

Minutes of Annual General Meeting of Shareholders for the year 2011  
of  
United Securities Public Company Limited

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Date, Time and Place

The Meeting was held on Friday, 22 April, 2011 at 10.00 a.m., at the Conference room 8<sup>th</sup> Floor, Thanapoom Tower, New Petchburi Rd., Makkasan, Rajthewi, Bangkok.

Present Directors :

1. Mr. Mitsuji Konoshita Chairman of the Board
2. Mr. Chokechai Tanpoonsinthana Independent Director / Chairman of Audit Committee
3. Mr. Vikit Kachonnarongvanich Independent Director / Audit Committee member
4. Mr. Pholdej Therdphithakvanij Independent Director
5. Mr. Tatsuya Konoshita Director / Chairman of the Executive Board / Managing Director
6. Mr. Deepong Sahachartsiri Director
7. Mr. Yothin Viriyenawat Director / Executive Director – Marketing
8. Ms. Tippranee Chatmanop Director / Executive Director - Business Support

Absent Director :

-none-

Executive Directors (Management Level)

1. Mr. Choakdee Chinthamitr Executive Vice President – Marketing 2
2. Mrs. Paleerat Numnonda Vice President – Operations Department

Head of Accounting & Finance

Ms. Srisunan Kongtragoolpitug Vice President – Accounting & Finance Department

Independent Auditor

Ms. Siripan Tantipanichapan

### Preliminary Proceedings

Mr. Mitsuji Konoshita presided as the Chairman of the Meeting. The Chairman welcomed all the shareholders and asked the Secretary to introduce the members of the Board of Directors, Audit Committee, Executive Directors, the highest executive of the Company, Vice President of Accounting & Finance and the representatives from the Company's independent auditor whose names are all listed above. Moreover, Ms. Siripan Tantipanichapan, the representative from the independent auditor, was assigned to be the witness for the vote counting.

Then the Chairman announced that the Meeting would be conducted in English and assigned the Secretary to do the translation. The quorum as well as the voting method would be announced in Thai so that everybody would be able to understand and follow properly. Moreover, agenda 2 would also be conducted in Thai for more convenience. During the end of each agenda before voting, the shareholders may ask questions or may do it during Agenda 8, the last agenda as the Company had no other agenda to be discussed and thus, there would be no resolution or any voting in this agenda.

### Quorum Announcement

The Secretary announced that there were 24 shareholders attended in person with the amount of 185,278 shares or equals to 0.11% of total issued shares and 14 attended by proxies with the amount of 132,786,593 shares or equals to 78.66% which gave the total of 38 shareholders, representing 132,971,871 shares or equals to 78.77% of the total issued shares of the Company which were more than one third of the total issued shares of the Company of 168,816,704 shares. A quorum was thus constituted according to Section 31 of the Articles of Association which states that "In order to constitute a quorum, there shall be shareholders and proxies (if any) attending at a shareholder meeting amounting to not less than twenty-five persons or not less than one half of the total number of shareholders and in either case such shareholders shall hold shares amounting to not less than one-third of the total number of issued shares of the company".

### Voting Method Announcement

The Secretary went on to announce the voting method as follows:

In each of the agenda, the resolution could be passed by a majority vote of the shareholders except agenda 7 to consider and approve the Directors' remunerations, which should gain at least two-third of all the votes from the shareholders present in the Meeting by using 1 share 1 vote system in every agenda. Therefore, toward the end of each agenda, the Chairman will ask the shareholders to cast their vote by raising their hands for only those who would like to disapprove and abstain vote.

Then the staff would approach and ask them to fill in the voting sheet and had the vote recorded. However, the voting method for agenda 4 and 5 which was the election of Directors, besides the hand-raising for the case of disapprove and abstain voting like other agenda, the shareholders were requested to use the voting sheet for every vote cast – approve, disapprove or abstain, and those sheets would be kept for record.

