

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION  
AS AT MARCH 31, 2012 (UNAUDITED/REVIEWED ONLY)  
AND AS AT DECEMBER 31, 2011 (AUDITED)



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders of

Qualitech Public Company Limited

I have reviewed the accompanying consolidated statements of financial position of Qualitech Public Company Limited and its subsidiaries and separate statements of financial position of Qualitech Public Company Limited as at March 31, 2012, and the related consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the three-month period ended March 31, 2012 and separate statements of comprehensive income, separate statements of changes in shareholders' equity and separate statements of cash flows for the three-month periods ended March 31, 2012 and 2011 and the condensed notes to financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information, in all material respects, in accordance with accounting standard No.34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

**Scope of Review**

I conducted my review in accordance with standard on review engagements No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on this reviewed interim financial information.

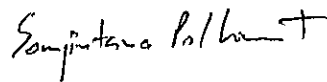
**Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with accounting standard No.34 Interim Financial Reporting.

**Statement of financial position as at December 31, 2011 presented for comparison purpose**

I have previously audited the consolidated and separate financial statements as at December 31, 2011 of Qualitech Public Company Limited and its subsidiaries, and of Qualitech Public Company Limited, in accordance with the auditing standards and expressed an unqualified opinion in the report dated February 17, 2012. The consolidated and separate statements of financial position as at December 31, 2011, presented for comparison purpose, is a partial of these financial statements. I have not performed any auditing procedures since that date.

D I A International Audit Co., Ltd.



(Miss Somjintana Polhirunrat)

C.P.A. (Thailand)

Registration No. 5599

May 11, 2012

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2012 (UNAUDITED/REVIEWED ONLY)

AND AS AT DECEMBER 31, 2011 (AUDITED)

Assets	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
<b>Current assets</b>					
Cash and cash equivalents	5	28,893,033.26	16,253,934.59	27,087,299.61	14,599,670.42
Current investment	6	90,699,106.17	91,625,693.23	90,699,106.17	91,625,693.23
Trade and other receivables	7	47,722,247.40	70,896,189.29	47,781,765.84	70,199,200.23
Unbilled services income		77,000,110.80	59,816,121.88	74,833,396.84	59,816,121.88
Inventories		7,189,825.65	5,919,003.03	7,189,825.65	5,919,003.03
<b>Total current assets</b>		<b>251,504,323.28</b>	<b>244,510,942.02</b>	<b>247,591,394.11</b>	<b>242,159,688.79</b>
<b>Non-current assets</b>					
Investment available for sales	6	0.00	5,028,312.58	0.00	5,028,312.58
Investment in subsidiaries	8	0.00	0.00	2,269,625.00	1,504,850.00
Pledged bank deposit		9,500,000.00	3,000,000.00	9,500,000.00	3,000,000.00
Property, plant and equipment	9	94,529,225.86	79,252,010.50	94,529,225.86	79,252,010.50
Prepayment for purchase of fixed assets		0.00	6,002,054.90	0.00	6,002,054.90
Withholding income tax		3,222,683.76	4,059,536.08	3,222,664.13	4,059,536.08
Others non-current assets	10	1,192,232.15	915,051.54	1,192,232.15	908,651.54
<b>Total non-current assets</b>		<b>108,444,141.77</b>	<b>98,256,965.60</b>	<b>110,713,747.14</b>	<b>99,755,415.60</b>
<b>Total assets</b>		<b>359,948,465.05</b>	<b>342,767,907.62</b>	<b>358,305,141.25</b>	<b>341,915,104.39</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT MARCH 31, 2012 (UNAUDITED/REVIEWED ONLY)

AND AS AT DECEMBER 31, 2011 (AUDITED)

