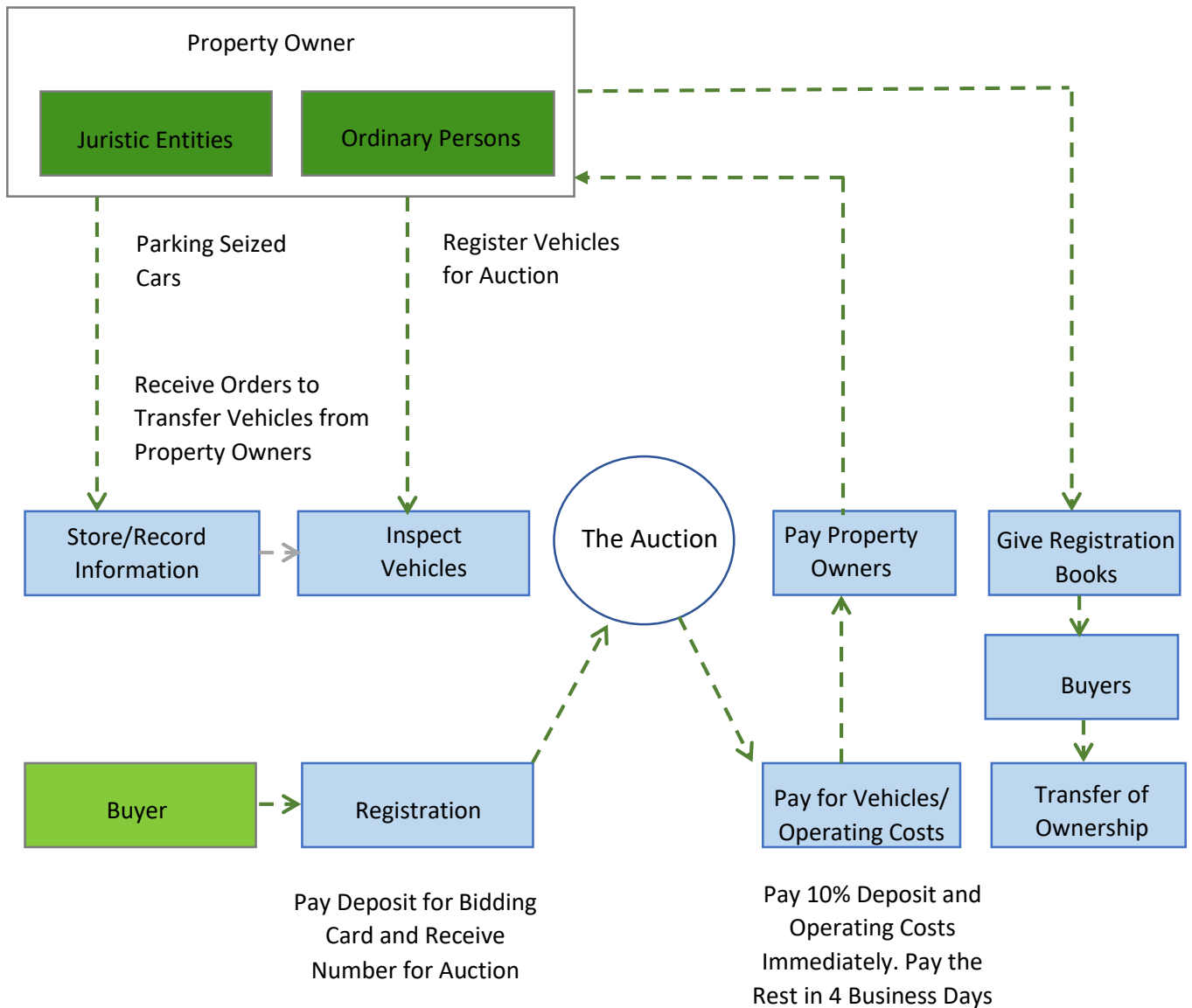
For general customers, the property shall be handed over only when the full payment is made. On the occasion that the property, once received by bidder, is damaged or defected, not in the same condition as in the inspection checklist, the bidder shall notify the Company within 24 hours. The Company will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

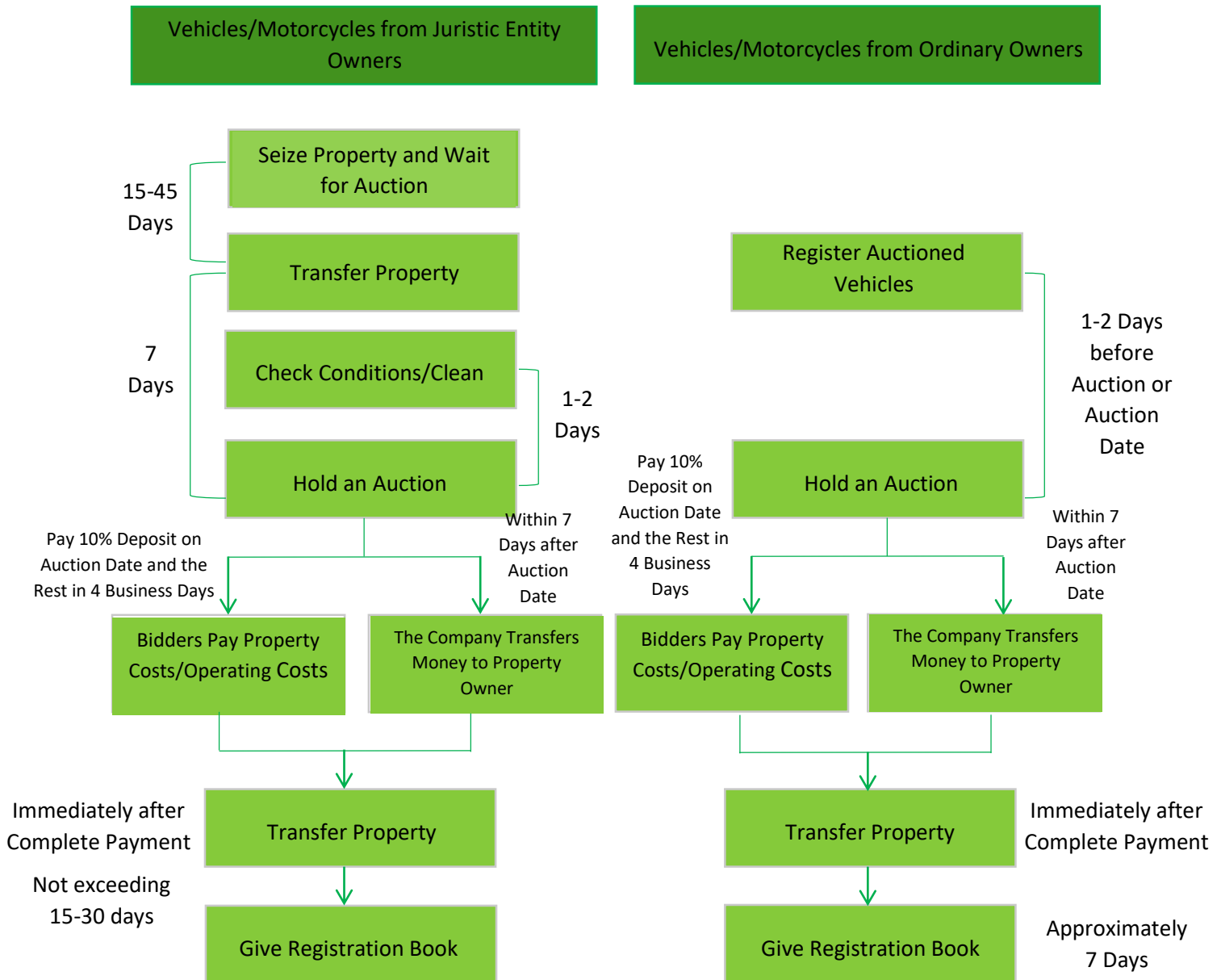
b) Delivery of Auction Proceeds

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.

- Process



- Timeline



Marketing and Competitive Environment

Marketing Strategies

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

The Company's competitive strategies are as follows.

1) Price Strategies

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

2) Product and Service Strategies

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

- Provided a 38 rai parking lot for auction at the Company's headquarters and a 100 Rai parking lot at the Rungsit branch. Held an auction on the road in other provinces in every region at convenient locations for easy travel for bidders that had a maximum capacity of 1,500 cars per auction.
- Professional staff and teams that have more than 20 years of experience are provided to give efficient, fair price estimate services for both vehicles and auction items for customers.
- Insure property against loss and damages from fire and other contingencies with an insurance company. Provide 24 hour security at the location site and 24 hour monitoring with CCTV and organize maintenance teams to monitor its working system consistently.

3) Place Strategies

The Company has auction venues covering all regions of Thailand. Currently, there are 14 auction venues in different locations in order to facilitate customers and publicize Union Auction Company to increase customer awareness and lower the costs of transferring property. The Company will hold auction at a location near the storage site. Currently, the Company provides 2 types of auctions, auctions that use bidding cards and e-auctions. This is an expansion of sale distribution and facilitates participating bidders which creates the Company's image and improves the Company's operations to be able to support ASEAN free trade area in the future.

4) Sales Promotion Strategies

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

- Maintaining Existing Customers

The Company has a large base of existing customers because it has been operating its business for over 20 years. This is a specific customer base that the Company is able to offer different services to stimulate trading or demand for the use of other services. The Company emphasizes marketing by organizing service programs such as giving information about trading via SMS services and sending information by e-mail, and collecting points from vehicle purchases in order to receive special privileges.

- Increasing and Looking for New Customers

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

5) Strategies for Creating Trust

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

6) Strategies for Building Good Relationships with Business Allies

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

Market and Competitive Industry

2016 was another year that the automobile industry faced a great test since the beginning of the year. This resulted from a new automotive tax structure which came into effect on January 1, 2016. This caused numerous people to purchase new cars at the end of 2015 as well as the overall economy both domestically and internationally stabilized which affected the export sector. Agricultural prices were low and all of these factors contributed to risk in Thailand's automotive industry over the past year.

However, some segments continued to grow. This included semi-trucks, freight trucks, backhoes and vehicles related to construction which were rewarded from public sector projects, as well as 2 wheel type vehicles like big bikes. The amount of total sales was impressive and increased. This was what happened in the previous year.

In 2017, the Thailand 4.0 policy and economic stimulus policies from the public sector may cause the domestic economy to recover and may be a factor that supports an increase in growth of the Thai automobile industry from 2016. Investments from the public sector, tourism and domestic demand, consumption and private sector expenditures may increase due to an increase in agricultural income from better agricultural prices are heading in a good direction. The automobile market is projected to grow by 5% from 2016 or the sales volume may be about 780,000 to 790,000 vehicles.

The Company plans to develop and build confidence for its customers to bring the car to auction and/or auction the car by setting up Action & Action Co., Ltd. to increase the revenue channel for the Company.

Manufacturing in 2017 is expected to produce 2,000,000 cars which is an increase from 2016. The proportion is divided in that 800,000 cars will enter the domestic market and 1.2 million cars will enter the export market. The key factor that impacts the automobile industry includes the price of oil and terrorism. However, the world economy and the domestic economy are projected to grow. If this happens, the market overview will be brighter because consumers will have a higher income and fewer liabilities. Another key factor that affects Thailand's automobile market is the first car and financing companies are much less strict.

Another market that had a good growth rate was the motorcycle market especially the big bike market. This market expanded greatly and many new traders in this market have continued to succeed. This indicates that

the direction of this market still has an open opportunity to break in with an expected growth of 1-2%. The factor that affects the market is the price of agricultural products.

Furthermore, the second hand market is projected to make a comeback due to a desire to get new vehicles. This will cause the used vehicle supply to increase because the price of used vehicles has greatly improved over the past 2 years. There was an increased demand in used vehicles after the flooding situation in the south began to resolve. Agricultural prices are tending to get better which resulted in a demand for new and used trucks. This also depends on the launch of new car models as well. If new car models were launched and met the demand of customers, it will stimulate customers to change their vehicles.

Vehicle Competitive Environment

Sales Volume Statistics in the Automotive Market

The total sales volume for 2013 was 1,330,668 vehicles (a decrease of 105,667 vehicles, -7.3%).

The total sales volume for 2014 was 881,832 vehicles (a decrease of 448,836 vehicles, -33.7 %).

The total sales volume for 2015 was 799,594 vehicles (a decrease of 82,238 vehicles, -9.3%).

The total sales volume for 2016 was 768,788 vehicles (a decrease of 30,806 vehicles, -3.9%).

The total sales volume in 2016 was slightly higher than the expected 740,000 vehicles which resulted from sales promotions and marketing campaigns that were launched throughout the year. This included the Motor Show 2016 which was held in April, the Grand Prix and Motor Expo 2016 organized by international media and the Big Motor Sales during the middle of the year. Compared to 2015, the sales volume decreased by 30,806 vehicles or by -3.9%.

The total sale volume in Thailand for 2016 was 768,788 vehicles, a decrease in growth by 3.9%. The sales volume for the commercial vehicle market decreased by 2% and the sales volume for the car market decreased by 6.5%. When considering sales volume statistics for the car market, it reflects another difficult year for the automobile industry. Even though there were positive factors from public expenditures and a push to promote investments by private sectors including good growth in the tourism industry, there was an effect from the purchasing power of some sectors that occurred earlier and the weak purchasing power due to a high rate of public liability. On top of that, lease conditions for cars continue to be very strict because of the bad quality of debt which causes unearned income to be at a cautious level.

The automobile industry may have gone through its lowest point. This year, it may head in a better direction with an expected sales volume of 800,000 cars. There should be positive factors from public expenditures, a push in promoting investments, good growth in the tourism industry and export volume is getting better. This

includes many car dealerships that are aiming to introduce new cars into the market and intense campaign competitions to draw customer's attention. These factors help to intensively stimulate the automobile market. Currently, the leasing loan interest rate is still low which should accelerate the decision making process in purchasing vehicles faster.

The types of vehicles that are projected to grow more than the overall market are compact cars, European luxury cars, pick-up trucks and freight trucks. The car market in the East may have greater growth due to an investment stimulus expansion by both public and private sectors which resulted from full government support in the special economy for the Eastern region.

According to cars operators and related businesses such as car dealerships, other than appropriately adjusting marketing strategies to market demands for each type of vehicle and each region, good image and reliability among consumers in regards to vehicles and good after purchase services will benefit the business in the long-term, especially during this period of market recovery.

However, Thailand's economy may face other risk factors from the recovery of the world economy that may be slow from the uncertainty of American economic policies after this past election, the process of England leaving the European Union (Brexit), etc. This may affect consumer behaviors in regards to spending and it could affect the overall automobile market.

The used car market in 2017 had a tendency to grow. Used car dealerships started to purchase more cars for stock in order to support the purchase of vehicles from mid-level and low-level customers that is starting to recover. This is due to the increase in agricultural prices that are moving in a better direction. Public infrastructure investments also expanded and investments by private sectors have a tendency to increase. This will impact the demand of pick-up trucks for the increased transfer of goods. In the past, many used car businesses closed down as a result of the effect of the first car policy. Currently, the number of used car dealerships is increasing because they have seen that the used car market is returning to a normal level again. As a result, the used car market is much more alive than in the past few years.

Risk Factor and Risk Management

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

Therefore, the Company's structures of risk management are categorized into 3 levels. These levels are corporate level, field level or business unit level and operational level. The Risk Management Committee (RMC) is comprised of directors that have been appointed to define the policies and the scope of operational risk management. This includes follow-ups, scrutinizing, and giving comments and recommendations regarding the tasks of risk management. In 2016, the Risk Management Committee appointed a group for operational risk management which consisted of the Company's high ranking executives from various business units to closely monitor risk management operations.

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

1. Risk of Fire

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

2. Risk of Flooding

The Company has all-encompassing flood preventative measures because different locations were prepared above flood water levels in order to stock vehicles in more than 27 different locations all across the country. Other than convenience for property owners, the Company is able to use these locations for storing assets in the case that some locations are affected by floods in the future. At headquarters, Safety Zone is assigned in case of an emergency by putting up soil shielding lines in order to prevent damages to vehicles and properties at headquarters. At the end of 2011, the Company put up a 2 meter high soil shielding line on a 3 rai plot of land and a 1.5 meter high line on another 6 rai plot of land in headquarter sites. Moreover, in 2013, the Company expanded the Safety Zone by putting up a 3 meter high soil shielding line on about another 14 rai. The Company purchased insurance that covered properties, cars, motorcycles and furniture for headquarter sites as well as 27 other storage locations all across the country. The Company also prepared a process for flood preventative measures. This began by inspecting the availability of equipment, personnel and reporting the incidents to authorized person to direct the act. As a result, the Company concluded that the Company could manage the risk of flooding at a good level. However, the Company had never been impacted from any previous flood.

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

As of August 25, 2016, the Sila family were shareholders that owned 291.45 million shares of the Company shares which is equivalent to 52.99% of the 550 million shares of registered capital and paid-up capital (at a par value of 0.25 Baht). This is greater than 50% of the registered and paid-up capital. This group of shareholders could potentially have the power to control and influence the operations as well as the resolutions of the shareholders' meeting for general business activities, except for crucial agenda items where the voting resolution requires three quarters of the shareholders to approve.

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

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

The Company's core assets for auction services are cars and motorcycles. These assets made up to 88% of the Company's total revenue over the past three years. In 2014, 2015 and 2016, the Company obtained most of its automobiles from juristic entity owners. These were mostly financial institutions that extended leasing

facilities and put seized vehicles from defaulting customers up for auction. For example, there was Thanachart Bank Public Company Limited, TISCO Bank Public Company Limited and Ayutthaya Capital Auto Lease Company Limited. The number of cars offered by the top three owners made up 59% and 61% of the Company's total procurements in 2014, 2015 and 2016. The policy of these major car leasing operators is that they do not auction their seized automobiles from costumers who defaulted on payment in order to have business transparency. However, the Company could be exposed to risk in the event that these owners conducted their own vehicle auction business or offered vehicles to other auction houses, thus potentially hurting the Company's business operations.

Nonetheless, the Company's management believes that the above risk is not likely to happen because the major financial institutions who are major customers have policies to focus heavily on their core activities and embrace transparency in auctions. Conducting their own auctions would only turn them into leasers and auctioneers at the same time and could possibly cause disputes with customers who demand transparency in practice. Regarding the risk in using other auction houses, the Company is confident that the competitive edge that the Company has accumulated through more than 20 years of experience in this business and its good service should provide a solid base for retaining these massive customers who have a long standing trust and business relationship with the Company. This includes a focus on providing quality service and reliability. For instance, the Company provided more than 27 vehicle storage areas across the country and free pre-auction check-up services at headquarters and at the Rangsit Branch. After the auction, the Company also guarantees a refund within 24 hours if the buyers do not receive the properties as specified. This creates trust in the Company's management and certainly makes a barrier for new players and competitors to enter this space.