The vote casting specified by the grantor for the proxy to cast their votes as disapproved or abstained votes shall be notified by the proxy by a hand-raising including the marking of voting choice in agenda 4 and 5 as well, otherwise, such disapprove or abstain votes shall be void and that such voting shall be considered as an approve vote for that agenda.

If there is no hand raised, that means that the shareholders agree or approve for the proposed matters. In compiling the voting result, the disapprove and abstain votes were deducted from the approve votes. The voting result would be announced to the Meeting after each agenda. However, if there has been no disapprove or abstain vote at all, the voting result for the agenda will be announced to pass by a unanimous vote without mentioning the number of votes again as they will probably be equal to the amount of shares attended the meeting.

In addition, the Secretary informed that one of the Company's Directors, Mr. Tatsuya Konoshita, who presently holds 156,700 of the Company's shares under the Thai NVDR Co., Ltd., shall have no right to vote in any of the agenda in this Meeting except voting as a proxy granted to him (if any) and which he has to cast the vote according to the proxy grantor.

After all shareholders understood the voting method, the Chairman then declared the Meeting duly convened to consider the agenda as follows:

**Agenda 1 To Certify the Minutes of the Annual General Meeting of Shareholders FY 2010**

The Chairman proposed to the Meeting to certify the Minutes of the Annual General Meeting of Shareholders FY2010, held on 23 April, 2010 a copy of which appeared in attachment no. 1 in the notice of this Meeting sent to the shareholders prior to the meeting as the Board of Directors viewed that it was recorded correctly.

**Resolved** It was resolved that the said Minutes be certified.

The above resolution was certified with a unanimous vote as follows:

Approve 132,971,871 votes ( 100 %)      Disapprove -none-      Abstain -none-

**Agenda 2 To Acknowledge and Approve the Directors' Annual Report, the audited balance sheet and Income statements including the auditor's report ending 31 December, 2010.**

The Chairman asked Miss Tippranee, Executive Director - Business Support Division who takes care of Finance & Accounting Department to report the Company's performance for FY2010. In addition, the Chairman informed the Meeting that there was also a representative from the Company's

independent auditor, Ernst & Young Office Ltd., present in the Meeting to answer questions or to provide more information if needed.

Ms. Tippranee reported that the Company's total assets as at 31 Dec 2010 recorded at 1,427,856,203 Baht. The total investments were 365,910,946 baht and net securities and derivatives business receivables 361,722,786 Baht. The Company's total revenues increased from 246,953,021 Baht to 303,403,153 Baht or an increase of 22.86% which due mainly to the increase in brokerage income from securities business from Bt145.46m to Bt201.16m and significantly increased of brokerage income from derivatives business from Bt3.17m to Bt12.20m. However, total expenditure increased 19.28% lower than total income increasing from Bt254.34m to Bt303.36m resulting from the loss of Bt28.5m on impairment of investment in available-for-sale securities in 2010.

As a result, the Company posted a net profit of Bt0.04m for consolidated financial statement in 2010. After adjusting for minority interests of the subsidiary, however, equity holders of the Company shared a net profit of Bt4.06m and a net profit from separated financial statement of Bt3.96m or Bt0.02 per share, compared with Bt1.37m profit or Bt0.01 per share for consolidated account and a net loss of Bt5.79m or a loss of 0.03 per share for separated account in the preceding year. Consequently, the Company's unappropriated retained earnings showed Bt47.01m up from Bt43.25m in the year 2009.

**Resolved** It was resolved that the Company's performance be acknowledged and the Directors' Report, the audited balance sheet and income statement including the auditor's report for the year ended 31 December, 2010 be approved.

The above resolution was approved with a unanimous vote as follows:

Approve 132,977,871 votes ( 100 %) Disapprove -none- Abstain -none-

**Remark** : In this agenda there were additional 6,000 shares attending the meeting, so the total attended shares / votes were 132,977,871 shares / votes.