Liabilities and shareholders' equity	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
<b>Current liabilities</b>					
Trade and other payables		36,579,215.99	45,237,817.19	35,945,255.60	44,737,155.35
Current portion of long - term liabilities	11	2,474,845.71	2,053,857.79	2,474,845.71	2,053,857.79
<b>Total current liabilities</b>		<b>39,054,061.70</b>	<b>47,291,674.98</b>	<b>38,420,101.31</b>	<b>46,791,013.14</b>
<b>Non-current liabilities</b>					
Liabilities under financial lease agreement	11	4,988,095.19	3,293,999.14	4,988,095.19	3,293,999.14
Employee benefit obligations		7,389,263.46	6,893,260.00	7,389,263.46	6,893,260.00
<b>Total non-current liabilities</b>		<b>12,377,358.65</b>	<b>10,187,259.14</b>	<b>12,377,358.65</b>	<b>10,187,259.14</b>
<b>Total liabilities</b>		<b>51,431,420.35</b>	<b>57,478,934.12</b>	<b>50,797,459.96</b>	<b>56,978,272.28</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
<b>Authorized shares capital</b>					
100,000,000 common shares of Baht 1 each		100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00
<b>Issued and paid - up share capital</b>					
90,000,000 common shares of Baht 1 each		90,000,000.00	90,000,000.00	90,000,000.00	90,000,000.00
Premium on share capital		55,970,571.40	55,970,571.40	55,970,571.40	55,970,571.40
<b>Retained earnings</b>					
Appropriated - legal reserve		10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00
Unappropriated		151,276,699.89	128,804,975.38	151,303,915.07	128,786,938.64
Other components of equity		233,194.82	179,322.07	233,194.82	179,322.07
<b>Total owners of the Company</b>		<b>307,480,466.11</b>	<b>284,954,868.85</b>	<b>307,507,681.29</b>	<b>284,936,832.11</b>
Non-controlling interests		1,036,578.59	334,104.65	0.00	0.00
<b>Total shareholders' equity</b>		<b>308,517,044.70</b>	<b>285,288,973.50</b>	<b>307,507,681.29</b>	<b>284,936,832.11</b>
<b>Total liabilities and shareholders' equity</b>		<b>359,948,465.05</b>	<b>342,767,907.62</b>	<b>358,305,141.25</b>	<b>341,915,104.39</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated		
		financial statements (Baht)	Separate financial statements (Baht)	
		2012	2012	2011
Services income		96,904,395.13	93,791,884.28	74,901,874.26
Cost of services		(62,715,069.61)	(59,577,206.82)	(47,036,874.46)
Gross profit		34,189,325.52	34,214,677.46	27,864,999.80
Other income		821,906.49	700,568.60	1,448,182.73
Administrative expenses		(11,873,272.24)	(11,699,283.31)	(10,131,236.30)
Finance costs		(70,579.88)	(70,579.88)	(60,276.06)
Profit before income tax		23,067,379.89	23,145,382.87	19,121,670.17
Income tax expenses	12	(628,406.44)	(628,406.44)	(452,406.98)
Profit for the period		22,438,973.45	22,516,976.43	18,669,263.19
Other comprehensive income (expense)				
Unrealized gain on change in investment valuation		53,872.75	53,872.75	0.00
Total comprehensive income for the period		22,492,846.20	22,570,849.18	18,669,263.19
Profit attributable to :				
Owners of the Company		22,471,724.51	22,516,976.43	18,669,263.19
Non-controlling interests		(32,751.06)	0.00	0.00
		22,438,973.45	22,516,976.43	18,669,263.19
Total comprehensive income attributable to :				
Owners of the Company		22,525,597.26	22,570,849.18	18,669,263.19
Non-controlling interests		(32,751.06)	0.00	0.00
		22,492,846.20	22,570,849.18	18,669,263.19
Earnings per share				
Basic earnings per share		0.25	0.25	0.21
Weighted average number of common shares		90,000,000	90,000,000	90,000,000

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2012  
 (UNAUDITED/REVIEWED ONLY)

Consolidated financial statements (Baht)

Note	Owners of the Company							Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity	Total owners of the Company	Non-controlling interests	
			Appropriated	Unappropriated				
	90,000,000.00	55,970,571.40	10,000,000.00	128,804,975.38	179,322.07	284,954,868.85	334,104.65	285,288,973.50
8	0.00	0.00	0.00	0.00	0.00	0.00	735,225.00	735,225.00
	0.00	0.00	0.00	22,471,724.51	53,872.75	22,525,597.26	(32,751.06)	22,492,846.20
	90,000,000.00	55,970,571.40	10,000,000.00	151,276,699.89	233,194.82	307,480,466.11	1,036,578.59	308,517,044.70