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

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

Most auction items are cars and motorcycles that are seized from defaulting customers. According to the leasing contract, owners have a certain period of time to redeem their seized items. As a result, such items are unable to be immediately used for auction. According to the contract agreement between the Company and the financial institute, seized cars and motorcycles are under the Company's possession to be auctioned and these automobiles will be stored at the Company's storage facilities under the Company supervision. Before auctions, the seized vehicles will be stored at the Company's storage facilities. Cars are stored for 1-45 days and motorcycles for 1-15 days. The Company is also responsible for moving those vehicles to the auction venues. This could create a possible risk because the Company would be held liable for any damages or loss to any vehicles under its supervision.

The Company has taken measures against potential damages resulting from accidents or any damages to vehicles under the Company's possession by installing surveillance cameras at storage sites, implementing strict access controls, hiring out-sourced 24 hour security guards at all storage location sites. In the case that damages occur due to an act of the security guards or their negligence, as stated in the contract, the security company is responsible to reimburse damages to the property and the Company. The Company also purchased insurance for the sum insured of 2,214 million Baht. This covered the Company's properties and storage location sites all over the country and 589 million Baht sum insured to cover all properties for a storage site of companies affiliated with financial institutes. To prevent unnecessary damage during transportation, the Company requires that the contractors that are hired to transport the vehicles provide insurance that covers damage to vehicles and covers full liability of the contractors and the sub-contractors. Through these measures, the Company is confident that it is able to reduce the risk of loss or damage to the vehicles to a certain extent. The past three years have seen no case of damage as such.

6. Risk from Credit Terms Granted to Buyers

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

Criteria	Deposit	Payment	Payment to take car out
Card No. 8	None	None	None
Card No. 7	None	None	Pay in Cash, transfer, cashier check or draft
Card No. 6	None	None	Allowed to pay with a check
Card No. 5	Required to pay	Required to pay	Pay in cash, transfer, cashier check or draft
Card No. 1 (Former auction customers)	Required to pay	Required to pay	Pay in cash, transfer, cashier check or draft
Card No. 9 (First time car auction customers. Able to bid on 1 car per card)	Required to pay	Required to pay	Pay in cash, transfer, cashier check or draft

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

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

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

Legal Disputes

As of December 31, 2016, the Company did not have any legal disputes that can have significant negative effect on its business and its properties which accounted for over 5% of shareholders.

Obligation to issue debenture in the future

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

Information about debenture or bill

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

General Information and References

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:	305 persons (as of December 31, 2016)
Address of Head Office:	518/28 Soi Ramkhamhaeng 39 (Thepleela 1), Wangthonglang sub-district, Wangthonglang district, Bangkok 10310
Company registration Number:	0107555000341
URL / Website:	www.auct.co.th
Telephone:	02-934-7344-8
Fax. :	02-935-6202
Investor Relations:	02-934-7344-8 Ext. 148
References	
Registrar of Securities:	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building (near Chinese Embassy), Tower A, 14 Floor, 93 Rachadapisek Road, Dindaeng, Bangkok 10400, Thailand Tel: 02-009-9380
Auditor :	PricewaterhouseCoopers ABAS Co., Ltd. Bangkok City Tower, 15th 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.auct.co.th

Shareholders

As of January 20, 2017, the top 10 major shareholders of the Company are as follows:

No.	Shareholder Name	No. of shares	% of capital
1	Sila Family		
	Mr. Pakphoom Sila	136,615,000	24.84
	Miss Thidararat Sila	134,206,500	24.40
	Mr. Thepthai Sila	18,999,000	3.45
	Mrs. Wipha Sila	5,000,000	0.91
	Mrs. Pannee Sila	250,000	0.05
	Total shares of Sila family	295,070,500	53.65
2	Sareewiwatthana Family		
	Miss Pichsinee Sareewiwatthana	26,200,000	4.76
	Miss Pimsiri Sareewiwatthana	14,000,000	2.55
	Mrs. Waranee Sareewiwatthana	6,700,000	1.22
	Mr. Paiboon Sareewiwatthana	500,000	0.09
	Total shares of Sareewiwatthana family	47,400,000	8.62
3	Thai NVDR Co., Ltd.	10,147,200	1.85
4	Yoadjarust Family		
	Mr. Suvit Yoadjarust	6,388,800	1.16
	Mr. Nutthavut Yoadjarust	1,580,000	0.29
	Miss Nutthida Yoadjarust	1,555,000	0.28
	Total shares of Yoadjarust family	9,523,800	1.73
5	KBL EUROPEAN PRIVATE BANKERS S.A.	7,313,000	1.33
6	Miss Malee Kittichoochot	5,100,000	0.93
7	Big Cap D LTF	3,849,800	0.70
8	Mr. Somboon Kitthawornsawat	3,800,000	0.69
9	Mr. Sintu Wathwaruth	3,700,000	0.67
10	Mr. Chatchai Keeratiwarasakul	3,226,000	0.59
11	Minor Shareholders	160,869,700	29.24
	Total	550,000,000	100.00

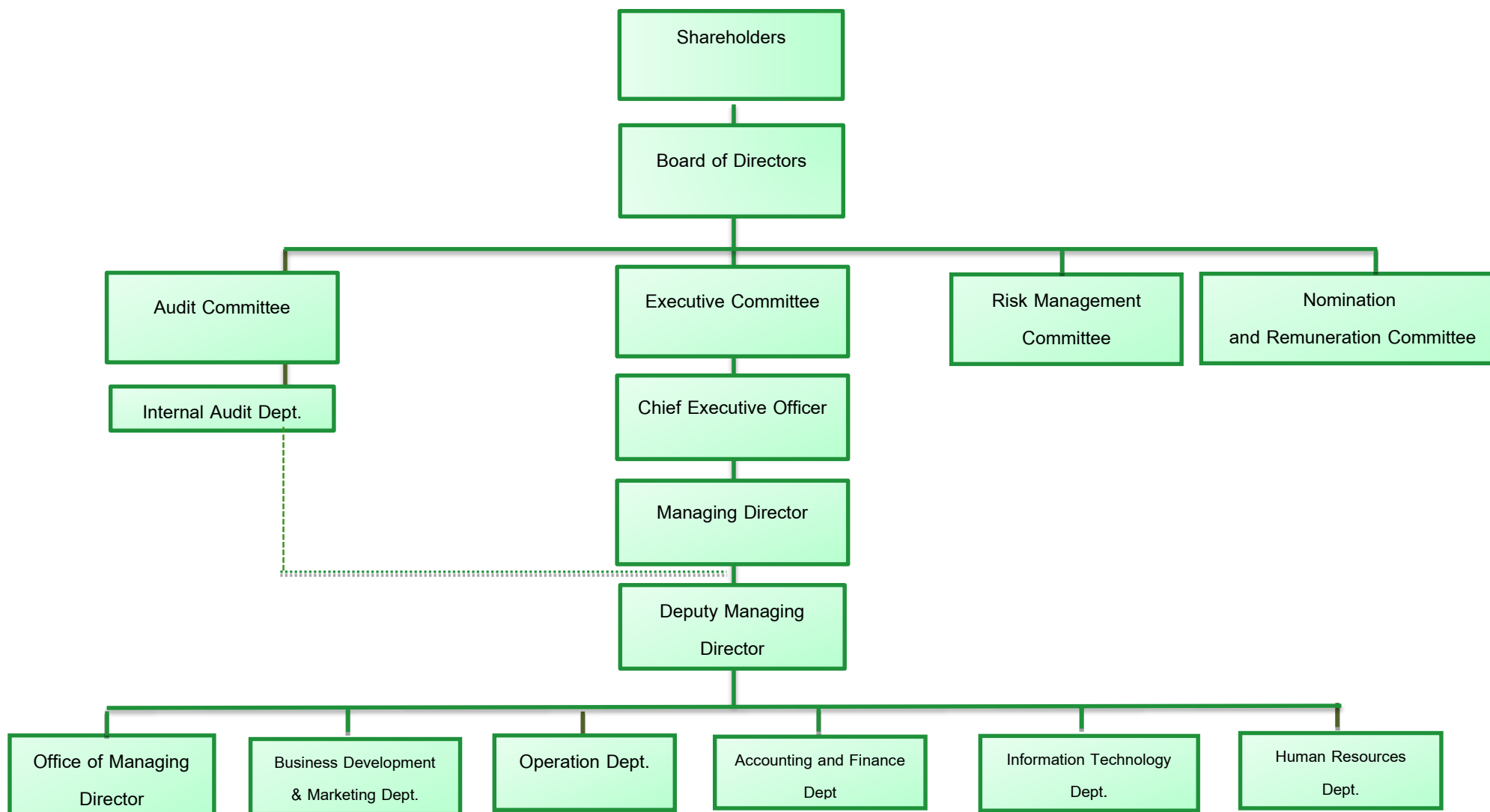
Management

Management Structure

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

Organization Structure

Union Auction Public Company Limited



Management Structure & Board of Directors

Board of Directors

Board of Directors consists of 7 persons as of December 31, 2016 as follows:

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

Miss Paphada Amornmanus is the Company Secretary.

Authorized Directors on behalf of the Company

As of December 31, 2016, the authorized Directors who can sign on behalf of the Company are Mr. Thepthai Sila or Mr. Varunyoo Sila co-signing with Mr. Suvit Yoadjarust, total in 2 persons with the Company's seal affixed.

Scope of duties and responsibilities of Board of Directors

1. Establish business vision, business direction, business administration to align with the law, the objectives, Articles of Association and resolutions of shareholders to bring the best benefits to shareholders and business value.
2. Consider and approve the policy, strategy, financial objective, business plan, budget and human resource development of the Company. Also ensure on the operations efficiency according to the plan, budget and resource deployment of the Company.
3. Set up the accounting system, financial statement report and accounting audit which disclose the correct, transparent and credible information and manage to have the efficient internal control system and internal audit.

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

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

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

Audit Committee

As of December 31, 2016, 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.

Mr. Rungpan Salee is the Secretary of Audit Committee.

Scope of duties and responsibilities of Audit Committee

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

The Nomination and Remuneration Committee

As of December 31, 2016, 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.

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

Executive Board

As of December 31, 2016, the Company's Executive Board consists of 3 directors as follows:

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

Scope of duties and responsibilities of the Executive Board

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

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

Risk Management Committee

As of December 31, 2016, the Company's Executive Board consists of 3 directors as follows:

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

Scope of duties and responsibilities of the Risk Management Committee

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

Executives

As of December 31, 2016, the Company's Executives are as follows:

Full Name	Position
1. Mr. Suvit Yoadjarus	Chairman of Executives Board
2. Mr. Thepthai Sila	Managing Director
3. Mr. Varunyoo Sila	Deputy Managing Director
4. Mrs. Anchalee Bhakkalin	Assistant Managing Director, Finance & Account
5. Mr. Kriangsak Dhammaraksa	Assistant Managing Director – Information Technology
6. Ms. Chittra Jantrakrui	Assistant Managing Director - Human Resources
7. Mr. Udom Vivattanapaiboonlap	Assistant Managing Director – Operation
8. Mr. Nithid Sapon	Acting Assistant Managing Director – Business Development & Marketing
9. Miss Poonsil Kaewchamnong	Acting Assistant Managing Director – Director Office

Remark: Mr. Udom Vivattanapaiboonlap terminated from Assistant Managing Director – Operation effective on 1 October 2016

Scope of duties and responsibilities of Managing Director

1. Manage the Company's business by the objectives, principles, policy, rules, regulations, orders and resolutions from the meetings of Board of Directors, Executive Board, and shareholders.
2. Set up the business policy, business plan, objectives and budget to propose for Board of Directors 'approval.
3. Report the operational performance following the approved plan and budget every 3 month.
4. Manage the business in compliance with the approved policy, plan and budget.
5. Put in a position, appoint, dismiss, transfer, promote, demote, reduce salary or wage, disciplinary punish or dismiss employees according to the assigned authority.
6. Have authorization to sign in any juristic contracts and legal documents in contact with external organizations or persons to perform any action deemed necessary on behalf of the Company.
7. Set up the working conditions and operational practices for employees in compliance with the principles, regulations or orders assigned by the Board of Directors.
8. Have authority to authorize or assign others to perform some specific actions as long as such authorization complying with the principles, regulations or orders assigned by the Board of Directors
9. Have authority to approve the investment in fixed assets, loaning or other investment, borrowing or applying for credits from financial institutions, the advanced budget and expenses, contingent liabilities/ aval/ guarantee, the working plan/ budgeting/ procurement of products and services for sales promotion, and the procurement and maintenance of assets budget as assigned by the Board of Directors
10. Perform any other tasks assigned by the Board of Directors.

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

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.

Term of Directorship

At every annual general meeting of shareholders, one-third of the directors, being those who have held the longest term in office, shall retire. If the number of directors is not a multiple of three, the number nearest to one-third shall retire from office. A retiring director may be nominated to the meeting for re-election.

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

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

Nomination of directors and independent directors

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

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

1. The number of votes each shareholder has is commensurate with the size of their shareholding – i.e. one vote per share.
2. Each shareholder must exercise all the votes that he or she has when appointing one individual or several individuals to be director(s), but shall not split his/ her votes among different individuals or groups.

3. Those individuals receiving the highest number of votes shall be elected to serve as directors depending on the number of vacancies available at the time. In the event of more than one person receiving the same number of votes for the last vacant position, the chairman of the meeting shall have a second and casting vote.
4. At shareholder's meetings, any director can be dismissed from the Board of Directors before his/ her term is up, if there is a resolution of no less than three-quarters of the number of shareholders in attendance and who have the right to vote. Moreover, the shareholders who vote must collectively hold no less than half the total number of shares owned by the voting shareholders present at the meeting.

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

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

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

Nomination of Executive Board

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

Nomination of Executives

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

Remuneration of Directors and Executive

(a) Remuneration in cash

Directors

The Annual General Meeting 2016 on March 30, 2016 had resolution of remuneration for directors and executives.

The remuneration of Board of Directors is as follows:

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

The annual bonus for the board and audit committee shall be considered based on the company's performance in 2016, in total 1.90 million baht. The executive directors shall not receive any bonus for the director position.

In 2016, the Company held Board of Directors and Audit Committee meetings and the remuneration is as follows:

Name	Position	Remuneration ^N (baht)	
		Director	Audit Director
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana	Chairman of the Board	1,080,000	-
2. Assoc. Prof. Dr. Saowanee Thairungroj	Chairman of Audit Committee	-	920,000
3. Assoc. Prof. Dr. Montri Sokatiyanurak	Audit Director	-	760,000
4. Mr. Sarawut Jarujinda	Audit Director	-	760,000
5. Mr. Suvit Yoadjarus	Director / Chairman of Executive	-	-
6. Mr. Thepthai Sila	Vice Chairman / Managing Director	-	-
7. Mr. Varunyoo Sila Director	Director	-	-

Note: Remuneration of Directors include monthly and annual remuneration.

Executives

As of December 31, 2016, the Company has 6 executives. The remuneration for the executives are paid in form of salary, social security, provident fund, life insurance, bonus and other welfare, totaling 21,009,418 million baht in 2016.

b) Remuneration in other than cash

-none-

Record of attendance in committee's meetings in 2016

Name	Committee				
	Board of Directors	Executive Board	Audit Committee	Risk Management Committee	Nomination & Remuneration Committee
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana	8/8	2/2	-	-	-
2. Assoc. Prof. Dr. Saowanee Thairungroj	8/8	2/2	4/4	-	-
3. Assoc. Prof. Dr. Montri Sokatayanurak	8/8	2/2	4/4	-	-
4. Mr. Sarawut Jarujinda	8/8	-	4/4	2/2	-
5. Mr. Suvit Yoadjarus	8/8	-	-	2/2	38/38
6. Mr. Thepthai Sila	8/8	-	-	2/2	35/38
7. Mr. Varunyoo Sila Director	8/8	-	-	2/2	37/38

Corporate Governance

The Board of Directors of Union Auction Public Company Limited realizes the essential of the management system that is efficient, transparent, and auditable, which ultimately builds confidence for shareholders, investors, stakeholders, and all relevant parties.

Therefore, the Board of Directors has established the Good Corporate Governance Policy in accordance to the good practices of the listed companies and the international Principles of Good Corporate Governance of the Economic Co-Operation and Development (OECD) as the guidelines, which covers the following five topics: Rights of Shareholders, Equitable Treatment of Shareholders, Roles of Stakeholders, Disclosure and Transparency, and Board's Responsibilities, earning favorable consideration and approval at the Board of Directors Meeting 2/2558 on February 24th, 2015, effective immediately after the approval.

The operational and managing details are as the following:

Section 1: Rights of Shareholders

Shareholders have the ownership right to control the company's operations with the appointed Board of Directors acting on their behalf and having the right to decision making of important changes of the company. Companies should encourage shareholders to exercise their rights; thus, the Company has established this principle to protect

the rights of shareholders and provide convenience in equally-exercising their lawful rights or other rights beyond those required by law such as shareholders hold common rights: the equitable right to receive profit share and dividend payment, receive equitable treatment on the Company's stock buyback, and independently buy, sell, and transfer their own shares

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

Holding of Shareholders' Meeting

In regard to the 2016 Shareholders' Meeting, the Company held the Annual General Meeting (AGM) on Friday March 30th, 2016, at 10.00 on the meeting room at Union Auction Public Co. Ltd., 518/28 Soi Ramkhamhaeng 39 (Thepleela 1) Wangthonglang, Bangkok, 10310. A total of 81 attendees were presented, accounted for 430,229,813 shares or 78.22 percent of total shares, including altogether the Chairman and members of the Board of Directors and members of the Audit Committee, eight (8) directors

total, as well as senior executives and the Company's independent auditor. As the Chairman acted as the meeting's Chairman and conducted the meeting with full legal compliance by adhering to the following steps:

Pre AGM

1. Through the communicating channel of the Stock Exchange of Thailand (SET), the Company had disclosed a letter and welcomed nominations for appointment of directors by all shareholders, in which shareholders must submit a written nomination letter to the Board of Directors within a dateline set by the Company along with the following: relevant documents to his/her shareholding status; nominee's acceptance letter by the nominated individual and qualification documents, in which the nominee must possess qualifications and no legal prohibiting characters in accordance to the Public Company Act; the right to propose meeting's agenda as well as supporting reasons to the agenda proposed and related documents through the Company's website (www.auct.co.th). Thereafter, the Board of Directors established the selection requirements for the meeting's agenda and nominees for the appointment of directors. In case that proposed agendas were selected, the Company would inform in the meeting's invitation as the agenda by shareholders; in case of rejection, the Company would provide explanations to shareholders at the meeting.
2. Shareholders could also submit questions through the website prior to the meeting. For the 2015 AGM, no agendas and nominees for Independent Director positions were proposed by shareholders.
3. Disclosed the meeting's schedule and agenda to shareholders through SET's communicating channel and the Company's website 30 days prior to the meeting date. Mailed the meeting's invitation specifying place, date, time, rules, procedures, proposed agendas to the meeting along with details and explanations, the Board of Directors' input on each agenda, proxies, Annual Report, and other related information to all shareholders as of book closing date 14 days prior the meeting and announced on newspaper advertisement to invite shareholders for three consecutive business days prior to the meeting. Shareholders could download the meeting invitation, meeting documentations, and the Annual Report available in both Thai and English at the Company's website (www.auct.co.th).
4. The Company allowed shareholders who were not available to attend the meeting to authorize proxy to their behalf or to the Independent Director of the Company, in which the Company would inform the name of every eligible Independent Director of the Company for receiving the authorization through Proxy, in

which the Company delivered types A, B, and C along with the meeting invitation and could also be download on the Company's website including the notification of required documents or proofs and recommendations on proxy authorization, in which the B-typed Proxy allowed shareholders to establish their exercise of voting right on each agenda.