### **Agenda 3 To Approve no Dividend Payment for FY 2010**

The Chairman stated that since in 2010, the Company had operated a net profit of 3,962,495 Baht and according to the Company's dividend payment policy which states that dividend payment will be made approximately 75 percent from the Company's net profit of the fiscal year, the total payable dividend amount will be 2,971,871.25 Baht or only 0.017 Baht per share (the Company's shares are 168,816,704 shares). Therefore, the shareholders are recommended to approve no dividend payment for FY2010. Although this is not complied to the Company's dividend payment policy which states that dividend should be paid if the Company has a net profit, the payable amount is very minimal so it is recommended that the Company should better reserve the capital for future working capital. In FY 2009, the Company operated a net loss of 5.79 million Baht and also paid no dividend.

A shareholder name Mr. Kongpat Thana-udomsuk viewed that since the Company still has a retained earnings of about Bt47m, it should consider paying some dividend. Mr. Tatsuya explained that the amount of dividend paid should be larger than this to be appropriate. Therefore, he would try to improve the Company's performance in order to be able to pay more dividend.

Therefore, the Chairman asked the Meeting to approve no dividend payment for the year 2010 as proposed.

**Resolved** It was resolved that no dividend payment for the year 2010 be approved as proposed.

The above resolution was approved with a majority vote as follows:

Approve 132,937,171 votes (99.969 %) Disapprove 41,000 votes (0.031 %) Abstain -none-

**Remark** : In this agenda there were additional 300 shares from agenda 2 attending the meeting, so the total attended shares / votes were 132,978,171 shares / votes.

#### **Agenda 4 To Approve the Election of Directors to Replace those Retired by Rotation**

The Company's Articles of Association No. 15 states that at each AGM, one-third of Directors who was in the position the longest should be the one who retired by rotation. Since formerly there are altogether 9 members of the Board of Directors, there will be 3 members who should be retired by rotation. The Directors who are due for retirement are

1. Mr. Yothin Viriyenawat in the position of Director (with power of management)
2. Ms. Tippranee Chatmanop in the position of Director (with power of management)

3. Mr. Sonit Pichyangkul in the position of Independent Director. Mr. Sonit was a new Director who replaced the former Director, namely Dr.Vorapol Socratyanurak. This is to comply with the Company's Articles of Association No. 18 which states that the replaced Director shall be in the position for the remaining period of the Director whom he replaced. Consequently, Mr. Sonit shall retire by rotation for this year. However, due to his health problem, Mr. Sonit had submitted a resignation letter recently on 19 April 2011.

Therefore, the Board's opinion is to re-elect only 2 directors, i.e. Mr. Yothin and Miss Tippranee to be the directors of the Company in the same position for another term. As for Mr. Sonit, he was not able to be re-elected since he had resigned from the Company.

For this agenda, both directors were voted one by one by using voting sheets without any voting for Mr. Sonit as it was not necessary.

**Resolved** It was resolved that both directors, i.e. Mr. Yothin Viriyenawat and Ms. Tippranee who were retired by rotation be re-elected as directors in the same position for another term.

The above resolution was approved with a unanimous vote for both directors as follows:

1. Mr. Yothin Virayenawat as Director (with power of management)

Approve 132,998,171 votes (100 %) Disapprove -none- Abstain -none-

2. Ms. Tippranee Chatmanop as Director (with power of management)

Approve 132,998,171 votes (100 %) Disapprove -none- Abstain -none-

Remark : In this agenda there were additional 20,000 shares from agenda 3 attending the meeting, so the total attended shares / votes were 132,998,171 shares / votes.

#### **Agenda 5 To Approve the Appointment of a new Director**

The Chairman stated that as informed in the Agenda 4 that Mr. Sonit Pichyangkul has resigned as an Independent Director due to his health problem so that there is 1 vacant Director position. Therefore, in order to help increase the Company's management efficiency as well as to replace the resigned Independent Director, the Board recommends the shareholder to approve the appointment of Mr. Krit Phanratanamala in the position of Independent Director in which formerly he was nominated to be appointed a new Director (without power of management) for appropriate proportion of director type of the Company. The selection measures were mainly based on his knowledge and experiences.