Balance as at December 31, 2011

Changes in shareholders' equity for the three month periods:

Common shares

Total comprehensive income for the period

Balance as at March 31, 2012

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
 FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2012 AND 2011  
 (UNAUDITED/REVIEWED ONLY)

	Separate financial statements (Baht)					Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity	
			Appropriated	Unappropriated	Other comprehensive income (expense) Unrealized gain on change in investment valuation	
Balance as at December 31, 2011	90,000,000.00	55,970,571.40	10,000,000.00	128,786,938.64	179,322.07	284,936,832.11
Changes in shareholders' equity for the three month periods:						
Total comprehensive income for the period	0.00	0.00	0.00	22,516,976.43	53,872.75	22,570,849.18
Balance as at March 31, 2012	<u>90,000,000.00</u>	<u>55,970,571.40</u>	<u>10,000,000.00</u>	<u>151,303,915.07</u>	<u>233,194.82</u>	<u>307,507,681.29</u>
Balance as at December 31, 2010	90,000,000.00	55,970,571.40	10,000,000.00	81,953,764.70	0.00	237,924,336.10
Effects of adoption the new accounting policy-Employee benefits	0.00	0.00	0.00	(5,772,913.00)	0.00	(5,772,913.00)
Balance as at December 31, 2010 - after restatement	90,000,000.00	55,970,571.40	10,000,000.00	76,180,851.70	0.00	232,151,423.10
Changes in shareholders' equity for the three month periods:						
Total comprehensive income for the period	0.00	0.00	0.00	18,669,263.19	0.00	18,669,263.19
Balance as at March 31, 2011	<u>90,000,000.00</u>	<u>55,970,571.40</u>	<u>10,000,000.00</u>	<u>94,850,114.89</u>	<u>0.00</u>	<u>250,820,686.29</u>

Notes to financial statements are parts of these financial statements



QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

(UNAUDITED/REVIEWED ONLY)

	Consolidated		
	financial statements (Baht)	Separate financial statements (Baht)	
	2012	2012	2011
<b>Cash flows from operating activities</b>			
Profit before income tax	23,067,379.89	23,145,382.87	19,121,670.17
Adjustments			
Doubtful accounts	0.00	0.00	82,556.65
Reversal of doubtful accounts	(360,606.77)	(360,606.77)	0.00
Increase in unbilled service income	(17,183,988.92)	(15,017,274.96)	(8,293,492.79)
Depreciation	4,035,692.60	4,035,692.60	4,460,421.95
(Gain) Loss on disposal of fixed assets	58,352.57	58,352.57	(789,043.97)
Loss on impairment of assets	1,235.12	1,235.12	0.00
Write off withholding income tax	60,207.82	60,207.82	0.00
Employee benefits	496,003.46	496,003.46	276,249.95
Interest expenses	70,579.88	70,579.88	60,276.06
	<u>10,244,855.65</u>	<u>12,489,572.59</u>	<u>14,918,638.02</u>
(Increase) Decrease in portion of operating assets			
Trade and other receivables	23,534,548.66	22,778,041.16	14,361,590.90
Inventories	(1,270,822.62)	(1,270,822.62)	(53,000.66)
Other non-current assets	(278,415.73)	(284,815.73)	(113,657.88)
Increase (Decrease) in portion of operating liabilities			
Trade and other payables	(9,264,927.87)	(9,398,226.42)	(1,188,740.98)
Cash generated from operation	<u>22,965,238.09</u>	<u>24,313,748.98</u>	<u>27,924,829.40</u>
Interest paid	(70,579.88)	(70,579.88)	(60,276.06)
Income tax received (paid)	148,238.06	148,257.69	3,283,390.31
<b>Net cash provided by operating activities</b>	<u>23,042,896.27</u>	<u>24,391,426.79</u>	<u>31,147,943.65</u>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