The Day of AGM

1. The company had provided equitable convenience to all shareholders, promoted to attract shareholders and, especially, institutional investors to join the meeting, and provided sufficient service staffs which allowed shareholders to register as early as 8:30, approximately two (2) hours prior to the meeting. The Board of Directors, all executives, and the Company's independent auditor were altogether presented at the meeting.
2. For the registration and evaluation of vote-counting, the Company leveraged a barcode system by a credible company who has been trusted by listed companies; furthermore, the Company also invited legal advisors to join the meeting as the witness of vote counting.
3. For transparency and auditability, voting ballots were available for each agenda.
4. Prior to the meeting, the meeting's Chairman had personally informed the total number of attendees, which comprised of attendees both

in person and with proxy, and the explanation of the voting procedure with voting ballots.

5. The meeting's Chairman conducted the meeting in accordance to the agendas stated on the meeting's invitation without changes and did not seek considerations of other non-preapproved agendas.
6. The meeting's Chairman allowed for explanations and discussion on each agenda and for equitable rights of shareholders to provide questions, suggestions, and recommendations, in which the Company had noted relevant topics on the meeting's minutes for shareholders' review.
7. The resolution of each agenda, through voting rights, was based on the majority vote, in which one (1) share was equal to one (1) vote.
8. Prior to concluding resolutions of each of the agendas, the meeting's Chairman allowed shareholders to ask questions and seek explanations.
9. Shareholders were allowed to vote for appointment of directors individually.
10. In case of additional shareholders joining the meeting, the Company would recount the total number of shareholders and shares. The additional shareholders could vote on only agendas whose resolutions had not been identified. Each of agenda's resolutions would be summarized and communicated by the meeting's Chairman.

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

Post AGM

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

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

Section 2: The Equitable Treatment of Shareholders

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

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

Pre-AGM Providing of Information

In 2016, the Company held the Annual General Meeting (AGM) and provided equitable treatment to all shareholders as the following:

1. The Company allowed minor shareholders to propose additional meeting's agenda and nominees for appointment of directors during the AGM. In 2016, the Company had disclosed a letter to shareholders through the communicating channel of the Stock Exchange

of Thailand (SET) in order to allow the minor shareholders to propose matters for consideration to become meeting's agenda and to propose nominees for appointment of directors in accordance to recruit procedures three (3) months prior to the AGM, as required by the Company, on the Company's website, <http://investor-th.union-auction.com/>

2. The Company has a policy to support all shareholders to attend the meeting, including non-major and institutional ones, by selecting a conveniently-commuting place for the event to enable multiple alternative routes.
3. The Company had informed SET of the meeting's schedule, agenda, and the input of the Board of Directors, including regulations applicable to the meeting, voting procedures, and voting rights and communication through the Company's website, <http://investor-th.union-auction.com/>, for advanced notification to shareholders one (1) month prior to the meeting.
4. The Company had mailed the meeting's invitation to shareholders, both in Thai and English, 14 days prior to the meeting.
5. For the 2016 AGM, the Company did not allow for non-preapproved agendas.
6. The Company allowed shareholders who were not available to attend the meeting to authorize proxy for another individual to attend the meeting and vote on their behalf by completing type-B proxy, which was delivered with the

meeting's invitation; the shareholders could demand the direction of the authorized vote. Furthermore, the Company provided an alternative by providing two (2) eligible Independent Directors for receiving the attending and voting authorization from the non-attending shareholders. For the 2016 AGM, no shareholders authorized proxy to the Company's Independent Director.

7. For transparency and auditability, the resolution of each agenda, through voting rights, was based on the majority vote, in which one (1) share was equal to one (1) vote.
8. In order to allow shareholders to their right of appointing new directors individually during the 2016 AGM, approval of appointment of directors to replace other directors at end of term, allowed shareholders to their right of appoint new directors individually in which the Company collected voting ballots from all attended shareholders in all voting cases: agreement, disagreement, and not-voting.

Internal Control of Information

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

- The Company has provided the information to the directors and executives about their duties to report their own, spouses' and immature children's holding of the Company's securities to

the Securities and Exchange Commission according to section 59 and the penalty of the Securities and Exchange Act of B.E. 2535.

- The Company requires the directors and executives to report their new holding or their exchanged holding of the Company's stock to SEC according to section 59 of the Securities and Exchange Act of B.E. 2535 within 3 working days from the transaction day and send the copy of the report to the Company on the same day as sending to the Securities and Exchange Commission.
- The Company has policy that directors, executives and employees in the functions related to the inside information, which can influence the stock price change hold their trade of the Company's shares for at least 30 days prior to the disclosure of financial statements or inside information and should wait for at least 24 hours after the disclosure. The inside information is also prohibited to be disclosed to other persons.
- Should there be any insider trading breaching the rule, the Company has identified the disciplinary penalty based on the nature of offense, the intention of the act and the critical degree. It starts from the written warning, wage deduction, suspension without pay or expulsion. The maximum degree of penalty, expulsion, shall be applied to the executives or related persons who take advantage on insider trading

or tend to cause the damage to the Company or shareholders.

Section 3: The Role of Stakeholders

3.1 Respecting the Rights of Other Stakeholders

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

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

- The Company operates and conducts its business responsibilities by faithfully applying knowledge and management skills to the best of its ability. The Company cautiously makes fair decisions that bring the greatest benefit to each shareholder.
- The financial status, non-financial status and Company trends are reported to

shareholders fairly, regularly and with complete honesty.

- The Company does not use any inside information that has not been disclosed to the public for the benefit of the Company or any other relevant parties. The Company protects confidential business information that any unaffiliated person could use to bring damage to the Company.

Employee: The Company determined to develop the organization to be a learning center, create a good corporate culture and work atmosphere, promote team work, give fair remuneration and create a safe workplace and work environment. The Company emphasized employee training and developing employee capabilities. The Company paid attention to employee comments and suggestions from all levels equally. Corporate culture was defined and enhanced with an awareness that every employee is a key component that brings success, advancement, and sustainable growth to the Company. Below are the Company's guidelines.

- The Company complies with laws and regulations regarding employees and carries out universal fundamental human right principles in which there is no discrimination in regards to race, gender, age, skin color, religion, disability, family name, place of education or any status that is not directly related to business operations. The

Company pays respect to individuality and human dignity.

- The Company manages human resources in order that they are aligned with the Company's strategies and business goals. A clear, fair and transparent process for human resource management system aligned with the Company's direction is organized. This process is comparable to other leading businesses.
- Every overseer is responsible for managing their own department's human resources. This is done under the system and guidelines of human resource management. Overseers avoid any unfair treatment that could affect the stability of the employee's position.
- All development of human resources, organizations, overseers and employees must comply with the following:
 - The Company will choose and promote people who are good, competent, professional and continually improve their knowledge and skills in order to be more effective in their responsibilities.
 - Overseers have the responsibility of planning, following- up, evaluating, giving feedback and promoting personnel development equally.
 - Employees have equal opportunities in developing their skills.

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

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

- The Company carries out business under competitive regulations with liberty and fairness.
- The Company does not seek confidential information of its business competitor in a dishonest or inappropriate manner.

- The Company does not destroy the reputation of competitors through accusations, slander and attacks without any truth.

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

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

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

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

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

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

Community, Society and the Environment: The Company conducted its business with responsibility towards the community, society and the environment in regards to safety, quality of life, natural resource preservation and efficient energy use promotion. The Company was aware of the quality of life of the community and society around the Company. The

Company gave back to the community and society by making contributions out of a portion of its profit. The Company was aware of business operations that could affect environment and promoted efficient energy use according to the following guidelines.

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

surrounding community in order to be able to immediately solve the problems. This builds a good foundation in which the Company and society can live together without creating any conflicts and bringing mutual benefits.

Anti –Corruption Policies

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

Policies

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

Guidelines

1. Employees of all departments had to comply with the Company’s anti-corruption policies and business ethics by refraining from any form of direct or indirect corruption.
2. Directors and Company employees must not be negligent when notified of any form of corruption related to the Company by reporting any suspicious behavior to their supervisor or a person in charge. They must co-operate with any investigations. When any questions arose, they needed to consult their supervisors or any authorized person who had the responsibility of monitoring and following-up with business ethics via the provided channels.
3. The Company upheld justice and protected corporate agent who declined to participate in any kind of corruption and reported acts of corruption related to the Company under measures that protect the complainant or protect anyone who cooperated by reporting corruption as stipulated in the Company’s whistleblower procedures.
4. A person who performed an act of corruption impeached the Company’s ethics. They needed to be disciplined as was stipulated in the Company’s regulations and they could be penalized according to the law if such an act was illegal.
5. The Company realized the importance of broadcasting, giving knowledge and creating mutual understanding regarding the compliance of these issued anti-corruption policies to people who are affiliated with the Company or may affect the Company.

Political Contributions

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

The Company's policy was to operate its business neutrally, remain neutral politically and refrain from supporting any professional politician from any political party. The Company will not contribute any finances or materials to political parties, politicians or any political election representatives in order to receive a business advantage through political contributions as stated in the first paragraph.

Charitable Contributions

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

used for any hidden agendas. The details are listed below.

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

Sponsorship

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

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

Gifts, Hospitality and Other Expenses

The Company realized that building good relationships with business allies was important and continued to lead the Company to success. Employees were able to give gifts, hospitality and/or other expense forms to anyone and/or receive gifts, hospitality and/or other expenses forms from anyone that aligned with the following conditions.

1. Gifts were not intended to control, mislead or payback anyone in order to gain an advantage

through any inappropriate conduct and there was no obvious exchanges or hidden purposes in order to acquire help or benefits.

2. Gifts were in compliance with relevant laws and regulations.
3. Giving was done behalf of the Company not in the employee's name.
4. Gifts were not in the form of cash or cash equivalents such as gift vouchers or complimentary cards.
5. Gifts were given in appropriate circumstances such as small gifts during the Songkran festival, Chinese New Year or New Year's all of which are common traditions.
6. The type and value of the gift was appropriate for the time and place. For example, when the Company submitted a bid, employees must not take any gifts or hospitality gifts from the Company as a part of the bid submission.
7. Gifts needed to be given publicly, not privately.
8. Employees could receive gifts that had a value that did not exceed 2,000 Baht. In the case that an employee cannot refuse a gift that has a value more than 2,000 Baht, the employee must inform their supervisor by using a gift report and give the gift to the secretary of the managing director in order to reward the employee or make an appropriate charitable contribution.

Risk Assessment

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

Human Resources

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

Training and Communication

Employees

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

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

The anti-corruption policies will be communicated to agents, business intermediaries, distributors/service providers and other relevant persons from the time

business relationships are formed and later when appropriate. The Company supports that agents, business intermediaries, distributors/service providers and other relevant persons adhere to the same corporate social responsibilities in the same manner as the Company.

Following-Up and Revisions

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

Penalties

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

3.2 Filing complaints or information

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

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

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

Tel: 02-934-7344-8

Fax: 02-935-6202

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

3.3 Channels of Communication

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

3.4 Investor Relations

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

Investor Relations contact

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

Email investor@auct.co.th

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

Fax: 02-935-6202

Tel: 02-934-7344-8

Section 4: Disclosure and Transparency

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

4.1 Financial Report

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

4.2 Director's Transaction

1) The Company has the policy that Directors reveal every report of share buying and selling and the securities holding of the company.

2) The Company has the policy that Directors have to report their conflict of interest to the Audit Committee.

3) The Company has the policy that the report of significant transaction needs to get approval from the Audit Committee.

Disclosure and Transparency

Disclosure Policy

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

Authorized Spokespersons

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

Dissemination of Information

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

The disclosure of information in any regulatory report requirements shall meet the deadline and frequency

as specified by laws or government agencies, classified by types of information.

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

Prohibited Activities and Remedial Actions

There shall be prohibition of release of confidential business information or information that may lead to loss of benefits and competitiveness or information on pending negotiations or information based on exaggerated projections and/or irrational promotion. Improper wording or styles of presentation that may misdirect the price movement of the Company stock shall be avoided.

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

Management of Leaks of information or Rumors

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

information and facts to the Stock Exchange of Thailand (SET) for the correct understanding immediately.

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

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

Telephone: 02-9347344 ext. 148

Website : www.auct.co.th

Investor Relations : ir@auct.co.th

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

1. Prohibited executives and personnel with insider information, including investor-relation personnel, to use the information for benefits of oneself and/or others, which is equivalent to take advantage of other shareholders, such as insider

trading, and to trade within one (1) month prior to disclosing of financial statement or other relevant information until the Company discloses the information to SET.

2. The Company would communicate information to investors, analysts, relevant investing parties, and shareholders through communicating agents appointed by the Company with the investor-relation personnel acts as the main coordinator in communicating and coordinating with analysts, investors, and other personnel requesting for financial information, operating results, the Company's financial status, and other operations with impacting to the Company.
3. Avoid providing information related to operations impacting share price or leading to benefits for specific individual during the Quiet Period, or the preparation period of financial statements to SET which is one (1) month prior to the official disclosure through SET's communicating channel. As an exception, when an issue or situation leads to incorrect financial information on the operating results, leading to misunderstanding of the person who uses the information, the Company would display the information to SET.

Section 5: Responsibilities of the Board of Directors

1. Board of Directors' Structure

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

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

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

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

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

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

2. Roles, Duties and Responsibilities of Committee

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

2.1 Regulatory Policy

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

2.2 Business Ethics

The Company has set up the Code of Business Ethics for Board of Directors, Executives and

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

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

2.3 Conflict of Interest

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

The Audit Committee shall report to the Board of Directors the connected transactions and the

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

2.4 Internal Control System

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

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

In order to prevent the potential damage or fraud, the Company shall outsource the internal auditor to observe and monitor the internal control system and review the significant matters consistently. He/she shall coordinate with the Company's internal audit function and report to Audit Committee on the sufficiency and efficiency of the

internal control system that covers the operations and Compliance Control, risk management and the significance given to the abnormal issues. The suggestions to improve the internal control system shall be provided in order to assure that the Company has the efficient system and supports the credibility to the Company's financial statement.

2.5 Risk Management

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

2.6 Report of Committee

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

Company's financial statements and information (report the committee's responsibility for financial statements) appeared in the annual report. Such financial statements are prepared in accordance with generally accepted accounting principles and are audited by the Company's auditors. The disclosure of significant information, both financial and non-financial information, is based on the complete and consistent facts.

3. Board Meeting

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

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

In 2016, 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 role and responsibility. The Company shall set the rate of remuneration to be competitive in the same industry in order to sustain the quality executives. The executives who are assigned for additional roles and responsibilities shall receive additional remuneration. The remuneration for directors is transparent and approved by the shareholder meeting. The remuneration for executive directors shall be disclosed in compliance with the SEC's regulations.

6. Director and Executive Development

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

Mr. Varunyoo Sila

- 1 April 2016: TLCA Executive Development Program

Mrs. Anchalee Bhakkalin

- 29 February 2016: Director Accreditation Program (DAP) 124/2016 Thai Institute of Director
- 15 July 2016: CFO Current Issue, Securities and Exchange Commission
- 20 December 2016: Accounting practical guide for employee benefit in accordance with Accounting Standard no. 19 impact on business operation

Miss Chittra Chantrakrui

- 5-6 July 2016: Strategy for selection process and interview technique
- 31 August- 1 September 2016: JD-based KPIs and Competency bath 19

7. Report

The Board of Directors is responsible for financial statement report and general information report to shareholders and other investors and ensures. It is

accurate, complete, transparent and has reasonable explanation with supporting figures in the aspect of the operation policy, future potential and the success and challenge of the business.

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

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

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

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

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

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

8. Succession Plan

The Board of Directors manages to have the succession plan for executive positions by developing

the talents for their knowledge and capabilities to be ready for the succession of key positions in the future. The criteria were set systematically.

9. Board self-assessment

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

10. New director orientation

The Board of Directors provides the orientation to all new directors before acting so that they know the expectation of their roles, duties and responsibilities, the company's policy and operational guideline for the corporate governance. They should understand the business nature and various operational aspects of the company. In 2015, there was no new director.

11. The Board and Executive Positions in other firms

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

12. Contact with the Executives

The Board of Directors supports the top executives to attend the meetings with the board and present the information of their own area to the board meetings.

The Board of Directors can get the information and

comments directly from the responsible executives while the executives have opportunity to learn and understand the view point of the board.

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

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

The Company requires producing of stakeholding report of directors, executives, and relevant parties as fundamental for governance of stakes held at the director and executive levels, requires directors and executive to produce such report, and requires the Company Secretary to be responsible for record keeping, leveraged for investigations and governance on conflict of interests. Pertaining changes, executives are responsible to report the changes to only the Company Secretary.

14. Producing of Changes in Investment Holdings Report

For internal control, the Company requires that its directors and executives, including their spouses and children under the legal age, when their investment holdings of Union Auction Public Co. Ltd. change, must inform the Company, report the changes to the Securities Exchange Commission Thailand (SEC) and the Stock Exchange of Thailand (SET), as required by Clause 59 and of the Securities and Exchange ACT B.C. 2535, within three (3) days starting from the date

of buying, selling, or transferring, and be responsible to report buying, selling, and holding of the Company's shares during the following Board Meeting. Every quarter and at year end, Office of Company Secretary would create a letter prohibiting directors or divisions with insider information from disclosing the information to external personnel or those unrelated and from buying and selling of the Company's shares within 45 days, from the book closing date to the reporting date to SET or prior to financial statements being disclosed to the public, in order to prevent inappropriate use of insider information, in which throughout the past year the directors and executives had strictly complied.

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.

Term of Directorship

At every annual general meeting of shareholders, onethird of the directors, being those who have held the longest term in office, shall retire. If the number of directors is not a multiple of three, the number nearest

to one-third shall retire from office. A retiring director may be nominated to the meeting for re-election.

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

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

Nomination of directors and independent directors

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

for election as directors in advance according to the rules prescribed by the Company.