For this agenda, the voting was done by using voting sheet.

Resolved : It was resolved that Mr. Krit Phanratanamala be appointed as the Company's Independent Director to replace Mr. Sonit Pichyangkul, the Independent Director who resigned.

The above resolution was approved with a unanimous vote as follows:

Approve 132,998,171 votes (100 %) Disapprove -none- Abstain -none-

#### **Agenda 6 To Approve the Appointment of Auditor and Determine the Auditing Fee for FY 2011**

The Chairman proposed to the Meeting to consider and approve the appointment of Ernst & Young Office Limited to be the Company's auditor for the year 2011. This will be the 12th year that we use their service. For this year, there are 3 audit members proposed as follows:

1. Ms. Pimjai Manitkajohnkit CPA no. 4521 (being the second year to sign in the Company's FS)  
or
2. Mr. Sophon Permsirivallop CPA no. 3182 (has signed in the FS during 2006-2009) or
3. Miss Vissuta Jariyathanakorn CPA no. 3853 (has never signed in the FS)

in which one of the three members be empowered to audit, do and sign in verification of the Company's financial statements. However, in case no one from the above CPAs can carry out the duty, Ernst & Young Office is eligible to appoint other CPA from their Office to carry out the duty in replacement. The auditing fee is proposed to be Baht 730,000 (Baht: Seven Hundred and thirty Thousand only), exclusive of other non-audit service which was decreased for 120,000 Baht (Baht : One hundred and Twenty thousand only) from last year exclusive of other out-of-pocket expenses in which in 2010, it was a total of 1,624 Baht (One thousand six hundred and Twenty-four baht). The reason of the reduction in the

auditing fee was because the Company has got no subsidiary now and there is less work in doing Consolidated Accounts.

The Board of Directors and the Audit Committee viewed that the appointment of Ernst & Young Office Limited to be the Company's auditor was appropriate as it is the company which is acceptable internationally and its past performances have been done with full discretion and efficiency while auditing fee is reasonable. Besides, the above audit members do not have any relationship or conflict of interest whatsoever, with the Company or its management, major shareholders and their related persons.

A shareholder commented that the reduction in audit fee proposed, in which the reason was due to the less work in doing consolidated accounts as there is no more subsidiary company, was not in relation to the audit fee of the subsidiary company's audit fee of last year which was 230,000 Baht for subsidiary company and 850,000 Baht for the Company.

Ms. Tippranee explained that even though the Company's subsidiary was disposed in Sept. 2010, the auditor still has to keep records for comparison according to the general accounting standard. Therefore, the work is not considered totally reduced.

**Resolved** It was resolved that the appointment of Ernst & Young Office Limited to be the Company's auditor for FY2011 and the audit fee of 730,000 Baht per annum exclusive of other expenses according to the above details be approved.

The above resolution was approved with a unanimous vote as follows:

Approve 132,998,171 votes (100 %) Disapprove -none- Abstain -none-

#### **Agenda 7 To Approve the Remunerations of Board of Directors and Audit Committee for FY 2011**

The Chairman informed that as the Company has no Remunerations Committee, the remunerations of the Board of Directors and Audit Committee has not been determined by such committee. However, remunerations which normally consist of meeting fees and annual bonus have been carefully determined by the Board of Directors' meeting significantly in relation with the Company's performance before gaining final approval from the shareholders. The Board recommended that the Meeting approve the proposed meeting fee for the year 2011 as follows:

Meeting fee for the year 2011: is proposed to be the same rate as last year, that is,

-The Chairman of the Board gets Bht 25,000 per month

Other Director gets Bht 20,000 per month each

-The Chairman of the Audit Committee gets Bht 20,000 per month

The Audit Committee member gets Bht 15,000 per month each and Audit Committee will receive meeting fee from both positions

As for the annual Bonus of 2010: The Board recommends that the shareholders approve no bonus payment to the Board of Directors and Audit Committee as the Company had

operated very small profit. In the year 2009, the Company also paid no bonus to the Board and Audit Committee as it had a net loss of 5.79 million baht.