(UNAUDITED/REVIEWED ONLY)

	Consolidated		
	financial statements (Baht)	Separate financial statements (Baht)	
	2012	2012	2011
<b>Cash flows from investing activities</b>			
(Increase) Decrease in current investment	6,008,772.39	6,008,772.39	(29,315,639.84)
Increase in investment available for sales	0.00	0.00	(2,055.28)
Payments for purchase ordinary share of subsidiary	0.00	(764,775.00)	0.00
Increase in pledged bank deposit	(6,500,000.00)	(6,500,000.00)	0.00
Proceeds from sales of fixed assets	4,345.79	4,345.79	772,196.26
Payments for purchase of fixed assets	(10,080,724.75)	(10,080,724.75)	(5,262,209.85)
<b>Net cash used in investing activities</b>	<u>(10,567,606.57)</u>	<u>(11,332,381.57)</u>	<u>(33,807,708.71)</u>
<b>Cash flows from financing activities</b>			
Decrease in liabilities under financial lease agreement	(571,416.03)	(571,416.03)	(511,510.37)
Proceeds from non-controlling interests	735,225.00	0.00	0.00
<b>Net cash provided by (used in) financing activities</b>	<u>163,808.97</u>	<u>(571,416.03)</u>	<u>(511,510.37)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	12,639,098.67	12,487,629.19	(3,171,275.43)
<b>Cash and cash equivalents as at January 1</b>	16,253,934.59	14,599,670.42	19,367,551.37
<b>Cash and cash equivalents as at March 31</b>	<u><u>28,893,033.26</u></u>	<u><u>27,087,299.61</u></u>	<u><u>16,196,275.94</u></u>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

CONDENSED NOTES TO FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

(UNAUDITED/REVIEWED ONLY)

**1. GENERAL INFORMATION**

- 1.1 The Company was registered as a company limited on February 11, 1991 with registration no. 0105534013647 and on December 12, 2007, the Company has changed its status to public company limited with registration no. 0107550000220 and is listed company in the Market for Alternative Investment (MAI) on June 9, 2009.
- 1.2 Head office is located at 21/3 Banplong Road, Maptaphut, Muang, Rayong and the branch office is located at 1/37 Moo 1, Nongchak, Banbueng, Chonburi.
- 1.3 The Company engaged in business of provides the technical services testing, inspection and certification for operation safety of industry equipments, pressure vessel, industrial boiler, piping and steel structures which is important for the production process, storage, transport of the products in power generating, petrochemical industry and construction to comply with industrial standard and the government laws.

**2. PREPARATION OF INTERIM FINANCIAL STATEMENTS BASIS**

- 2.1 The interim financial statements have been prepared in accordance with the condensed form should be included in the financial statements of Department of Business Development, TAS 34 (Revised 2009) "Interim Financial Reporting"; guidelines promulgated by the Federation of Accounting Professions, and applicable related rules and regulations of the Securities and Exchange Commission.

These interim financial statements have been prepared for the purpose to provide the update information on the latest complete set of annual financial statements. Accordingly, it focuses on new activities, events, and circumstances and does not duplicate information previously reported. However, the statements of financial position, statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows are presented the same as previous annual financial statements. Therefore, these interim financial statements should access to the most recent annual financial statements.

- 2.2 The Federation of Accounting Professions issued various revised financial reporting standards which are expected to be effective for the financial statements beginning on or after January 1, 2013 and have not been adopted in the preparation of these interim financial statements. The details are following:

<u>Financial reporting standards</u>	<u>Contents</u>
TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rate
TFRS 8	Operation Segments
TSIC 10	Government Assistance-No Specific Relation to Operating Activities
TSIC 21	Income Taxes- Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes- Changes in the Tax Status of an Enterprises or its Shareholders

At present, the Company is being evaluated the effects of those standards on the financial statements in the year in which they are initially applied.