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

1. The number of votes each shareholder has is commensurate with the size of their shareholding – i.e. one vote per share.
2. Each shareholder must exercise all the votes that he or she has when appointing one individual or several individuals to be director(s), but shall not split his/ her votes among different individuals or groups.
3. Those individuals receiving the highest number of votes shall be elected to serve as directors depending on the number of vacancies available at the time. In the event of more than one person receiving the same number of votes for the last vacant position, the chairman of the meeting shall have a second and casting vote.
4. At shareholder's meetings, any director can be dismissed from the Board of Directors before his/ her term is up, if there is a resolution of no less than three-quarters of the number of shareholders in attendance and who have the right to vote. Moreover, the shareholders who vote must collectively hold no less than half the total number of shares owned by the voting shareholders present at the meeting.

In assuming the position of Director and/or Independent Director, each director will receive all important information about the Company, along with

the Articles of Association of the Company related to the roles and responsibilities of the Board of Directors, as well as advice concerning the laws, rules, regulations and conditions relating to being a Director of a listed company on the Stock Exchange of Thailand. The person will also receive an orientation of the Company's business.

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

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

Nomination of Executive Board

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

Nomination of Executives

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

Audit Fees

At the end of accounting period of December 31, 2016, the Company paid the audit fees to Pricewaterhouse Coopers ABAS Co., Ltd. for 1.36 million baht.

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

Corporate Social Responsibility

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

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

1. Business Fairness

1.1 Fairness in business competition

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

1.2 Fairness to trade counterparts

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

2. Human rights respect

2.1 Human rights respect for internal corporate

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

2.2 Human rights respect for external corporate

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

3. Fair Treatment to Employees

3.1 Equal employment

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

3.2 Convenience and safety in the work place

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

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

3.3 Career Path

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

4. Responsibility for Consumers

4.1 Safety for trade counterparts

The Company has set the auction sites that are clean and safe for customers, both coming to sell and coming to buy the vehicles at the auction. The Company provides the waiting area in the air-conditioned room and the

auction sites based on the convenience and safety of customers. The free drinks are of service along the auction process.

4.2 Product information

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

5. Environment Conservation

5.1 Resource conservation for sustainability

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

5.2 Pollution Prevention

The Company intends to conserve the environment and prevent the pollution around the company by watering the vehicle storage facilities and the streets 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 The Development of new Auction Service System

The new auction service system is web base online connectivity between central office and stock branch where by the data is comprises of vehicles pick up data, picture of vehicles, vehicles stock which are inspected real time. This helps promote the accuracy, instant, and verifiable of vehicles selling during the auction. Online system helps to reduce burden among branches and vehicle's owner. Certainly, all clients and partners will be benefit in terms of convenient, fastness, and correctness.

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 Management of the 1800 and 900 license auctions

The company has developed the auction software system according to auction rules set forth by the NBTC. The system is tested every step of the way. The company has been trusted. It reinforces the professional image of the country. And it is an important step in moving up to auction other assets and networks nationwide.

7.3 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.

Common Shares Held by Directors & Executives

Name	Position	As of Dec 31, 2015	As of Jan 20, 2017	Increase (Decrease)
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana ^{/1}	Chairman of Board of Directors	7,200,000	7,200,000	-
2. Assoc. Prof. Dr.Saowanee Thairungroj	Chairman of Audit Committee / Independent Director	-	-	-
3. Assoc. Prof. Dr.Montri Sokatiyanurak	Audit Director / Independent Director	-	-	-
4. Mr. Sarawut Jarujinda	Audit Director / Independent Director	-	-	-
5. Mr. Suvit Yoadjarust	Director / Chairman of Executive Board	6,388,800	6,388,800	-
6. Mr. Thepthai Sila ^{/2}	Vice Chairman of BOD / Managing Director	22,899,000	23,999,000	1,100,000
7. Mr. Varunyoo Sila	Director / Deputy Managing Director	-	-	-
8. Mr. Kriangsak Dhammaraksa	Assistant Managing Director, Information Technology	-	-	-
9. Mrs. Anchalee Bhakkalin	Assistant Managing Director, Account & Finance	-	-	-
10.Ms. Chittra Chantakui	Assistant Managing Director, Human Resources	-	-	-
11.Miss Poonsil Kaewchamnong	Acting Assistant Managing Director, Director Office	NA	10,000	-
12.Mr. Nitid Sapon	Acting Assistant Managing Director, Business Development and Marketing	-	-	-

Note:

/1 Include spouse 6,700,000 shares

/2 Include spouse 5,000,000 shares

Internal Control

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

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

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

the Stock Market of Thailand and the Thai Institute of Directors (IOD). These were applied in internal controls, risk management and the monitoring and supervision in order to be more complete so that the Company is as efficient and effective as possible.

Risk Assessment

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

Control Activities

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

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

Information and Communication

The Company paid attention to information technology and communication systems for the collection of information, evaluation of information and the saving and follow up of information in order to provide significant

information, used for business decisions and management, that is accurate, sufficient, timely for directors, executives, employee, shareholders, customers and stakeholders. The Company also stipulated a safety policy for information technology and using data.

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

Monitoring Activities

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

Internal Audit

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

acceptable level for the Company and the risk was in line with good corporate governance of the Company so that the objectives of the Company's operations were achieved and they complied with the audit committee's charter, the internal auditor's ethical guidelines for business operations. They reviewed the operations to be appropriate every year.

Related Party Transactions

Related Party Transactions

In the year 2016, 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:

	2016	2015
	Baht	Baht
Salaries and other short-term benefits	22,690,369	19,131,376
Retirement benefits	1,143,126	242,978
	23,833,495	19,374,354

Needs and Reasons for related party transactions

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

Procedures of related party transaction approval

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

regulations of SEC and standard accounting principles of The Institute of Certified Accountants and Auditor of Thailand.

Policy and potential of related party transactions in the future

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

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

Guidelines of related party transaction disclosure audit

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

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

Report of Audit Committee



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

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

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

Company's auditor for the year 2017 in order to make a proposal to the Meeting of Shareholders for the consideration of the approval of the auditor.

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

On behalf of Audit Committee



(Associate Professor. Dr. Sauwanee Thairungroj)

Chairman of Audit Committee

Management Responsibility for the Financial Statements

The Board of Directors of Union Auction Public Company Limited is responsible for the Company's financial statements and the financial information as appeared in 2016 financial report. The financial statements were prepared according to the generally accepted accounting standard in Thailand. The appropriate accounting policy was selected and practiced regularly. The significant information disclosure in the notes of financial statements was sufficient, transparent and beneficial for shareholders and general investors.

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

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



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



(Mr. Thepthai Sila)
Managing Director

Key Financial Information

Union Auction Public Company Limited

Performance

	2557	2558	2559
Revenue from services	709.87	718.72	601.83
Cost of services	348.38	357.03	320.60
Gross profit	361.49	361.69	281.23
Other income	11.60	5.34	5.66
Selling and services expenses	36.04	35.87	31.52
Administrative expenses	82.81	94.38	95.81
Profit before income tax and finance costs	254.24	236.78	159.56
Finance costs	0.48	0.28	-
Profit before income tax	253.75	236.50	159.56
Income tax	51.32	48.86	33.95
Profit for the year	202.44	187.64	125.61

Statement of Financial Position	2557	2558	2559
Total assets	712.93	751.11	580.62
Total liabilities	253.57	300.95	153.35
Total equity	459.36	450.16	427.27
Paid up capital	137.50	137.50	137.50

Financial Ratio

	2557	2558	2559
Liquidity Ratio			
Current Ratio	2.16	1.62	2.35
Cash flow Current Ratio	0.75	0.89	0.35
Receivable Current Ratio	9.49	9.98	8.98
Average Dept Collection Period	38.47	36.57	40.66
Account Payable Turnover	1.50	1.64	1.90
Average Payment Period	242.65	222.95	192.25
Profitability Ratio			
Gross Profit Margin	50.92	50.32	46.73
Net Profit Margin	35.82	32.94	26.51
Net Profit Ratio	28.06	25.92	20.68
Return on Equity Ratio	47.73	41.26	28.63
Efficiency Ratio			
Return on Asset	36.11	32.35	23.96
Return on Fixed Asset	436.63	328.36	220.95
Asset Turnover	1.02	0.99	0.91
Financial Ratio			
Debt to Equity Ratio	0.55	0.67	0.36
Commitment Coverage Ratio	1.02	0.80	0.30
Payout Ratio	65.21	105.52	118.22
Other Ratios			
Book value per share	0.84	0.82	0.78
Earning per share	0.37	0.34	0.23
Dividend per share	0.24	0.36	0.27
Par value per share	0.25	0.25	0.25
No. of shares	550	550	550

Management Discussion and Analysis

Overview of Past Performance

The Company operates a property auction service. The method the Company uses are open auction at auction site and electronic auctions via internet (E-Auction). The Company also has other related services such as transferring vehicles, checking car registrations, etc. These are complimentary services that facilitate bidders. In addition to this, the Company has expanded its scope of business operations. This includes the auction of agricultural vehicles, the auction of brand name items and auction management services for government agencies and public enterprises, such as the Customs Department, the Anti-Money Laundering Office (AMLO) and the Office of the National Broadcasting and Telecommunications Commission (NBTC), etc. This was done in order to reduce the risk of doing business by primarily relying on the automotive market. However, the Company continues to focus on its core business, vehicle and motorcycle auction services. The Company added more branches and added more storage locations in other provinces in order to facilitate property owners and customers in every region. This increased auction opportunities across the country to support the expansion of used car auction markets in other provinces. This also created opportunities to expand into neighboring countries. Between 2014 and 2016, the Company's main revenue continued to come from property auctions. This accounted for approximately 85- 88% of the Company's income. Other service revenue accounted for approximately 12-15%.

In the business of auction management services, the Company charges a fee from two areas. These are service fees from bidders and service fees for property owners. However, the main factor that leads to success in the auction business depends on the number and the quality of the property being auctioned. The Company must have a variety of items to auction and enough items to convince interested bidders to participate in numerous auctions in order to create free competition. The property auctioned by the Company can be classified into 3 categories. These are cars, motorcycles and other kinds of property. The main revenue of the Company comes from auctioning cars and motorcycles. The Company collects service fees from bidders at a fixed rate on each piece of property, regardless of the value of the property. The growth of the Company's revenue comes from the number of items that are auctioned. The fee for other items is determined by the kind of property being auctioned. The Company managed to hold auctions in 14 different locations in Bangkok and other provinces. This did not include off-site auctions in accordance with the request of property owners.

In 2015, the Company's revenue from services increased from 2014 at the amount of 709.87 million Baht to 718.72 million Baht in 2015 which was a rate of growth of 1.25%. In the year 2016, service revenue decreased to 601.83 million Baht or by 16.26%. This was because the secondhand vehicle market slowed down at the end of 2015 because financial institutions seized fewer vehicles after the Debt Claims Act was enacted in early 2015, it resulted in fewer cars being auctioned. However, the Company was still able to increase its revenue due to auctions of other kinds of property and auctions to government organizations such as the Office of the National Broadcasting and Telecommunications Commission (NBTC), the Anti-Money Laundering Office (AMLO) and, the Customs Department etc. For the year 2016, the slowed down automotive industry continued to experience an unfavorable external environment for business operations in terms of the new excise tax structure and the debt collection law. This affected financial institutions that carried their seized vehicles to the Company's auctions.

The cost of service between 2014 and 2016 was 348.38 million Baht, 357.03 million Baht and 320.60 million Baht respectively. This represented 49.08%, 49.68% and 53.27% of service revenue respectively. The reason this ratio increased in 2016 was because approximately 50% of the cost of service was fixed costs not directly fluctuate to income. For example, the cost of renting facilities for storing property prior to auctions and the depreciation of assets that resulted from the expansion of branches in other provinces. This 2015 to 2016 period is considered to be a long-term investment to develop the growth of the auction business, to expand into every region and to expand the customer base across the country. However, this caused the gross margin to decline at the beginning period of this investment.

In terms of cost of sales and services, the administrative expenses between 2014 and 2016 were 118.85 million Baht, 130.25 million Baht and 127.33 million Baht respectively. This represented 16.75%, 18.12% and 21.16% of service revenue respectively. This increase was due to the cost of sales and service. Most of the administrative expenses were fixed costs not directly fluctuate income. In 2016, income decreased due to the reasons stated above, however the Company improved its efficiency and was able to reduce its cost in this area despite the Company's expansion throughout various places.

Between 2014 and 2016, the Company's net profit decreased from 202.44 million Baht, 187.65 million Baht and 125.61 million Baht respectively. The net profit margin was 28.06 percent, 25.92 percent and 20.68 percent respectively. The decline of the net profit margin in 2016 was the direct result of the decline in auction revenues, coupled with unchanging costs which increased due to adding more branches and storage locations, along with an increase of staff to accommodate this expansion.

In regards to the Company's financial position, the nature of the business could cause certain assets and liabilities presented in the statement of financial position to fluctuate at different times. That is to say that the Company will be the middleman at auctions. The Company will receive payments from winning bidders in order to forward the payment to the property owner. In most cases, the Company will receive the payment for property within four business days of the auction's closing date and payment will be delivered to the property owner within 5-7 working days after the auction's closing date. This kind of business affects 3 transactions in the statement of financial position, namely cash and bank deposits, accounts receivable and accounts payable. That is to say that after the auction, the Company will record cash and bank deposits and accounts receivable according to the value of the property at the end of the auction and record accounts payable equal to the value of the property at the end of the auction as well.

- When the bid winner pays for the property, it will cause the Company to have a decrease in accounts receivable because of the increase of cash and bank deposits.
- When the Company delivers the property to the owner of the property, cash and bank deposits along with the Company's accounts receivable will also decrease.

Therefore, the Company's total assets at the end of each accounting period may fluctuate due to the receiving payments and the giving money to property owners according to the auction value before the end of the accounting period. For the years between 2014 and 2016, the total assets were 712.93 million Baht, 751.11 million Baht and 580.62 million Baht respectively. The total liabilities were 253.57 million Baht, 300.95 million Baht and 153.35 million Baht respectively. The shareholders' equity was 459.36 million Baht, 450.16 million Baht and 427.27 million Baht respectively. The Company's debt to equity ratio at the end of years 2014 to 2016 was between 0.36 and 0.67 times. The Company's liabilities are accounts payable which does not have any interest.

Performance Analysis

Service Revenue

Revenue from the Company's services is composed of 3 main groups of income. These are property auction revenue, revenue from transferring vehicles and other services revenue. Revenue from auctions is considered to be the main revenue of the Company's business, with a proportion of 85-88% of the service revenue over the past three years.

The Company's service revenue increased in 2014 and 2015 as a result of significant property auction revenues which increased from 709.87 million Baht to 718.72 million Baht or 1.25%. In 2016, the Company's service

revenue decreased to Baht 601.83 million or 16.26% due to the slowdown of the automotive industry which experienced an unfavorable business environment as mentioned before.

	2014		2015		2016	
	Millions of Baht	Percent	Millions of Baht	Percent	Millions of Baht	Percent
Revenue from property auction	691.92	87.61	612.15	85.17	526.89	73.31
Revenue from Transferring Vehicles Service	87.94	12.39	80.83	11.25	59.69	8.30
Revenue from Other Services ^{1/}	0.01	0.00	25.74	3.58	15.25	2.12
Total Service Revenue	709.87	100.00	718.72	100.00	601.83	100.00

^{1/} In 2015 and 2016, other service revenue was mainly comprised of revenue from auction management services to government organizations such as the Anti-Money Laundering Office (AMLO) and the Office of the National Broadcasting and Telecommunications Commission (NBTC) and the revenue from the check car registration services, etc.

Revenue from Property Auctions

Revenue from property auctions is considered a main income of the Company's business. There are three main categories of auctioned property. These are revenue from cars auctions, revenue from motorcycle auctions and revenue from auctioning other kinds of property. Between 2014 and 2016, car auctions were the main income of the Company accounting for 90-92% of total auction revenue while income from motorcycle and other property auctions accounted for approximately 8-10% and 0-0.21% of the total auction revenue respectively.

Revenue from the auction of each kind of property can be divided into 2 categories. These are 1) revenue from collecting fees from bidders and 2) commission income or service fees from property owners. The main revenue of the Company comes from collecting fees from bidders. This accounts for about 88% of the total auction revenue. The revenue from the auction of cars and motorcycles comes mainly from juristic persons. These are financial institutions that have seized vehicles from those who have defaulted on their lease loans. Between 2014 and 2016, the Company's revenue from property auctions was 621.92 million Baht, 612.15 million Baht and 526.89 million Baht respectively. This was a decrease of 1.57% in 2015 and a decrease of 13.93% in 2016 which came from a decrease in car auction revenue.

Auction revenue classified by asset type and property owners between 2014 and 2016 can be shown as follows.

	2014		2015		2016	
	Millions of Baht	Percent	Millions of Baht	Percent	Millions of Baht	Percent
Revenue from Property Auction						
<u>Cars</u>	542.91	87.30	550.81	89.98	473.01	89.77
- Cars owned by Juristic Persons						
- Personal Cars	18.97	3.05	12.90	2.11	5.83	1.11
Total cars	561.88	90.35	563.71	92.09	478.84	90.88
<u>Motorcycle</u>	45.44	7.31	43.07	7.04	44.81	8.50
-Motorcycle owned by Juristic persons						
-Personal Motorcycle	14.60	2.35	4.74	0.78	2.12	0.40
Total Motorcycles	60.04	9.65	47.82	7.81	46.93	8.91
Total Other Products ^{1/}	-	-	0.62	0.10	1.12	0.21
Total Revenue from Property Auction	621.92	100.00	612.15	100.00	526.89	100.00

^{1/} Other kinds of products includes brand name products, etc.

• Revenue from Car Auctions

The Company's revenue from car auctions is divided into two main categories. These are revenue from bidders and revenue from property owners. Increases in revenue are mainly due to an increase in service revenue per vehicle and an increase in the number of cars that are brought to auction and cars that are auctioned off.

	2014		2015		2016	
	Millions of Baht	Percent	Millions of Baht	Percent	Millions of Baht	Percent
Revenue from Auction						
Bidder	495.28	88.15	504.15	89.43	429.70	89.74
Property Owner	66.60	11.85	59.56	10.57	49.14	10.26
Total Revenue from Car Auction	561.88	100.00	563.71	100.00	478.84	100.00
Number of Auctioned Off Car	63,995	100.00	64,561	100.00	53,961	100.00
- Car Owned by Juristic Person (car)	61,620	96.29	62,870	97.38	53,224	98.63
- Personal Car (car)	2,375	3.71	1,691	2.62	737	1.37

Revenue from car auction mainly comes from fees collected from bidders which are charged at a rate of 2,000 - 15,000 Baht per vehicle, depending on the type of vehicle. This represents about 88-90% of the car auction revenue. Other than this, commission income from property owners is about 10- 12% of car auction revenue. This depends on the different auction management conditions of property owners. The Company agreed with property owners to charge a commission from property owners at a rate of approximately 1-3% of the value of the auctioned property or charge a fixed rate per vehicle, as the case may be.