The Chairman then proposed to the Meeting to consider and approve the above remunerations and stated that this resolution needed more than two third of the total votes to pass.

**Resolved** It was resolved that the proposed remunerations which consist of monthly meeting fees for the year 2011 and no bonus for fiscal year 2010 be approved.

The above resolution was approved with a unanimous vote as follows:

Approve 133,001,171 votes(100 %) Disapprove -none- Abstain -none-

Remark : In this agenda there were additional 3,000 shares from agenda 6 attending the meeting, so the total attended shares / votes were 133,001,171 shares / votes.

#### **Agenda 8 To consider any other business (if any)**

The Chairman stated that there was no other business to be proposed and therefore, this agenda was provided for the shareholders to ask questions or give any suggestions without having any resolution or any voting.

Mr. Kongpat commented that in 2010, while the SET was good, why the Company still had no progress on its performance when compared to other broker firm.

Mr. Yothin explained that in the year 2010 when compared to the year 2009, the Company's performance has been picking up to the same level. However, he viewed that it is not quite appropriate to compare the Company with some other broker firms as others might undertake own portfolio trading or the size was not the same and should not be compared together. Besides, for the first 1-4 months of last year, the SET was not good resulted from the political problems and only the last half of the year that it was improved in which the Company's revenue was also relatively picked up in terms of trading volume and brokerage fees. Moreover, the customers' base was also enlarged in term of number as well as the size of the customers' portfolio and they could also make money on their trading. The Company also tried to reduce unnecessary costs. Therefore, it is not justified to compare the Company with other companies with different size and with the company that had undertaken portfolio trading.

Mr. Tatsuya added that the Company wants to carry its business conservatively so that we do not undertake own portfolio trading while others did a lot last year.

Mr. Chokechai, on behalf of the Company's Audit Committee, added that the Company's financial statement as of 2010 showed that the Company had set up a provision on impairment of investment for Bt28.5m together with the loss from the subsidiary company of around Bt 8m made the Company to deduct from its profit Bt 36-37m. Without these two deducted amount, the Company should have a profit of about over Bt40m. In addition, last year many broker firms had undertaken a lot

of portfolio trading. Some firms had even done own portfolio trading more than they did for their customers which he viewed that under good market, there should be good profit but the risk should also be very high.

Another shareholder asked where the loss of Bt 28.5m came from and why our Personnel Expenses were increased.

Mr. Chokechai responded that the loss of Bt28.5m came from the setting of provision on impairment of investment on Bill of Exchange of an insurance company a few years ago and not yet been repaid. However, it is during the court process and we had set up the amount as provision. As for the increasing of personnel expenses, Ms. Tippranee responded that the increasing was from incentive payment to the Company's Marketing staff in relation to the increasing in trading volume they achieved.

Mr. Kongpat asked about one of the Company's litigation case that Ms. Wimonrat Kuldilok, had sued the Company whether the Company would win the case. For this case, Ms. Tippranee assigned the Company's Lawyer, Mr. Pirahuht, to answer.

Mr. Pirahuht had reported on both cases. For the case of the Company suing the insurance company, he said that the First Instance Court had sentenced for the Company to win the case already and now the case is under asset investigation and judgment execution process. However, at the moment, we cannot make out how much we can get repaid. For Ms. Wimonrat case, it is during the preparation of document for Appeal Court in which there is a possibility that the Company will win the case. As for other pending cases, the Company is trying as hard as possible to follow up the repayment as much as possible.

As there was no more question, the Chairman thanked all of the shareholders for their time to attend the meeting and for their valuable comments which the Company would consider for its future improvement.

The Meeting closed at 11.10 a.m.



(Mr. Mitsuji Konoshita)

Chairman of the Board of Directors