### 3. INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARATION BASIS

3.1 The interim consolidated financial statements have been prepared by including the interim financial statements of its subsidiary on which Qualitech Public Company Limited has ability to control in making financial and operating decisions as below :

	Percentage of investment %		Type of Business
	March 31, 2012	December 31, 2011	
<b>Subsidiaries</b>			
QLT International Limited	99.99	99.99	Security engineering services in overseas
Qualitech Myanmar Limited	50.99	50.99	Security engineering services in Myanmar

3.2 The interim consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.

3.3 The balance of accounts and transactions between Qualitech Public Company Limited and its subsidiary, unrealized gain between of the Company and net assets of subsidiary have been eliminated from the interim consolidated financial statements.

3.4 In during the third quarter, on September 1, 2011, the Company has investment in the two subsidiaries which are new incorporation.

#### 4. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared by using the accounting policy and estimates of the financial statements for the year ended December 31, 2011.

#### 5. CASH AND CASH EQUIVALENTS

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Cash	336,159.24	333,255.96	316,159.24	313,255.96
Cash at bank - current accounts	33,000.00	33,000.00	33,000.00	33,000.00
Cash at bank - savings accounts	28,523,874.02	15,887,678.63	26,738,140.37	14,253,414.46
<b>Total</b>	<b>28,893,033.26</b>	<b>16,253,934.59</b>	<b>27,087,299.61</b>	<b>14,599,670.42</b>

#### 6. CURRENT INVESTMENT

	Consolidated and Separate financial statements (Baht)	
	March 31, 2012	December 31, 2011
Investment in open-end fund :-		
SCB Savings Fixed Income Fund (SCBSFF)	2,341,989.76	8,823,279.41
T - Cash Fund	7,299,861.10	7,248,971.48
KTB Fixed Income Fund (KTFIX3M3)	15,499,739.64	15,388,178.77
KTB Saving Fund (KTSV)	5,203,351.33	5,170,633.38
The Krung Thai Fixed Income FIF12 (KTFF12)	5,017,659.78	4,994,630.19
Thanachart Capital Protection Government Bond 3M/3 Fund (TGOV3M3)	25,208,989.16	25,000,000.00
UOB Sure Dairy	25,062,146.78	0.00
KTSS	43,751.85	0.00
<b>Total investment in open-end fund</b>	<b>85,677,489.40</b>	<b>66,625,693.23</b>
Bank of Thailand Bonds (BOT 131A # 1/3/2553)	5,021,616.77	0.00
Cash at bank - Bill of Exchange	0.00	25,000,000.00
<b>Total</b>	<b>90,699,106.17</b>	<b>91,625,693.23</b>

Such fund invested in debt securities which had minimal risk.

Bank of Thailand Bonds (BOT 131A) matured on January 14, 2013 and as at December 31, 2011 are presented as investment available for sales since they are matured overdue 1 accounting period.

## 7. TRADE AND OTHER RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Trade accounts receivable	53,229,075.98	76,862,304.19	53,419,717.43	77,029,995.97
Other receivables	6,905,808.96	6,807,129.41	6,774,685.95	5,942,448.57
<b>Total</b>	<b>60,134,884.94</b>	<b>83,669,433.60</b>	<b>60,194,403.38</b>	<b>82,972,444.54</b>
Less Allowance for doubtful accounts				
- trade accounts receivable	(12,412,637.54)	(12,773,244.31)	(12,412,637.54)	(12,773,244.31)
<b>Net</b>	<b>47,722,247.40</b>	<b>70,896,189.29</b>	<b>47,781,765.84</b>	<b>70,199,200.23</b>

### Billed trade accounts receivable separated on aging

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Undue trade accounts receivable	25,538,800.89	33,291,900.50	25,729,442.34	33,459,592.28
Overdue trade accounts receivable				
- Less than 3 months	15,168,708.98	28,600,216.83	15,168,708.98	28,600,216.83
- Over 3 months to 6 months	48,443.00	2,367,368.39	48,443.00	2,367,368.39
- Over 6 months to 12 months	93,328.39	94,730.00	93,328.39	94,730.00
- Over 12 months	12,379,794.72	12,508,088.47	12,379,794.72	12,508,088.47
<b>Net</b>	<b>53,229,075.98</b>	<b>76,862,304.19</b>	<b>53,419,717.43</b>	<b>77,029,995.97</b>

8. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital (Baht)		Percentage of shareholding		Separate financial statements (Baht)	
			March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
QLT International Limited	Security engineering services in overseas	Common director and shareholder	1,250,000.00	100,000,000.00	99.99	99.99	1,249,925.00	1,249,925.00
Qualitech Myanmar Limited	Security engineering services in Myanmar	Common director and shareholder	2,000,000.00	500,000.00	50.99	50.99	1,019,700.00	254,925.00
Total							2,269,625.00	1,504,850.00

In the first quarter of 2012, Qualitech Myanmar Limited has called for and received the payment of common shares amount of Baht 1.50 million (20,000 common shares of Baht 75 each), resulting to the Company has fully issued and paid-up share capital equal to the registration.

The financial statements for the three-month periods ended March 31, 2012 and for the four-month periods ended December 31, 2011 of above subsidiaries have been taken for preparing the consolidated financial statements which were reviewed and audited by the auditor.

9. PROPERTY, PLANT AND EQUIPMENT

Consolidated and Separate financial statements (Baht)

	Land	Building	Building improvement	Office furniture and fixtures	Tools and technical equipment	Office equipment	Utilities system	Vehicles	Assets under construction	Total
As at December 31, 2011	11,219,000.00	9,290,260.87	2,476,377.35	5,325,733.66	108,141,545.95	8,051,613.85	1,291,122.36	44,258,510.16	14,505,745.33	204,559,909.53
Purchase	0.00	3,872,500.00	1,877,303.77	791,706.93	9,054,828.14	173,137.48	0.00	3,597,000.00	9,130.00	19,375,606.32
Disposal	0.00	0.00	0.00	(17,600.00)	(105,769.33)	(30,190.00)	0.00	0.00	(48,375.00)	(201,934.33)
Transference	0.00	14,335,957.12	44,369.30	0.00	0.00	0.00	0.00	0.00	(14,380,326.42)	0.00
As at March 31, 2012	11,219,000.00	27,498,717.99	4,398,050.42	6,099,840.59	117,090,604.76	8,194,561.33	1,291,122.36	47,855,510.16	86,173.91	223,733,581.52
Accumulated depreciation :										
As at December 31, 2011	0.00	4,351,427.36	727,378.93	2,856,068.97	79,440,916.33	5,703,454.61	1,291,118.36	30,937,534.47	0.00	125,307,899.03
Depreciation for the period	0.00	265,587.75	41,401.92	183,738.60	2,950,021.40	369,999.24	0.00	224,943.69	0.00	4,035,692.60
Depreciation - write off	0.00	0.00	0.00	(17,001.91)	(92,682.09)	(29,551.97)	0.00	0.00	0.00	(139,235.97)
As at March 31, 2012	0.00	4,617,015.11	768,780.85	3,022,805.66	82,298,255.64	6,043,901.88	1,291,118.36	31,162,478.16	0.00	129,204,355.66
Net book value										
As at December 31, 2011	11,219,000.00	4,938,833.51	1,748,998.42	2,469,664.69	28,700,629.62	2,348,159.24	4.00	13,320,975.69	14,505,745.33	79,252,010.50
As at March 31, 2012	11,219,000.00	22,881,702.88	3,629,269.57	3,077,034.93	34,792,349.12	2,150,659.45	4.00	16,693,032.00	86,173.91	94,529,225.86

As at December 31, 2011, land, building and building improvement at cost of Baht 33.41 million are mortgaged as collateral against overdrafts line from bank amount of Baht 4.50 million at the interest rate of MRR per annum and contingent liabilities from bank issuance of letter of guarantee (note 17.2). On February 10, 2012, the Company has stopped the using land, building and building improvement as collaterals against abovementioned liabilities and replaced by deposits at bank as collaterals.