Between 2014 and 2015, car auction revenue increased from 561.88 million Baht to 563.71 million Baht which was an increase of 0.33%. In 2016, car auction revenue decreased to 478.84 million Baht which was a decrease of 15.06% from the previous year. This was due mainly to the decrease in the number of cars brought to auction.

In 2015, the Company added more branches and improved auction sites in other provinces in order to support future growth which will cause car auction revenue to grow. Other than this, the Company was the representative for auction organizations from various government organizations such as the Customs Department, etc.

In 2016, car auction revenue was 478.84 million Baht, a decrease of 84.87 million Baht when compared to the previous year. The main reason for this was that the volume of cars that were auctioned off decreased because the number of vehicles sent to auction decreased in accordance with the decreased in the seized car market.

Motorcycle Auction Revenue

The Company's revenue from motorcycle auctions increased due to an increase in the number of motorcycles brought to auction and the number of motorcycles auctioned off.

	2014		2015		2016	
	Millions of Baht	Percent	Millions of Baht	Percent	Millions of Baht	Percent
Revenue from Auction						
Participated Bidder	50.11	83.46	40.84	85.41	41.13	87.65
Property Owner	9.93	16.54	6.98	14.59	5.80	12.35
Total Revenue from Motorcycle Auction	60.04	100.00	47.82	100.00	46.93	100.00
Number of car Auctioned- Off (car)	33,422	100.00	27,218	100.00	27,394	100.00
- Motorcycle owned by Juristic Entities(car)	30,312	90.69	24,060	88.40	25,982	94.85
-Personal Car (car)	3,110	9.31	3,158	11.60	1,412	5.15

Approximately 83-88% of motorcycle auction revenue between 2014 to 2016 came from fees charged to bidders. Bidders were charged at 1,500 Baht per vehicle. About 12-17% came from commissions from the

property owner. The Company agreed with property owners to charge a commission from property owners at a rate of approximately 1-2% of the auctioned property's value or charge a fixed rate per vehicle. It depended on the conditions of each auction.

Motorcycle auction revenue decreased from 60.04 million Baht to 47.82 million Baht and 46.93 million Baht between 2014 and 2016. This represented a decrease of 20.36% in 2015 and a decrease of 1.86% in 2016. The main reason for this was that the number of motorcycles of Juristic Entities that were auctioned off declined at the beginning of 2015 because there were a small number of motorcycles auctioned by juristic persons. By the middle of 2016, the number of motorcycles auctioned by Juristic Entities increased.

- *Revenue from the Auctions of Other Kinds of Property*

Revenue from the auctions of other kinds of property included houses, brand name products, and more. All revenue came from fees collected bidders and property owners, as the case may be.

In 2015 and 2016, the revenue from the auction of other assets amounted to 0.62 million Baht and 1.13 million Baht, or 0.10% and 0.21% of revenue from property auction respectively.

Revenue from Transferring Vehicles

Revenue from transferring vehicles over the past three years has declined according to the number of cars that were auctioned off and the reduced need of transferring vehicles. After the Company expanded to other provinces, the company will charge a transfer service fee from the winning bidder. The Company will show the transfer rate each time. This is disclosed for the bidder's knowledge in the car auction list before bidding. Unless there are cases that an agreement is made with the seller of the vehicle in which the seller does not require a transfer fee from the bidder because the seller will pay it themselves. Thus, the Company will not collect any transfer fees from the buyer. In regards to transferring vehicles, this is not considered a primary service of the Company, rather it is a complimentary service to facilitate buyers and sellers.

In regards to setting transfer fees, the Company will take the cost of transferring vehicles from the point where the Company received the vehicle from the vehicle owner to the auction site which is usually done with a trailer. The fees will be charged the winning bidder. The Company's revenue from transfer services between 2014 and 2016 was 87.94 million Baht, 80.83 million Baht and 59.69 million Baht, or 12.39%, 11.25% and 9.92% of the revenue from sales and services respectively.

Other Service Revenue

Other service revenue includes fees for checking registrations, revenue from auctioning services for government organizations, such as the Office of the National Broadcasting and Telecommunications Commission (NBTC), the Customs Department, and the Anti-Money Laundering Office (AMLO) etc. The Company had other service revenue that equaled 25.74 million Baht and 15.25 million Baht respectively for services between 2015 and 2016. This was 3.58% and 2.53% of the service revenue.

Other Revenue

Other revenue included revenue from interest income and other revenue that amounted to 11.60 million Baht, 5.34 million Baht and 5.66 million Baht respectively between 2014 and 2016. Other revenue mainly came from interest income from deposits at banks. This number decreased because the number of deposits decreased and interest rates in financial markets were likely to decline respectively. In 2015 and 2016, interest rates ranged between 0.80% and 2.90% per year and 0.85% and 1.65% per year respectively.

	2014		2015		2016	
	Millions of Baht	Percent	Millions of Baht	Percent	Millions of Baht	Percent
Revenue from Interest Income	7.42	64.00	4.29	80.00	3.04	53.61
Other Revenues ^{1/}	4.12	36.00	1.05	20.00	2.62	46.39
Total Other Revenue	11.60	100.00	5.34	100.00	5.66	100.00

^{1/} Other revenues include dining room rentals, profit from property disposals, profit on revaluation of investments.

Cost of Service

• Cost of Service

The cost of service can be classified into two groups, fixed costs not fluctuate directly with revenue and variable costs that fluctuate with revenue. Between 2014 and 2016, The costs percentage tended to increase to between 42% and 61% of the total cost of service. The main reason was the increase in the number of branches and storage locations and the increase in the number of employees that supported the expansion of each branch. This is a long-term investment to develop the Company's business in the future. The details of the cost of service for 2014 to 2016 are as follows.

Cost of Service Chart for 2014 - 2016

	2014		2015		2016	
	Millions of Baht	Percent ^{1/}	Millions of Baht	Percent	Millions of Baht	Percent ^{1/}
Rental of facilities and equipment related to auctions ^{2/}	64.26	9.05	67.59	9.40	63.41	10.54
Salary and Employee Expenses	37.31	5.26	52.24	7.27	65.29	10.85
Security Expense	17.87	2.52	19.74	2.75	21.01	3.49
Depreciation	16.85	2.37	22.99	3.20	30.81	5.12
E-Auction System	3.66	0.52	12.88	1.79	4.12	0.68
Others	6.55	0.92	10.55	1.47	10.63	1.77
Total fixed costs	146.50	20.64	186.00	25.88	195.27	32.45
Vehicle Expense ^{3/}	110.76	15.60	100.23	13.95	80.94	13.45
Payment Processing Fee ^{4/}	47.94	6.75	34.11	4.75	20.55	3.41
Cost of Holding Auctions ^{5/}	43.17	6.08	36.69	5.10	23.86	3.96
Total Variable Costs	201.87	28.44	171.03	23.80	125.34	20.82
Total Costs of Service	348.38	49.07	357.03	49.67	320.60	53.27

^{1/} Percentage of service revenue

^{2/} Rental of facilities and equipment related to auctions is the rental of facilities used to store cars and motorcycles and auction sites in Bangkok and the other provinces. It also includes equipment such as copiers, audio equipment, and tents, etc.

^{3/} The vehicle expenses is wages paid to moving companies that transfer vehicles up for auction from storage facilities to another location to wait for auction or be put up for auction. This includes rentals of vehicles for regular maintenance work at the storage facilities.

^{4/} Payment processing fees are costs paid by the Company to the car dealerships that bring vehicles to auction with the Company at an agreed rate such as a fixed amount per car, etc.

^{5/} The cost of holding auctions is expenses related to cleaning cars brought to auction, filling cars after they are auctioned so that auctioned car has enough fuel to be driven to a gas station, daily wages for auction employees and decorating the auction site, etc.

The cost of service includes fixed and variable costs. Most fixed costs are costs related to the management of the auction site and the storage facilities such as rent, security fees, the depreciation of assets and personnel expenses, etc. Between 2014 and 2016, the Company had fixed costs that equaled 145.65 million Baht, 186 million Baht and 195.27 million Baht respectively. This was the result of additional branches as stated above. At the same time, the variable cost of service between 2014 and 2016 was 201.87 million Baht, 171.03 million Baht and 125.34 million Baht which was a decrease of Baht 45.69 million in 2016. This was due mainly to the

decrease in vehicle transfer expenses. This constituted 23-30% of the total cost of service which was the result of the reduction of the vehicle transfers and holding auctions at new branches in other provinces.

The total costs of services were 348.38 million Baht, 357.03 million Baht, and 320.60 million Baht between 2014 and 2016 respectively. However, after considering the proportion of service revenue, I had the tendency to increase from 49.07% to 49.67% and to 53.27% between 2014 and 2016 respectively. Most of the cost of service is salaries and employee expenses and the depreciation of assets from the expansion of branches which is fixed costs

In 2015, the cost of service was 357.03 million Baht which was an increase of 8.65 million Baht from the previous year. This was because of the cost of organizing auctions for government organizations, in addition to car auctions.

For the year 2016, the cost of service was 320.60 million Baht, a decrease of 36.43 million Baht from the previous year. The main reason for this was the decrease in the number of cars that were auctioned and the decrease in the need for transferring vehicles.

The Cost of Sales and Services and Administrative Expenses

The Company's cost of sales and services and administrative expenses increased from 118.85 million Baht to 130.25 million Baht in 2015 and decreased to 127.33 million Baht in 2016. This was due to the organization's accelerated development to support future growth and the effects of lower revenue in 2016. The administrative expenses slightly increased from 13.13% in 2015 to 15.92% in 2016 but total expenses increased by only 1.5% from 2015. The cost of sales and services was increased from 4.99% service revenue in 2015 to 5.24% in 2016, while the total expenses continue to decline from 2014 and 2015 respectively.

	2014		2015		2016	
	Millions of Baht	Percent ^{1/}	Millions of Baht	Percent	Millions of Baht	Percent ^{1/}
Sales and Service Expenses	36.04	5.08	35.87	4.99	31.52	5.24
Administrative Expenses	82.81	11.67	94.38	13.13	95.81	15.92
Total Sales and Service Expense	118.85	16.75	130.25	18.12	127.33	21.16
Revenue from Rendering Services	709.87	100.00	718.72	100.00	601.83	100.00

^{1/} Percentage of service revenue

• Cost of Sales and Services

The costs of sales and services between 2014 and 2016 was comprised of 3 main expenses. These were advertising and public relations expenses which was about 19-26%, and salary and employee provisions accounted for about 23-31% and money transport expenses were 11-13%

The costs of sales and services were 36.04 million Baht, 35.87 million Baht, and 31.52 Baht million between 2014 and 2016. This was 5.08%, 4.99% and 5.24% of service revenue for the years 2015 and 2016. The costs of sales and services decreased 0.47% and decreased 12.13% when compared to the previous year.

• Administrative Expenses

Administrative expenses between 2014 and 2016, the main expenses were salaries and employee provisions which was approximately 66-70% of the administrative expenses. Other expenses included utilities, rent, depreciation and repair costs which were 15-17%.

Administrative expenses for the years between 2014 and 2016 were 82.81 million Baht, 94.38 million Baht and 95.81 million Baht respectively. This represented 11.67%, 13.13% and 15.92% of the service revenue. Administrative expenses increased by 13.97% in 2015 and increased by only 1.52% in 2016. The main reason for this was that the Company changed its working systems by developing information technology systems and adjusting staff appropriately in order to increase work efficiency in 2015. In 2016, the Company's administrative expenses increased slightly by 1.43 million Baht, an increase of 1.52%. This was the result of more efficient cost controls.

Profitability

In the years between 2014 and 2016, the Company's profitability decreased. The net profit was 202.44 million Baht, 187.65 million Baht and 125.61 million Baht respectively. The net profit margin was 28.06%, 25.92%, and 20.68% respectively. This was because the overall car market shrunk, especially the number of seized vehicles decreased as a result of the debt collection law that was enacted in 2015.

	2014		2015		2016	
	Millions of Baht	Percent	Millions of Baht	Percent	Millions of Baht	Percent
Gross Profit	361.50	50.92	361.69	50.32	281.23	46.73
Profit from Operation	254.24	35.82	236.78	32.94	159.56	26.51
Total Profit	202.44	28.06	187.65	25.92	125.61	20.68

In 2014, the operating profit margin increased 188.72% when compared to the previous year because service revenues had a high growth rate of 51.55%, while the cost of service was mostly fixed such as rent, salaries and employee expenses. Security fees reduced and the Company also tried to control expenses and tried to efficiently manage available resources. In addition to this, the cost of sales and services and administrative expenses decreased. As a result, the operating profit margin increased to 35.82% and net profit margin increased to 28.06% in 2014.

In 2015 and 2016, the operating profit margin declined by 6.87% and 32.61% respectively when compared to the previous year. Revenue from services increased by only 1.25% in 2015 and decreased by 16.26% in 2016. This was due in part to the decrease in the number of vehicles while the Company invested, developed and expanded its branches. As a result, revenue declined while expenses increased, especially in terms of personnel expenses and asset depreciation. The operating profit margin was 32.94% and 26.51% in 2015 and 2016 respectively. Net profit margin declined to 25.92% and 20.68% in 2015 and 2016 respectively.

Financial Analysis

Assets

The Company's total assets at the end of years, 2014, 2015 and 2016 were 712.93 million Baht, 751.10 million Baht and 580.62 million Baht respectively. This was the result of an increase in cash and cash equivalents, and property, plant and equipment in 2015. This number decreased in 2016. Current assets accounted for approximately 45-68% of total assets. Fixed assets accounted for approximately 32-55% of total assets. When considering the composition of assets at the end of 2015, the Company's core assets which included cash/bank deposits/and short-term investments accounted for 46% of total assets. Property, plant and equipment accounted for 33% of total assets and collectively they accounted for 79% of total assets.

For the year 2016, the Company's cash balance/bank deposits and short-term investments accounted for 36% of total assets. The increase in property and plant was due to adding branches between 2015 and 2016 and this accounted for 43% of total assets and collectively accounted for 79% of total assets just like 2015.

Cash and Cash Equivalents

At the end of the years between 2014 and 2016, the Company had cash and cash equivalents of 386.19 million Baht, 250.10 million Baht and 48.72 million Baht which represented 54.17%, 33.30% and 8.39% respectively.

The Company provides services in auction management. The Company receives payments for property from winning bidders and delivers payments to property owners. The time it takes to deliver such property happens

within a week from the date of the auction. This makes the value of cash outstanding at each end of the accounting period higher or lower. It depends on the value of the property that was auctioned prior to the closing of the accounting period that has not been delivered to the property owner.

Short-Term Investments

The Company has short-term investments in the years between 2014 and 2016 equal to 34.95 million baht, 95.03 million baht, and 163.13 million baht respectively. However, the Company paid the remaining cash from its operating expenses to distribute fixed deposits with several banks for the purpose of generating interest income.

Trade Account Receivable and other debtors

Most of the accounts receivable and other debtors are car debtors and prepaid land lease totaling approximately 78-93% of total account receivables.

	As of December 31, 2014		As of December 31, 2015		As of December 31, 2016	
	Millions of Baht	Percent	Millions of Baht	Percent	Millions of Baht	Percent
Car Debtors – Net	38.78	66.74	47.77	55.61	25.89	53.72
Trade Account Receivable - Auction Service and Management	-	-	17.30	20.14	1.99	4.13
Prepaid Land Lease	6.65	11.44	14.64	17.04	15.33	31.81
Advances and Account Receivable -Net	12.68	21.81	6.19	7.21	4.97	10.34
Total	58.11	100.00	85.90	100.00	48.19	100.00

Car debtors - Net

The outstanding balance of car debtors that can be categorized by the remaining period of debt payments are as follows.

	As of December 31, 2014		As of December 31, 2015		As of December 31, 2016	
	Millions of Baht	Percent	Millions of Baht	Percent	Millions of Baht	Percent
Within the Payment Due Date	21.51	54.90	32.75	67.99	23.38	88.05
Overdue	17.26	44.05	15.00	31.14	2.74	10.33
- Less than 3 months						
- over 3 months	0.41	1.05	0.51	0.88	0.43	1.62
Total	39.18	100.00	48.26	100.00	26.55	100.00
Deducted Allowance for Doubtful Accounts ^{1/}	(0.41)	(1.05)	(0.41)	(0.84)	(0.41)	(1.54)
Car Debtors -Net	38.78	98.98	47.85	99.16	25.89	98.46

Remarks: ^{1/} The Company has a policy to set aside allowances for doubtful accounts at 100% of the overdue account receivables for 3 months. In addition to this, the Company analyzes data from past payment experience and reviews the status of receivables as of the date of the statement of financial position. This is information on the allowance for doubtful accounts for debtors.

Net car debtors are account receivables that result for the period that the Company gives credit to the winning bidders. At the end of the years between 2014 and 2016, the Company had car debtors of 38.78 million Baht, 47.85 million Baht and 25.89 million Baht respectively. The increase (decrease) in car debtors at the end of the period depended on the car debtors in the last week of the year for the payment is not yet due. The Company gave a credit term that was between 4 and 90 business days but it is usually due in 3-4 business days. There were only 3 cases that were longer than 4 days. When consideration was made for the overdue period for car debtors of the Company at the end of years between 2014 and 2016. This shows that 55-88% of the car debtors were account receivables that had not reached the payment due date. Overdue car debtors less than 3 months old were between 10-44% and overdue car debtors more than 12 months old were car debtors that the Company set aside for allowance for doubtful accounts

Prepaid land lease is advanced payment for the rental of subplots used for auctions sites at Rangsit Phutthamonthon's second location, Chiang Mai, Songkhla, Udon Thani, Ubon Ratchathani, and storage facilities in other provinces. This amounted to 6.65 million Baht, 14.64 million Baht and 15.33 million Baht at the end of years between 2014 and 2016 respectively. This was in accordance with the terms of the lease agreements.

Advances and Other debtors - Net consist of:

Advances is advances payments to employees for auction expenses and expenses for various types of work in offices, branches and other locations. This amounted to 7.09 million Baht, 3.20 million Baht and 2.20 million Baht at the end of years between 2014 and 2016 respectively.

Advanced expenses are costs that include prepaid premium group insurance, billboard installation fees, land lease registration fees, etc. This amounted to 2.19 million Baht, 2.10 million Baht and 2.04 million Baht at the end of the years between 2014 and 2016 respectively.

Other account receivables are commission account receivables from property owners, advances for auctions, etc. They amounted to 2.94 million Baht, 0.43 million Baht and 0.27 million Baht at the end of the years between 2014 and 2016 respectively.

Liability Guaranteed Bank Deposits

The Company has liability guaranteed deposits at banks which amounted to 32.56 million Baht, 32.86 million Baht and 32.86 million Baht which represented 4.57%, 4.37% and 5.66% of the total assets at the end of the years between 2014 and 2016 respectively. Liability guaranteed bank deposits at the end of 2016 were used as collateral for the issuance of letters of guarantee from local commercial banks in order to insure the use of electricity which amounted to 0.33 million Baht. The contract performance is guaranteed for auctions of 7.53 million Baht and the overdraft and credit facilities from three financial institutions were 25.00 million Baht.

Property, plant and Equipment

The Company operates as an asset auction service provider in Bangkok and other provinces on leased spaces from many unrelated persons. Over the past 3 years, the Company has invested in developing auction sites from mobile auction sites to regular auction sites through the construction of new fixed assets in order to develop service areas and better facilitate auction bidders. As a result, there were an increase in investments made to property, plant and equipment over the past 3 years equaled 180.51 million Baht, 270.04 million Baht, 272.89 million Baht at the end of the years between 2014 and 2016 respectively.

In 2015, property, plant and equipment were 245.08 million Baht, an increase of 78.73 million Baht from the end of 2014. The main reason for this was the construction of additional auction sites in locations such as Surat Thani, Songkhla (Hat Yai), Ubon Ratchathani and Udon Thani.

In 2016, property, plant and equipment-net were 249.02 million Baht, an increase of 3.94 million Baht from the end of 2015. This was due to the Company's further development of auction sites in Phitsanulok, which was still being constructed and completion is set for early 2017.

Intangible Assets – Net

Net intangible assets were comprised of leasehold rights, copyrights and software. The total amount was 14.16 million Baht, 24.96 million Baht, and 23.87 million Baht at the end of the years between 2014 and 2016 respectively. The leasehold rights included land lease agreements at the head office and in various provinces. The book value was 21.13 million Baht.

Other Non-Current Assets

Other non-current assets were comprised of deposits, utility bills, and prepaid land lease which had principal payments due longer than one year were 15.10 million Baht, 10.39 million Baht, 6.62 million Baht or 2.12%, 1.38% and 1.14% at the end of the years between 2014 and 2016 respectively.

	As of December 31, 2014		As of December 31, 2015		As of December 31, 2016	
	Millions of Baht	Percent ^{1/}	Millions of Baht	Percent ^{1/}	Millions of Baht	Percent ^{1/}
Deposit	0.45	0.06	0.14	0.02	0.07	0.01
Insurance for utility and bail for car storage lease	1.64	0.23	4.04	0.54	4.80	0.83
Prepaid land lease	12.69	1.78	6.21	0.83	1.75	0.30
Other prepaid expenses	0.32	0.04	-	-	-	-
Total	15.10	2.12	10.39	1.38	6.62	1.14

^{1/} Percentage of total assets

Liabilities and Shareholders' Equity

Liabilities

The majority of the Company's total liabilities are trade account payables and other creditors which is property auctioned by the Company that has not been scheduled to be delivered to the bidder that purchased the property. At the end of the years between 2014 and 2016, the Company had total liabilities of 253.57 million Baht, 300.94 million Baht, and 153.35 million Baht which represented 35.57%, 40.07%, and 26.41% of total assets respectively.

Accounts Payable and Other creditors

Accounts payable and other debtors include car debtors, accrued expenses and other creditors in the amount of 192.36 million Baht, 243.81 million Baht and 93.92 million Baht between 2014 and 2016 respectively.

Car debtors are outstanding money to pay back the property owners that entered auctions which amounted to 156.04 million Baht, 202.05 million Baht and 58.38 million Baht at the end of the years between 2014 and 2016 respectively. Normally, the Company has a period of about 5-7 business days from the auction to bring money received from the bidder to the property owner. The reason that car debtors was increased or decreased each period, it is the result of the deadline to send money to property owners and the time to close the main account closing date.

Accrued expenses are comprised mostly of personnel expenses, facility rentals and other service fees such as transfer fees and car inspection fees, etc. This amounted to 34.39 million Baht, 37.80 million Baht and 31.41 million Baht at the end of the years between 2014 and 2016 respectively.

Other creditors are comprised of creditors that receive property values, insurance damages and other sources which amounted to 1.93 million Baht, 3.96 million Baht, and 4.13 million Baht at the end of 2014 through 2016 respectively.

Liabilities under Finance Leases

Liabilities under finance leases were Baht 4.80 million at the end of 2014 due to the purchase of a car by a financial lease agreement with one financial institution in 2012. This car was to be used by an executive. The rental period was 60 months and in 2015 the finance lease was closed and so there was no balance at the end of 2015 and 2016.

Other Non-Current Liabilities

Other non-current liabilities were comprised of employee contributions, internet deposits and deposits on bidding cards that regular customers deposited with the Company for convenience so that they did not have to make a deposit every time they came to the auction. Non-current liabilities were 17.27 million Baht, 25.39 million Baht and 31.29 million Baht or 2.42%, 3.38% and 5.39% of total assets as of the end of the years between 2014 and 2016 respectively.

	As of December 31, 2014		As of December 31, 2015		As of December 31, 2016	
	Millions of Baht	Percent	Millions of Baht	Percent	Millions of Baht	Percent
Employee Contributions	2.74	0.38	2.64	0.35	2.62	0.45
Deposit on Internet	2.98	0.42	4.28	0.57	6.57	1.13
Deposit on Bidding Card	2.28	0.32	3.80	0.51	4.56	0.79
Accrued Expenses (Rent)	9.27	1.30	14.68	1.95	17.54	3.02
Total	17.27	2.42	25.40	3.38	31.29	5.39

Shareholders'Equity

Registered and Paid-up Capital

All of the registered ordinary shares was 550,000,000 shares (2016: 550,000,000 shares) with a par value of Baht 0.25 per share (2016: Baht 0.25 per share). All issued and paid-up shares are fully paid-up. The legal reserve is in accordance with the provisions of the Public Limited Companies Act BE 2535. The legal reserve shall be at least 5% of the net profit after the deduction of the deficit brought forward (if any) until the reserve reaches 10% of the registered capital. This reserve cannot be used for a dividend payment. Currently, the Company has made a full provision for legal reserve in the amount of 13.75 million Baht of paid up capital.

At the end of the years between 2014 and 2016, the Company's shareholders' equity was 459.36 million Baht, 450.16 million Baht and 427.27 million Baht respectively. Between 2014 and 2016, the Company's paid-up capital was 137.50 million Baht and always gain profits from business operations throughout. However, the shareholders' equity decreased, mainly due to payment of dividends to shareholders.

In 2014, the Company paid dividends twice. These were in the amount of 49.50 million Baht on May 19, 2014 and 82.50 million Baht on September 5, 2014.

In 2015, the Company paid dividends twice. These were in the amount of 104.50 million Baht on April 8, 2015 and 93.50 million Baht on September 8, 2015.

In 2016, the Company paid dividends twice. These were in the amount of 93.50 million Baht on April 12, 2016 and 55 million Baht on September 7, 2016.

Commitments and Contingent Liabilities as of December 31, 2016.

1. The Company entered into a lease agreement in relation to the lease of land to be used as a place of business and advertising space for a period of 1 to 30 years. 46.25 million Baht must be paid within one year and 179.14 million Baht paid for more than one year but less than 5 years and over 135.87 million Baht paid for more than 5 years. Altogether these equals 361.27 million Baht.
2. The Company had letters of guarantee issued by local commercial banks for an electricity guarantee of 0.33 million Baht. The Company had a guaranteed performance of contracts for auctions of 7.93 million Baht which totaled 8.26 million Baht.
3. The Company had an overdraft approved from three financial institutions worth 25 million Baht. This was used as working capital in the business. This amount is guaranteed by a bank deposit.

4. The Company had auction commitments for the auction of 134 unrelated companies and 9 commercial banks within the period between May 2006 and December 2019. The Company must observe important terms in the contract, such as commissions, etc.

Liquidity Analysis

(Unit: Millions of Baht)	2014	2015	2016
Profit from Operating Activities before changes in assets and liability operation	269.24	262.29	198.61
Net Cash (spent) Operating Activities	191.57	246.40	58.16
Net Cash (spent) Investing Activities	(70.47)	(179.69)	(111.04)
Net Cash (spent) Financing Activities	(133.92)	(202.80)	(148.50)
Cash and Cash Equivalent increase (decrease) Net	(12.82)	(136.08)	(201.38)
Cash and Cash Equivalent as of ending period	386.19	250.12	48.72

• Cash Flow

The Company's net cash flow from (spent) operating activities was 191.57 million Baht, 246.40 million Baht and 58.16 million Baht in the period between 2014 and 2016 respectively. Changes in cash flow from the Company's operating activities depended mainly on changes to accounts receivable and accounts payable at the end of the period. This was the result of car debtors and car creditors from unpaid car auctions due. In 2014, the Company had positive cash from its operations. The main reason for this was the increase in profit compared to the previous year. This included an increase in car creditors that are not yet due which caused the Company to have a large cash flow from operations in order to pay back to its debtors upon maturity. In 2015 and 2016 the Company had a positive cash flow because the Company did not use net performance and other payments received from trade account receivables and other debtors at the end of the year. The Company had not payback other creditors and trade account payable because the payment is not due

The Company had net cash flow (used in) for investing activities that were (70.47) million Baht (179.69) million Baht and (111.04) million Baht between 2014 and 2016 respectively. In 2014, the cash used for investing activities (70.47) million Baht was mainly due to short-term investments and rent/rent payments increased at the auction site in Chiang Mai. In 2015 the cash spent on investing activities (179.69) million Baht was due mainly to the Company's short-term investments and the construction of auction sites in Surat, Songkhla, Ubon Ratchathani and Udon Thani, etc. In 2016, cash used for investing activities (111.04) million Baht was mainly due to short-term investments and the construction of the auction site at Phitsanulok.

The Company's net cash flow from (used in) financing activities was (133.92) million Baht, (202.80) million Baht and (148.50) million Baht between 2014 and 2016 respectively. In 2014 and 2015, payments of long-term lease liabilities amounted to 133.92 million Baht and 202.80 million Baht respectively. In 2016, the Company paid a combined dividend of 148.50 million Baht.

Overall, the change in the Company's cash flow came from operating cash flow. In the years between 2014 and 2016, the Company's net cash flow changes were (12.82) million Baht, (136.08) million Baht and (201.38) million Baht. This resulted in cash and cash equivalents at the end of the period in the amount of 386.19 million Baht, 250.10 million Baht and 48.72 million Baht respectively.

Auditor's Report

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

My opinion

In my opinion, the financial statements of Union Auction Public Company Limited (the Company) present fairly, in all material respects, the financial position of the Company as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying financial statements of the Company, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p><i>Service fee from auction services</i></p> <p>The Company provides asset auction services. It has various branches and throughout the year holds additional nationwide auction tours. The assets auctioned are mainly vehicles and motorcycles that were seized by financial institutions. The auctions are open to general public. From the auctions held at the branches and the tours, the Company holds several auctions in each month. A large number of vehicles and motorcycle sales are completely auctioned during the year. Revenue from auctions is recognised at the end of the auction and is recorded at an agreed fixed rate by each vehicle and motorcycle.</p> <p>I identified this matter as a Key Audit Matter because the Company has several branches and a large number of revenue transactions even if the amount of each transaction was small. The Company needs to focus on the completeness and occurrence of revenue recognition at each branch and from nationwide auction tours when successfully auctioned and completed.</p>	<p>The key audit procedures I carried out regarding this matter were:</p> <ul style="list-style-type: none"> ● Understanding the controls system that applies to auctions and revenue recognition at branches and testing of the controls in the following areas: <ul style="list-style-type: none"> - Testing the controls on the transferring and recording of revenue data from the auction system through journal vouchers to general ledger and ensure that these transactions were accurate and complete. The testing performed covered all branches. - Testing the controls on revenue recognition by examining auction documents that signed as acceptance by buyers against the auction reports. I checked the transactions that actually occurred and were completely recorded. The testing performed covered all branches. - Observing related internal controls at some branches such as procedures and processes of auction and revenue recording by examining auction documents that signed as acceptance by buyers that occurred against the auction reports. ● Checking the completeness of revenue recognition by comparing the auction reports of the entire year against the journal vouchers and general ledger. I also examined the revenue shown on the auction reports with the receipt and analysed the relationship between number of auctioned vehicles and motorcycles and revenue recognised during the year. <p>I did not identify any findings from my testing.</p>

Other information

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

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

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

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

Responsibilities of the directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

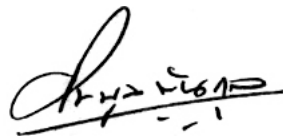
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Paiboon Tunkoon', with a horizontal line drawn underneath it.

Paiboon Tunkoon

Certified Public Accountant (Thailand) No. 4298

Bangkok

27 February 2017

Financial Position

Statement of Financial Position

Union Auction Public Company Limited

As at 31 December, 2016

	Notes	2016 Baht	2015 Baht
Assets			
Current assets			
Cash and cash equivalents	7	48,721,791	250,102,402
Short-term investments	8	163,131,336	95,032,685
Trade and other receivables	9	48,189,875	85,901,103
Other current assets, net		12,406,70	1,656,870
Total current assets		261,283,672	432,693,060
Non-current assets			
Restricted deposit at bank	10	32,860,899	32,860,899
Leasehold improvements, buildings and equipment, net	11	249,016,207	245,082,248
Intangible assets, net	12	23,871,922	24,961,478
Deferred tax asset	13	6,968,222	5,123,745
Prepaid land leases		1,748,684	6,208,198
Other non-current assets		4,871,785	4,180,262
Total non-current assets		319,337,719	318,416,830
Total assets		580,621,391	751,109,890
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	14	93,920,580	243,809,327
Accrued income tax		12,631,988	17,713,783
Other current liabilities		4,701,127	5,214,398
Total current liabilities		111,253,695	266,737,508
Non-current liabilities			
Employee benefit obligations	15	10,805,657	8,818,524
Other non-current liabilities		31,291,697	25,392,777
Total non-current liabilities		42,097,354	34,211,301
Total liabilities		153,351,049	300,948,809

Statement of Financial Position (Cont'd)

Union Auction Public Company Limited

As at 31 December, 2016

	Notes	2016 Baht	2015 Baht
Shareholders' equity			
Share capital	16		
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
Share premium	16	183,998,784	183,998,784
Retained earnings			
Appropriated - Legal reserved	17	13,750,000	13,750,000
Unappropriated		92,021,558	114,912,297
Total shareholders' equity		427,270,342	450,161,081
Total liabilities and shareholders' equity		580,621,391	751,109,890

The accompanying notes on pages 11 to 38 are an integral part of the financial statements.

Statement of Comprehensive Income

Union Auction Public Company Limited

As at 31 December, 2016

	Notes	2016 Baht	2015 Baht
Revenue from services	6	601,829,182	718,726,785
Cost of services	6	(320,602,852)	(357,028,222)
Gross profit		281,226,230	361,698,563
Other income		5,661,638	5,336,100
Selling and services expenses		(31,515,662)	(35,867,608)
Administrative expenses		(95,811,791)	(94,378,894)
Finance costs		-	(277,513)
Profit before income tax		159,560,515	236,510,648
Income tax	20	(33,952,354)	(48,863,458)
Profit for the year		125,608,161	187,647,190
Other comprehensive income (expense)			
Actuarial gain (loss)	15	-	1,443,133
Income tax relating to actuarial gain (loss)	13	-	(288,627)
Other comprehensive income (expense)		-	1,154,506
for the year, net of tax			
Total comprehensive income for the year		125,608,161	188,801,696
Profit for the year attributable to:			
Owners of the parent		125,608,161	187,647,190
Non-controlling interests			
Profit for the year		125,608,161	187,647,190
Total comprehensive income for the year attributable to:			
Owners of the parent		125,608,161	188,801,696
Non-controlling interests			
Total comprehensive income for the year		125,608,161	188,801,696
Basic earnings per share	21		
Basic earnings per share attributable to owner of the parent		0.23	0.34

The accompanying notes on pages 11 to 38 are an integral part of the financial statements.

Statement of Changes in Shareholders' Equity

Union Auction Public Company Limited

As at 31 December, 2016

	Notes	Issued and paid-up	Share Premium	Retained Earnings		Total shareholders'
		share capital		Appropriated legal	Unappropriated	equity
		Baht	Baht	reserved	retained earnings	Baht
Opening balance at 1 January 2015		137,500,000	183,998,784	13,750,000	124,110,601	459,359,385
Changes in shareholders' equity for the year						
Legal reserve						
Dividend paid	18	-	-	-	(198,000,000)	(198,000,000)
Total comprehensive income for the year		-	-	-	188,801,696	188,801,696
Closing balance at 31 December 2015		137,500,000	183,998,784	13,750,000	114,912,297	450,161,081
Opening balance at 1 January 2016		137,500,000	183,998,784	13,750,000	114,912,297	450,161,081
Changes in shareholders' equity for the year					(148,498,900)	(148,498,900)
Dividend paid	18				125,608,161	125,608,161
Total comprehensive income for the year						
Closing balance at 31 December 2016		137,500,000	183,998,784	13,750,000	92,021,558	427,270,342

Statement of Cash Flow

Union Auction Public Company Limited

As at 31 December, 2016

	Notes	2016 Baht	2015 Baht
Cash flows from operating activities			
Profit before income tax		159,560,515	236,510,648
Adjustments for:			
Depreciation	11	37,931,822	27,442,104
Amortization	12	28,62,491	21,97,539
Allowance for doubtful account (reversal)		-	(6,000)
(Gain) loss from fair value of investments		2700	5100
Loss (gain) on disposals of equipments		(698,997)	-
Write-off of equipments		-	127,627
Employee benefit obligations	15	1,987,133	26,485
Interest income		(3,037,962)	(4,292,690)
Finance cost - interest expense		-	277,513
Changes in operating assets and liabilities			
Trade and other receivables		37,711,869	(27,785,946)
Other current assets		416,200	(62,068)
Other non-current assets		3,767,991	4,712,623
Trade and other payables		(149,888,747)	51,448,122
Other current liabilities		513,271	208,980
Other non-current liabilities		5,898,920	8,126,114
Cash flows from operating activities		96,000,664	298,936,151
Employee benefit paid		-	(362,250)
Payment for finance cost - interest expense		-	(277,513)
Interest income received		3,037,321	4,292,415
Tax paid		(40,878,626)	(56,186,515)
Net cash generated from operating activities		58,159,359	246,402,288

The accompanying notes on pages 11 to 38 are an integral part of the financial statements.