Tools and technical equipment as at March 31, 2012

(Unit : Baht)

Assets acquired	Cost	Accumulated depreciation	Net cost
Depreciation by straight - line method			
- Before October 23, 1999	3,123,364.03	(3,123,264.03)	100.00
- 2004 until present	37,418,614.76	(28,711,411.25)	8,707,173.51
Depreciation by double - declining balance method			
- Before October 23, 1999 to 2003	5,516,215.07	(5,516,143.07)	72.00
- 2006 until present	71,032,410.90	(44,947,407.29)	26,085,003.61
<b>Total</b>	<b>117,090,604.76</b>	<b>(82,298,225.64)</b>	<b>34,792,349.12</b>

Depreciation for the three month periods ended March 31, 2012 and 2011 were Baht 2.95 million and Baht 3.02 million respectively.

#### 10. OTHER NON - CURRENT ASSETS

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Deposit receivable under contract	4,814,796.22	4,531,215.61	4,814,796.22	4,531,215.61
Others	1,795.61	6,960.49	1,795.61	560.49
Total	4,816,591.83	4,538,176.10	4,816,591.83	4,531,776.10
Less Allowance for doubtful accounts	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)
Provision for impairment of assets	(1,795.61)	(560.49)	(1,795.61)	(560.49)
Net	1,192,232.15	915,051.54	1,192,232.15	908,651.54

#### 11. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT

1) Liabilities under financial lease agreement excluded future interest expenses as follows :

	Consolidated and Separate financial statements (Baht)	
	March 31, 2012	December 31, 2011
Payable under hire purchase agreement	7,462,940.90	5,347,856.93
Less Current portion of long - term liabilities	(2,474,845.71)	(2,053,857.79)
Net	4,988,095.19	3,293,999.14

The Company's vehicles at cost is under the payment as indicated in agreement as follows:

	Consolidated and	
	Separate financial statements (Baht)	
	March 31, 2012	December 31, 2011
Vehicles	14,822,037.38	11,240,037.38
Office equipment	242,780.16	242,780.16
<b>Total</b>	<b>15,064,817.54</b>	<b>11,482,817.54</b>

2) The minimum amount to be paid under financial lease agreement as follows :

	Consolidated and	
	Separate financial statements (Baht)	
	March 31, 2012	December 31, 2011
Within 1 year	2,832,887.79	2,327,070.79
Over 1 year less than 3 years	4,363,418.44	3,016,729.37
Over 3 years less than 5 years	887,070.99	414,116.97
<b>Total</b>	<b>8,083,377.22</b>	<b>5,757,917.13</b>
Less Future interest expenses of financial lease agreement	(620,436.32)	(410,060.20)
<b>Present value of liabilities under financial lease agreement</b>	<b>7,462,940.90</b>	<b>5,347,856.93</b>

## 12. INCOME TAX

### Parent company

For the first quarter of the year 2012, the Company calculated corporate income tax at the rate of 23% of profit (loss) before deducting with tax expenses and added back other expenses which shall not be allowed as expenses in tax calculation (if any) except the exempted profit derived from promoted activities (note 16).

### Subsidiary

For the first quarter of the year 2012, subsidiary calculated corporate income tax at the rate of 15 -30% of profit (loss) before deducting with tax expenses and added back other expenses which shall not be allowed as expenses in tax calculation (if any).

## 13. ADDITION DISCLOSURE OF STATEMENTS OF CASH FLOWS INFORMATION

### 13.1 Cash and cash equivalents

	Consolidated		
	financial statements (Baht)	Separate financial statements (Baht)	
	March 31, 2012	March 31, 2012	March 31, 2011
Cash	336,159.24	316,159.24	253,969.00
Cash at bank - current accounts	33,000.00	33,000.00	33,000.00
Cash at bank - savings accounts	28,523,874.02	26,738,140.37	15,909,306.94
<b>Total</b>	<b>28,893,033.26</b>	<b>27,087,299.61</b>	<b>16,196,275.94</b>

### 13.2 Non - cash transaction

For the three month periods ended March 31, 2012, the Company entered into hire purchase vehicles agreement of Baht 3.58 million which was already made the initial installment in the amount of Baht 0.90 million. The remaining is presented as liabilities under financial lease agreement.