Statement of Cash Flow (Cont'd)

Union Auction Public Company Limited

As at 31 December, 2016

	Notes	2016 Baht	2015 Baht
Cash flow from investing activities			
(Increase) decrease of restricted deposit at bank		-	(302,199)
Purchases of short-term investments	8	(80,139,061)	(90,646,092)
Proceeds from redemption of short-term investments	8	12,037,710	30,558,482
Purchases of leasehold improvements buildings and equipment		(42,508,661)	(106,301,085)
Proceeds from disposals of equipment		1,341,877	-
Purchases of intangible assets	12	(1,772,935)	(12,997,548)
Net cash used in from investing activities		(111,041,040)	(179,688,142)
Cash flows from financing activities			
Repayments of liabilities under finance leases		-	4,798,246
Dividend paid	18	(148,498,900)	(198,000,000)
Net cash used in from financing activities		(148,498,900)	(202,798,246)
Net decrease in cash and cash equivalents		(201,380,611)	(136,084,400)
Opening balance of cash and cash equivalents		250,102,402	386,186,802
Closing balance of cash and cash equivalents	7	48,721,791	250,102,402

The accompanying notes on pages 11 to 38 are an integral part of the financial statements.

Notes to the Financial Statements

For the year ended 31 December 2016

1. General information.

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

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

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

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

The Company has 9 branches and 14 auction locations throughout in Thailand.

These financial statements were authorised for issue by the Board of Directors 27 February 2017.

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 and related interpretations

2.2.1 New financial reporting standards and revised financial reporting standards and interpretation are effective on 1 January 2016.

a) New financial reporting standards and revised financial reporting standards and interpretation which are relevant to the Company.

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TFRS 8 (revised 2015)	Operating segments
TFRS 13(revised 2015)	Fair value measurement

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. This standard has no impact to the Company.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. This standard has no impact to the Company.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. This standard has no impact to the Company, except for disclosures.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair

value less costs of disposal. The disclosures include 1) the level of fair value hierarchy and 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption. This standard has no impact to the Company, except for disclosures.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model. This standard has no impact to the Company.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker. This standard has no impact to the Company, except for disclosures

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or TFRS 9 (when announced). This standard has no impact to the Company.

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

2.2.1 New financial reporting standards and revised financial reporting standards and interpretation are effective on 1 January 2016. (Cont'd)

b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Company are as follows:

There are 49 revised financial reporting standards, revised accounting standards, and revised interpretations with minor changes and do not have impact to the Company.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Company has not yet early adopted these revised standards.

a) Financial reporting standards, which have significant changes and are relevant to the Company:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each company should then be presented as a single line item in the statement of other comprehensive income.

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Company has not yet early adopted these revised standards. (Cont'd)

- a) Financial reporting standards, which have significant changes and are relevant to the Company: (Cont'd)

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

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

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

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

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

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Company has not yet early adopted these revised standards. (Cont'd)

- b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Company:

There are 53 revised financial reporting standards and interpretations with minor changes and do not have impact to the Company.

2.3 Foreign currency translation

- a) Functional and presentation currency

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

- b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

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

2.4 Cash and cash equivalents

In the 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

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

The average lease period is between 1 years to 20 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 amortisation and any accumulated impairment losses (if any). Amortisation is calculated on a straight line basis over their estimated useful lives of 3 - 20 years.

Computer software

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

2.9 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to

sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Leases

Where the Company is the lessee

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

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

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

2.11 Employee benefits

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

Legal severance service

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

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

2.11 Employee benefits

Legal severance service (Cont'd)

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 (if any) are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Revenue recognition

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

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

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

Interest income is recognised using the effective interest method.

2.15 Dividend distribution

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

2.16 Income tax

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

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

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

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

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

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

2.17 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 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 Credit risk

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

3.1.3 Liquidity risk

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

3.2 Financial instruments

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.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Company financial assets and that are measured at fair value at 31 December 2016.

	Level 1	Level 2	Level 3	Total
	Baht	Baht	Baht	Baht
Asset				
Financial assets				
• Equity security	-	-	-	-
Total asset	-	-	-	-

During the year 2016, the Company already sold all of available for sale-equity security.

The following table presents the Company financial assets and that are measured at fair value at 31 December 2015.

	Level 1	Level 2	Level 3	Total
	Baht	Baht	Baht	Baht
Asset				
Financial assets				
• Equity security	54,600	-	-	54,600
Total asset	54,600	-	-	54,600

There were no transfers between Levels 1 and 2 during the period.

Other financial instruments not carried at fair value are typically short-term in nature and reprice to current market rate frequently. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes cash and cash equivalents, accounts receivable, short-term investments, accounts payable and restricted deposits at financial institution.

3.3 Fair value estimation (Cont'd)

The management believes that the fair value of the Company's financial assets and liabilities does not materially differ from their carrying value.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1.

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.

4.1 Critical accounting estimates and assumptions (Cont'd)

a) Employee benefits

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

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

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 15.

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 2016

	Vehicle auction Baht	Motorcycle auction Baht	Transportation income Baht	Other services Baht	Total Baht
Revenue from sale and service income	486,996,872	46,928,011	59,688,814	8,215,485	601,829,182
Cost of sale and services					(320,602,852)
Gross profit					281,226,330
Operating profit					153,898,877
Other income					5,661,638
Financial costs					-
Income tax					(33,952,354)
Profit for the year					125,608,161

For the year ended 31 December 2015

	Vehicle auction Baht	Motorcycle auction Baht	Transportation income Baht	Other services Baht	Total Baht
Revenue from sale and service income	563,748,688	47,818,011	80,829,366	26,330,720	718,726,785
Cost of sale and services					(357,028,222)
Gross profit					361,698,563
Operating profit					231,452,061
Other income					5,336,100
Financial costs					(277,513)
Income tax					(48,863,458)
Profit for the year					187,647,190

7. Cash and cash equivalents

	2016	2015
	Baht	Baht
Cash on hand	225,000	70,000
Deposits with banks - Current	6,868,722	36,460,530
- Saving	41,434,726	142,127,504
Short-term bank deposits	193,343	71,444,368
Total	48,721,791	250,102,402

The effective interest rate on short-term bank deposits was 0.38% -1.10% per annum (2015: 1.00% - 1.75% per annum).

8 Short-term investments

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

	Fixed deposits due within 1 year	Trading security	Total
	Baht	Baht	Baht
At 1 January 2015	34,890,475	59,700	34,950,175
Additions	90,646,092	-	90,646,092
Disposals	(30,558,482)	-	(30,558,482)
Fair value adjustments	-	(5,100)	(5,100)
At 31 December 2015	94,978,085	54,600	95,032,685
Additions	80,139,061	-	80,139,061
Disposals	(11,985,810)	(51,900)	(12,037,710)
Fair value adjustments	-	(2,700)	(2,700)
At 31 December 2016	163,131,336	-	163,131,336

Fair values of investment are as follow:

	Fixed deposits		
	due within	Trading	
	1 year	security	Total
	Baht	Baht	Baht
Cost as at 31 December 2016	163,131,336	-	163,131,336
Unrealised gain	-	-	-
Fair value as at 31 December 2016	163,131,336	-	163,131,336
	2016	2015	
	Baht	Baht	
Held-to-maturity:			
- Fixed deposits	163,131,336	94,978,085	
Trading security:			
- Equity security	-	54,600	
Total	163,131,336	95,032,685	

Fixed deposits are bank deposit accounts due in 3 - 12 months which are due in November 2017 and bears interest rate at 0.85% - 1.65% per annum (2015: 0.80% - 2.90% per annum). Equity security is a security of a company which is traded in the Stock Exchange Market.

9 Trade and other receivables

	2016	2015
	Baht	Baht
Trade receivables - vehicles	26,553,609	48,258,114
<u>Less</u> Allowance for doubtful accounts	(405,000)	(405,000)
Trade receivables, net	26,148,609	47,853,114
Trade receivables from other services	1,991,707	17,300,152
Prepaid land rental	15,327,334	14,643,181
Advances paid	1,774,791	3,196,063
Prepaid expenses	2,040,744	2,098,825
Other receivables, net	441,792	345,511
Interest receivable	464,898	464,257
Total	48,189,875	85,901,103

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

	2016	2015
	Baht	Baht
Current	23,380,012	32,753,699
Overdue less than 3 months	2,743,666	14,999,219
3 - 6 months	23,861	90,780
6 - 12 months	-	9,416
Over 12 months	406,070	405,000
	26,553,609	48,258,114
<u>Less</u> Allowance for doubtful accounts	(405,000)	(405,000)
Total	26,148,609	47,853,114

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

10 Restricted deposit at bank

As at 31 December 2016, the Company had outstanding deposit at a bank of Baht 32.86 million (2015: Baht 32.86 million) being used as guarantees for letters of guarantee facility issued by a local commercial bank in respect of electricity usage and contract performance guarantee for auction biddings of Baht 8.26 million (Note 23.2), and guarantees for overdraft facility from 3 financial institutions amounting to Baht 25.00 million (Note 23.3).

Leasehold improvements, buildings and equipment, net

	Leasehold improvements Baht	Buildings Baht	Building improvements and facilities Baht	Furniture and fixtures Baht	Office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2015								
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
<u>Less</u> 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
For the year ended								
31 December 2015								
Opening 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
Additions	10,036,277	1,815,289	2,191,808	6,612,421	317,389	5,930,223	79,397,678	106,301,085
Disposals	-	-	-	(70,740)	(912)	-	(55,975)	(127,627)
Transfers in (out)	61,589,093	14,291,710	2,937,086	1,461,511	630	-	(80,280,030)	-
Depreciation charge	(13,486,396)	(718,751)	(2,710,246)	(5,429,030)	(221,570)	(4,876,111)	-	(27,442,104)
Closing net book value	177,128,168	21,557,567	12,752,591	17,778,475	668,113	14,682,844	514,490	245,082,248
At 31 December 2015								
Cost	249,037,034	36,242,564	42,613,040	41,706,661	2,413,641	36,943,001	514,490	409,470,431
<u>Less</u> Accumulated depreciation	(71,908,866)	(14,684,997)	(29,860,449)	(23,928,186)	(1,745,528)	(22,260,157)	-	(164,388,183)
Net book value	177,128,168	21,557,567	12,752,591	17,778,475	668,113	14,682,844	514,490	245,082,248

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

	Leasehold improvements Baht	Buildings Baht	Building improvements and facilities Baht	Furniture and fixtures Baht	Office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
For the year ended								
31 December 2016								
Opening net book value	177,128,168	21,557,567	12,752,591	17,778,475	668,113	14,682,844	514,490	245,082,248
Additions	2,758,686	-	311,162	4,183,796	133,240	2,661,300	32,460,477	42,508,661
Disposals	(12)	-	-	(62,568)	(655)	(579,645)	-	(642,880)
Transfers in (out)	1,117,243	-	20,000	35,000	-	-	(1,172,243)	-
Depreciation charge	(20,457,080)	(2,324,664)	(3,927,093)	(5,859,899)	(258,150)	(5,104,936)	-	(37,931,822)
Closing net book value	160,547,005	19,232,903	9,156,660	16,074,804	542,548	11,659,563	31,802,724	249,016,207
At 31 December 2016								
Cost	248,866,797	36,242,564	42,944,202	45,335,407	2,483,760	35,757,727	31,802,724	443,433,181
<u>Less</u> Accumulated depreciation	(88,319,792)	(17,009,661)	(33,787,542)	(29,260,603)	(1,941,212)	(24,098,164)	-	(194,416,974)
Net book value	160,547,005	19,232,903	9,156,660	16,074,804	542,548	11,659,563	31,802,724	249,016,207

During the year 2016, the Company has an ongoing construction at Phitsanulok branch which is expected to be completed and transferred to related asset categories at the beginning of year 2017.

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

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

	2016 Baht	2015 Baht
Cost - Capitalised finance leases	-	9,614,486
<u>Less</u> Accumulated depreciation	-	(7,076,144)
Net book amount	-	2,538,342

12 Intangible assets, net

	Lease right on land Baht	Computer software Baht	Installation in progress Baht	Total Baht
At 1 January 2015				
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
For the year ended				
31 December 2015				
Cost	13,185,022	102,447	874,000	14,161,469
Additions	12,221,548	208,000	568,000	12,997,548
Transfer in (out)	-	1,004,000	(1,004,000)	-
<u>Less</u> Amortisation charge	(2,106,436)	(91,103)	-	(2,197,539)
Closing net book amount	23,300,134	1,223,344	438,000	24,961,478
At 31 December 2015				
Cost	26,908,746	1,666,145	438,000	29,012,891
<u>Less</u> Accumulated amortisation	(3,608,612)	(442,801)	-	(4,051,413)
Net book amount	23,300,134	1,223,344	438,000	24,961,478
For the year ended				
31 December 2016				
Cost	23,300,134	1,223,344	438,000	24,961,478
Additions	442,935	1,107,000	223,000	1,772,935
Transfer in (out)	-	549,000	(549,000)	-
<u>Less</u> Amortisation charge	(2,617,374)	(245,117)	-	(2,862,491)
Closing net book amount	21,125,695	2,634,227	112,000	23,871,922
At 31 December 2016				
Cost	27,351,681	3,322,145	112,000	30,785,826
<u>Less</u> Accumulated amortisation	(6,225,986)	(687,918)	-	(6,913,904)
Net book amount	21,125,695	2,634,227	112,000	23,871,922

Installation in progress was program development cost for information technology systems in which it is expected to be completed during the beginning of 2017.

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% (2015: 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:

	2016 Baht	2015 Baht
At 1 January	5,123,745	3,920,412
Credited to profit or loss	1,844,477	1,491,960
Tax charged to other comprehensive income	-	(288,627)
At 31 December	6,968,222	5,123,745

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

	1 January 2016 Baht	Increase (decrease) to statement of comprehensive income Baht	Increase (decrease) to statement of other comprehensive income Baht	31 December 2016 Baht
Deferred income tax assets				
Employee benefit obligations	1,763,705	397,426	-	2,161,131
Land rental	2,935,471	573,529	-	3,509,000
Depreciation	510,735	787,356	-	1,298,091
Total deferred income tax assets	5,209,911	1,758,311	-	6,968,222
Deferred income tax liabilities				
Finance lease obligations	(86,166)	86,166	-	-
Total deferred income tax liabilities	(86,166)	86,166	-	-
Deferred income taxes, net	5,123,745	1,844,477	-	6,968,222

	1 January 2015 Baht	Increase (decrease) to statement of comprehensive income Baht	Increase (decrease) to statement of other comprehensive income Baht	31 December 2015 Baht
Deferred income tax assets				
Employee benefit obligations	2,119,484	(67,152)	(288,627)	1,763,705
Land rental	1,853,773	1,081,698	-	2,935,471
Depreciation	256,801	253,934	-	510,735
Total deferred income tax assets	4,230,058	1,268,480	(288,627)	5,209,911
Deferred income tax liabilities				
Finance lease obligations	(309,646)	223,480	-	(86,166)
Total deferred income tax liabilities	(309,646)	223,480	-	(86,166)
Deferred income taxes, net	3,920,412	1,491,960	(288,627)	5,123,745

14 Trade and other payables

	2016 Baht	2015 Baht
Trade payables - car	58,384,105	202,053,254
Accrued expenses	31,409,558	37,800,382
Other payables	4,126,917	3,955,691
	93,920,580	243,809,327

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 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:

	2016	2015
	Baht	Baht
Severance pay	10,805,657	8,818,524

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

	2016	2015
	Baht	Baht
Present value of defined benefit obligation	10,805,657	8,818,524
Plan assets	-	-
Net funded status	10,805,657	8,818,524

The principal actuarial assumptions used were as follows:

	2016	2015
	%	%
Discounted rate	2.85	2.85
Future salary increases		
Prior to age 29 years	8.05	8.05
Aged 30 - 39	8.05	8.05
Aged 40 - 49	8.05	8.05
Aged 50 and above	8.05	8.05

15 Employee benefit obligations (Cont'd)

The movement in employee benefit obligations is as follows:

	2016	2015
	Baht	Baht
Beginning net book amount	8,818,524	10,597,422
Current service cost	2,363,214	1,015,312
Interest cost	318,680	455,965
Actuarial (gain) loss	-	(1,443,133)
Actual paid	-	(362,250)
Reversal	(694,761)	(1,444,792)
Ending net book amount	10,805,657	8,818,524

The Company engaged an independent actuary to perform the valuation of net present value of defined benefit obligations in September 2015. The actuarial assumptions used in the valuation have been revised to reflect the current economic situation. This resulted in an actuarial gain of Baht 1,443,133 which was recognised in other comprehensive income.

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

	2016	2015
	Baht	Baht
Current service cost	2,363,214	1,015,312
Interest cost	318,680	455,965
Total, included in staff costs	2,681,894	1,471,277

The principal actuarial assumptions used were as follows:

	2016	2015
	%	%
Discount rate	2.85	2.85
Salary growth rate	8.05	8.05
Turnover rate	16.50	16.50

Sensitivity analysis for each significant assumption disclosed

	Impact on defined benefit obligation					
	Change in assumption		Decrease in assumption			
			Increase in assumption			
	2016	2015	2016	2015	2016	2015
Discount rate	0.5%	0.5%	Decrease by 2.87%	Decrease by 2.62%	Increase by 3.03%	Increase by 2.76%
Salary growth rate	0.5%	0.5%	Increase by 3.34%	Increase by 2.61%	Decrease by 3.20%	Decrease by 2.50%
Turnover rate	0.5%	0.5%	Decrease by 4.01%	Decrease by 2.99%	Increase by 4.24%	Increase by 3.16%

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

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

15 Employee benefit obligations (Cont'd)

Expected maturity analysis of undiscounted retirement and post-employment medical benefits:

	Company				
	1 year	Between 2-5 years	Between 6-10 years	Between 11-15 years	Total
	Baht	Baht	Baht	Baht	Baht
Retirement benefits					
2016	4,591,332	8,797,185	4,036,215	2,726,573	20,151,305
2015	3,525,489	7,560,602	3,664,848	3,226,785	17,977,724

16 Share capital

	Authorised share capital		Issued and paid-up share capital		
					Shares
	Ordinary Shares	Baht	Ordinary Shares	Baht	premium Baht
At 1 January 2015	550,000,000	137,500,000	550,000,000	137,500,000	183,998,784
Issuance of shares	-	-	-	-	-
At 31 December 2015	550,000,000	137,500,000	550,000,000	137,500,000	183,998,784
Issuance of shares	-	-	-	-	-
At 31 December 2016	550,000,000	137,500,000	550,000,000	137,500,000	183,998,784

Total authorised number of ordinary shares is 550,000,000 shares (2015: 550,000,000 shares) with a par value of Baht 0.25 per share (2015: Baht 0.25 per share). All issued shares are fully paid.

17 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.

	2016 Baht	2015 Baht
At 1 January	13,750,000	13,750,000
Additions	-	-
At 31 December	13,750,000	13,750,000

18 Dividends paid

2016

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

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

2015

At the Annual Shareholders' Meeting for the year 2015 held on 27 March 2015, the shareholders passed a resolution to approve the dividend payment to 550 million shares from the retained earnings at Baht 0.19 per share totaling Baht 104.50 million. The dividend was paid on 8 April 2015.

At the Board of Director's meeting held on 11 August 2015, passed a resolution to approve the interim dividend the operating result from 1 January 2015 to 30 June 2015 at Baht 0.17 per share to 550 million shares, amounting to Baht 93.50 million. The dividend was paid on 8 September 2015.

19 Expenses by nature

	2016	2015
	Baht	Baht
Staff costs	118,969,671	120,727,338
Transportation costs	73,314,221	93,508,884
Commission expenses	20,545,587	34,110,193
Land rental expenses	59,705,297	61,249,546
Other auction costs	24,239,248	51,303,011
Security costs	21,061,943	19,795,947
Depreciation (Note 11)	37,931,822	27,442,104
Amortisation (Note 12)	2,862,491	2,197,539

20 Income tax (Cont'd)

The tax on the Company 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:

	2016	2015
	Baht	Baht
Profit before tax	159,560,515	236,510,648
Tax calculated at a tax rate of 20% (2015: 20%)	31,912,103	47,302,129
Tax effect of:		
Expenses not deductible for tax purpose	2,055,350	1,606,402
Expense that are deductible at a greater amount from actual expenses	(15,099)	(45,073)
Tax charge	33,952,354	48,863,458

The weighted average applicable tax rate was 20% (2015: 20%).

21 Earnings per share

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

	2016	2015
Profit attributable to owner of the parent (Baht)	125,608,161	187,647,190
Weighted average number of ordinary shares (share)	550,000,000	550,000,000
Basic earnings per share (Baht)	0.23	0.34

There is no potential dilutive ordinary shares in issue for the year ended 31 December 2016 and 2015.

22 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:

22.1 Key Management compensation

	2016	2015
	Baht	Baht
Salaries and other short-term employee benefits	22,690,369	19,131,376
Retirement benefits	1,143,126	242,978
	<u>23,833,495</u>	<u>19,374,354</u>

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

23 Commitments

23.1 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:

	2016	2015
	Baht	Baht
Not later than 1 year	46,254,924	44,021,164
Later than 1 year but not later than 5 years	179,135,327	177,697,215
More than 5 years	135,874,893	134,550,575
	<u>361,265,144</u>	<u>356,268,954</u>

23.2 Bank guarantees

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

	2016	2015
	Baht	Baht
Electricity guarantee	330,900	330,900
Guarantees for contract performance used for the auction biddings	7,930,000	7,530,000
	<u>8,260,900</u>	<u>7,860,900</u>

23 Commitments (Cont'd)

23.3 As at 31 December 2016, the Company had overdraft facility of Baht 25 million (31 December 2015: 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).

23.4 Other agreements

The Company has a commitment for the arrangement of auction biddings provided to 134 non-related companies and 9 local banks for the period from May 2006 to December 2019, the Company is required to comply with significant terms in related agreements such as commission rates.

24 Investment in subsidiary

At the Board of Directors' meeting ("The Board") held on 9 August 2016, the Board approved in principle to join with "TSF Energy Company Limited" which is a subsidiary company of "Three Sixty Five Public Company Limited" to establish a new joint venture being name as "Action and auction Company Limited".

As at 25 January 2017, the Company had officially established and register with authority. This new entity has its register capital of Baht 10 million including ordinary share 100,000 shares at par value of Baht 100 each, in which the Company own 50.998% shares. At initial stage, the Company already paid at 50% of par value, totally Baht 2,549,900.

25 Post statement of financial position event

At the Board of Director's Meeting held on 27 February 2017, the Board of Directors approved the additional annual dividend for the year 2016 from the net profit as at 31 December 2016 at Baht 0.12 per share to 550 million shares, totaling Baht 66 million. The dividend will be distributed to the shareholders listed in the register on 15 March 2017. This dividend will be passed to the Annual Shareholders' Meeting for the year 2016 on 25 April 2017 for approval and payment to be made by 9 May 2017.

Age (years)	62
Education	<p>Doctoral Degree</p> <p>University of Mississippi, USA</p> <p>Major in Finance,</p> <p>MBA (Honor) from NIDA</p> <p>Bachelor Degree of Engineering,</p> <p>Chulalongkorn University</p>
Related training programs held by the Thai Institute of Directors Association (IOD)	<p>DCP: Director Certification Program</p> <p>Class 12/2001</p> <p>RMP: Risk Management Committee Program</p> <p>Class 3/2014</p>
Work experiences during the past 5 years	
2012-Present	Chairman/ Nomination and Remuneration Committee, Union Auction Plc.
2011	Audit Committee Union Auction Plc.
2014-Present	Chairman of the Board, BT Wealth Industry Plc.
2013- Present	Chairman of the Board,
	Thai Package Industry Plc.
2012- Present	Chairman of the Board,
	Universal Absorbent & Chemical Plc
2002 –2015	Chairman of Audit Committee/ Independent Director, May Bank Kim Eng (Thailand) Plc.
2001-2015	Audit Committee/ Independent Director,
	Team Precision Plc.
1993- Present	Director, B&P Services Co., Ltd
1988- Present	Directors, BRCS Co., Ltd
1984 – Present	Assoc. Prof. Level 9 Faculty of Business Administration, NIDA
Holding the positions of director / management in other company	
A. Listed company	<p>Chairman of the Board, BT Wealth Industry Plc.</p> <p>Chairman of the Board,</p> <p>Thai Package Industry Plc.</p> <p>Chairman of the Board,</p>

	Universal Absorbent & Chemical Plc Chairman of Audit Committee/ Independent Director, May Bank Kim Eng (Thailand) Plc. Audit Committee/ Independent Director, Team Precision Plc Director, B&P Services Co., Ltd Directors, BRCS Co., Ltd
B. Non-listed company	
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Holding the positions of director / management in other company	
A. Being an executive director, employee, staff or advisor who receives a regular salary	No
B. Being a provider of professional services (e.g. auditor, legal advisor)	No
C. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	None
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 20 January 2017)	1.31 ^{/1}
Board of Directors' Meeting participation during the year 2016	8 of 8

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

Assoc. Prof. Dr. Sauwanee Thairungroj

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

Age (years)	58
Education	<p>Doctoral Degree in Economics, Washington State University, USA</p> <p>Master Degree in Development in Economics, NIDA</p> <p>Bachelor Degree of Economics, Thammasart University</p>
Related training programs held by the Thai Institute of Directors Association (IOD)	DCP: Director Certification Program Class 21/2002
Work experiences during the past 5 years	
2011- Present	Chairman of Audit Committee/ Vice Chairman of Nomination and Remuneration Committee/ Independent Director, Union Auction Plc.
2012- Present	President, University of Thai Chamber of Commerce
2012- Apr 2014	Independent Director, Kaset Thai Sugar Industry Plc.
2011-Oct. 2014	Committee of Financial Institution Policy, Bank of Thailand
Holding the positions of director / management in other company	
A. Listed company	Independent Director, Kaset Thai Sugar Industry Plc.
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None

Holding the positions of director / management in other company

D. Being an executive director, employee, staff or advisor who receives a regular salary	No
E. Being a provider of professional services (e.g. auditor, legal advisor)	No
F. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	None
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 20 January 2017)	None
Board of Directors' Meeting participation during the year 2016	8 of 8

Assoc. Prof. Dr. Montri Saktiyanurak

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

Age (years)	59
Education	<p>Doctoral Degree in Economics, University of Minnesota U.S.A.</p> <p>Master Degree in Economics, University of Minnesota U.S.A</p> <p>Bachelor Degree of Economics, Thammasart University</p>
Related training programs held by the Thai Institute of Directors Association (IOD)	DAP: Director Accreditation Program Class 69/2008
Work experiences during the past 5 years	
2012- Present	Audit Committee/ Chairman of Nomination and Remuneration Committee/ Independent Director Union Auction Plc.
2015- Present	Chairman of the Board, Megachem Co., Ltd.
2013- Present	Chairman of the Board, Ocean Commerce Plc
2014- Present	Chairman of the Board/ Chairman of Audit Committee, TV Thunder Plc.
2012- Present	Chairman of Audit Committee/ Independent Director, East Coast Furnitech Plc.
2012 – Present	Chairman of the Board, S.P.C. Precious Metals Co., Ltd.
2010- 2014	Director, Learn Tech Co., Ltd
2010- Present	Director, Specialty Tech Corp
2007- Present	Associate Dean, Faculty of Public Administration, NIDA

Holding the positions of director / management in other company

A. Listed company

Chairman of the Board, Ocean Commerce Plc.

Chairman of the Board/ Chairman of Audit Committee, TV Thunder Plc.

Chairman of Audit Committee/ Independent Director, East Coast Furnitech Plc.

B. Non-listed company

Chairman of the Board, Megachem Co., Ltd.

Chairman of the Board,

S.P.C. Precious Metals Co., Ltd.

Director, Learn Tech Co., Ltd

Director, Specialty Tech Corp

Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company

None

Holding the positions of director / management in other company

G. Being an executive director, employee, staff or advisor who receives a regular salary

No

H. Being a provider of professional services (e.g. auditor, legal advisor)

No

I. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)

No

Criminal record during the past 10 years

None

Family relationship of the executive with the Company

None

Shareholding ratio in the Company (percent) (as at 20 January 2017)

None

Board of Directors' Meeting participation during the year 2016

8 of 8

Mr. Sarawut Jarujinda

Audit Committee / Independent Director/ Risk Management Committee

Age (years)	60
Education	MBA– Finance University of Mississippi U.S.A. Bachelor Degree of Accounting (2 nd Honor) Chlalongkorn University
Related training programs held by the Thai Institute of Directors Association (IOD)	DCP: Director Certification Program Class 31/2003
Work experiences during the past 5 years	
2012- Present	Audit Committee/ Independent Director/ Risk Management Committee, Union Auction Plc
2016-Present	Chairman of Audit Committee/ Nomination and Remuneration Committee/ Independent Director BT Wealth Industries Plc.
2016-Present	Chairman of Audit Committee, Chic Republic Co., Ltd.
2013- Present	Chairman of Audit Committee/ Independent Director, Thai Packaging Industry Plc.
2012- Present	Deputy Managing Director/ Chairman of Business Loans, Kiatnakin Bank Plc.
Holding the positions of director / management in other company	
A. Listed company	Chairman of Audit Committee/ Independent Director, Thai Packaging Industry Plc. Deputy Managing Director/ Chairman of Business Loans, Kiatnakin Bank Plc.
B. Non-listed company	Chairman of Audit Committee, Chic Republic Co., Ltd.
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
J. Being an executive director, employee, staff or advisor who receives a regular salary	No
K. Being a provider of professional services (e.g. auditor, legal advisor)	No

L. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	None
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 20 January 2017)	None
Board of Directors' Meeting participation during the year 2016	8 of 8

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

Age (years)	58
Education	Master Degree of Marketing Communication Management, Suan Dusit Rajabhat University
Related training programs held by the Thai Institute of Directors Association (IOD)	DGP: Director Certification Program Class 109/2014 RMP: Risk Management Program Class 3/2014
Work experiences during the past 5 years	
2013 – Present	Chairman of Executive Director/ Director Chairman of Risk Management Committee Union Auction Plc.
2001 – Present	Managing Director, Quality Syndicate Co., Ltd.
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	Quality Syndicate Co., Ltd.
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
M. Being an executive director, employee, staff or advisor who receives a regular salary	Yes
N. Being a provider of professional services (e.g. auditor, legal advisor)	No
O. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	None
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 20 January 2017)	1.16
Board of Directors' Meeting participation during the year 2016	8 of 8

Mr. Thepthai Sila

Director / Managing Director / Executive Director / Risk Management Committee

Age (years)	57
Education	Bachelor Degree of Public Administration, Ramkhamhaeng University
Related training programs held by the Thai Institute of Directors Association (IOD)	DAP: Director Accredited Program Class100/2013 RMP: Risk Management Program Class 3/2014
Work experiences during the past 5 years	
1991 – Present	Director/Managing Director/ Executive Director/ Risk Management Committee, Union Auction Plc.
2010- Present	Director, At 800 Co., Ltd.
2010- Present	Director, Bliss Khao Kho Co., Ltd
1998- Present	Director, Sahakarn Holding Co., Ltd.
1993- Present	Director, Khao Kho Highland Resort Co., Ltd.
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	Director At 800 Co., Ltd Director Bliss Khao Kho Co., Ltd Director Sahakarn Holding Co., Ltd Director Khao Kho Highland Resort Co., Ltd
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
P. Being an executive director, employee, staff or advisor who receives a regular salary	Yes
Q. Being a provider of professional services (e.g. auditor, legal advisor)	No
R. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	None
Family relationship of the executive with the Company	Father of Mr. Varuyoo Sila
Shareholding ratio in the Company (percent) (as at 20 January 2017)	^{/2} 4.36
Board of Directors' Meeting participation during the year 2016	8 of 8

^{/2} Include spouse 5,000,000 shares

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

Age (years)	33
Education	MBA, Assumption University Bachelor Degree of Communication Arts, Assumption University
Related training programs held by the Thai Institute of Directors Association (IOD)	DCP : Director Certification Program Class 166/2012
Work experiences during the past 5 years	
2014- Present	Deputy Managing, Union Auction Plc.
2012- Present	Director /Executive Director / Risk Management Committee, Union Auction Plc.
2014- Present	Director, Sahakarn Holding Co., Ltd
2010- Present	Director, At 800 Co., Ltd.
2010- Present	Director, Bliss Khao Kho Co., Ltd
2009- Present	Director, Khao Kho Highland Resort Co., Ltd
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	Director, At 800 Co., Ltd Director, Bliss Khao Kho Co., Ltd Director, Sahakarn Holding Co., Ltd Director, Khao Kho Highland Resort Co., Ltd
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
S. Being an executive director, employee, staff or advisor who receives a regular salary	Yes
T. Being a provider of professional services (e.g. auditor, legal advisor)	No
U. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	None
Family relationship of the executive with the Company	Son of Mr. Thepthai Sila
Shareholding ratio in the Company (percent) (as at 20 January 2017)	No
Board of Directors' Meeting participation during the year 2016	8 of 8

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

Age (years)	44
Education	Master of Science (Major in Information Technology Management) Songkhla Nakarin University Bachelor Degree of Science (Statistics) Sinakarinwirot University
Related training programs held by the Thai Institute of Directors Association (IOD)	
Work experiences during the past 5 years	
2015 – Present	Assistant Managing Director, Information Technology, Union Auction Plc.
2014	Head of IT Department, Union Auction Plc.
2004 – 2013	Head of IT Development Department, Vanda Frozen Co., Ltd
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
V. Being an executive director, employee, staff or advisor who receives a regular salary	No
W. Being a provider of professional services (e.g. auditor, legal advisor)	No
X. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 20 January 2017)	No
Board of Directors' Meeting participation during the year 2016	-

Mrs. Anchalee Bhakkalin

Assistant Managing Director, Account & Finance

Age (years)	59
Education	MBA, Kasetsart University, Certification of Public Accountant, Chulalongkorn University Bachelor Degree of Accounting and Finance, Chulalongkorn University Certified Public Accountant (CPA) 3256)
Related training programs held by the Thai Institute of Directors Association (IOD)	DAP: Director Accredited Program Class 124/2016
Work experiences during the past 5 years	
2015 – Present	Assistant Managing Director, Finance & Account Union Auction Plc.
2005 – 2015	Chief Financial Officer U.S. Summit (Oversea) Co., Ltd. and Group
1989 – 2005	Director/Head of Finance Department Dunlop Thailand Co., Ltd.
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
Y. Being an executive director, employee, staff or advisor who receives a regular salary	No
Z. Being a provider of professional services (e.g. auditor, legal advisor)	No
AA. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 20 January 2017)	No
Board of Directors' Meeting participation during the year 2016	-

Miss Chittra Chantakui

Assistant Managing Director, Human Resources and Legal Manager

Age (years)	44
Education	Bachelor of Laws, Ramkhamhaeng University
Related training programs held by the Thai Institute of Directors Association (IOD)	Company Secretary Program (CSP) รุ่นที่ 63/2015
Work experiences during the past 5 years	
2016- Present	Assistant Managing Director, Human Resources and Legal Manager Union Auction Public Company Limited
2014-2016	Legal Manager Union Auction Public Company Limited
2004 – 2013	Lawyer, Inthornrak Consultant Co, Ltd.
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
BB. Being an executive director, employee, staff or advisor who receives a regular salary	No
CC. Being a provider of professional services (e.g. auditor, legal advisor)	No
DD. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 20 January 2017)	No
Board of Directors' Meeting participation during the year 2016	-

Miss Poonsil Kaewchamnong
Acting Assistant Managing Director, Director Office

Age (years)	51
Education	Bachelor of Business, Ramkhamhaeng University
Related training programs held by the Thai Institute of Directors Association (IOD)	None
Work experiences during the past 5 years	
2016- Present	Acting Assistant Managing Director, Director Office
2003- Present	Union Auction Public Company Limited Executive Secretary Union Auction Public Company Limited
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
EE. Being an executive director, employee, staff or advisor who receives a regular salary	No
FF. Being a provider of professional services (e.g. auditor, legal advisor)	No
GG. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 20 January 2017)	0.0018
Board of Directors' Meeting participation during the year 2016	-

Mr. Nitid Sopon

Acting Assistant Managing Director, Business Development and Marketing

Age (years)	45
Education	Bachelor of Business, Eastern Asia University
Related training programs held by the Thai Institute of Directors Association (IOD)	None
Work experiences during the past 5 years	
2015- Present	Acting Assistant Managing Director, Business Development and Marketing
	Union Auction Public Company Limited
1994-2014	Marketing Manager
	Thai Go-Bay Welding Company Limited
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
HH. Being an executive director, employee, staff or advisor who receives a regular salary	No
II. Being a provider of professional services (e.g. auditor, legal advisor)	No
JJ. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 20 January 2017)	No
Board of Directors' Meeting participation during the year 2016	-

Miss Paphada Amornmanus
Company Secretary

Age (years)	50
Education	Master of Business Administration National Institute of Development Administration
Related training programs held by the Thai Institute of Directors Association (IOD)	DAP: Director Accreditation Program Certificate, Class 90/2011 CSP: Company Secretary Program Certificate, Class 40/2011
Work experiences during the past 5 years	
2016- Present	Company Secretary Union Auction Public Company Limited
2014-2016	Member of the Risk Management Committee Hydrotek Public Company Limited
2011-2016	Vice President, Investor Relations and Company Secretary Hydrotek Public Company Limited
Holding the positions of director / management in other company	
A. Listed company	None
B. Non-listed company	None
Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company	None
Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years	
KK. Being an executive director, employee, staff or advisor who receives a regular salary	No
LL. Being a provider of professional services (e.g. auditor, legal advisor)	No
MM. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	No
Shareholding ratio in the Company (percent) (as at 20 January 2017)	No
Board of Directors' Meeting participation during the year 2016	-



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