For the three month periods ended March 31, 2011, the Company entered into hire purchase vehicles agreement of Baht 4.36 million which was already made the initial installment in the amount of Baht 1.09 million. The remaining is presented as liabilities under financial lease agreement.

## 14. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

Assets, liabilities, revenues and expenses arose from transaction with persons and related companies. Those transactions are based on the conditions as the group of companies concerned and in the normal course of business as detailed following :

### 14.1 General information

Name	Relationship	Description	Pricing policy
Related persons			
Mr. Sannpat Rattakham	The Company's director and shareholder	Guarantee	Non-service charge
Mrs. Monta Chaiyaban	Near relative of the Company's directors and shareholders	Office rental	At the agreed rate of Baht 8,500 starting in June 2008
Subsidiary company			
Qualitech Myanmar Limited	Shareholding, common director and shareholder	Wages	Close to market value

### 14.2 Assets and liabilities transaction with related persons and parties are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Trade accounts receivable				
Qualitech Myanmar Limited	0.00	0.00	392,018.36	268,651.78

### 14.3 Revenues and expenses transaction with related persons and parties for the three month periods ended March 31, 2012 and 2011 are as follows :

	Consolidated		
	financial statements (Baht)	Separate financial statements (Baht)	
	2012	2012	2011
Service income - wages			
Qualitech Myanmar Limited	0.00	366,372.29	0.00
Administrative expenses - office rental			
Mrs. Monta Chaiyaban	25,500.00	25,500.00	25,500.00

## 15. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature for the three month periods ended March 31, 2012 and 2011 are as follows :

	Consolidated		
	financial statements (Baht)	Separate financial statements (Baht)	
	2012	2012	2011
Employee benefit expenses	38,681,151.59	38,680,813.98	30,806,316.57
Depreciation	4,035,692.60	4,035,692.60	4,460,421.95
Supplies used	9,854,000.96	7,854,225.91	6,618,532.54
Contractor wage	6,864,200.29	6,197,460.78	3,124,876.43
Travelling and accommodation expenses	2,921,254.83	2,703,347.98	2,368,055.95
Office expenses	1,785,870.42	1,755,632.60	1,309,440.40
Fee and consulting fee	739,225.91	689,766.98	482,181.84
Repairs and maintenance expenses	2,578,068.57	2,578,068.57	1,576,319.00
Directors' remuneration	595,218.83	595,218.83	318,655.16
Management benefit expenses	4,401,220.09	4,401,220.09	3,921,550.71

## 16. PROMOTIONAL PRIVILEGES

The results of operation of the Company for the three month periods ended March 31, 2012 and 2011 separated into promoted business and non-promoted business as follows :

	Separate financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	2012	2011	2012	2011	2012	2011
Services income	82,752,120.50	67,317,982.50	11,039,763.78	7,583,891.76	93,791,884.28	74,901,874.26
Cost of services	(52,002,858.48)	(41,442,689.00)	(7,574,348.34)	(5,594,185.46)	(59,577,206.82)	(47,036,874.46)
Gross profit	30,749,262.02	25,875,293.50	3,465,415.44	1,989,706.30	34,214,677.46	27,864,999.80
Other income	0.00	0.00	700,568.60	1,448,182.73	700,568.60	1,448,182.73
Administrative expenses	(10,236,584.39)	(8,925,069.55)	(1,462,698.92)	(1,206,166.75)	(11,699,283.31)	(10,131,236.30)
Finance costs	(61,810.59)	(53,145.51)	(8,769.29)	(7,130.55)	(70,579.88)	(60,276.06)
Income tax	0.00	0.00	(628,406.44)	(452,406.98)	(628,406.44)	(452,406.98)
Profit for the period	20,450,867.04	16,897,078.44	2,066,109.39	1,772,184.75	22,516,976.43	18,669,263.19

Two subsidiary companies were incorporated as a company limited during the third quarter of the year 2011.

## **17. COMMITMENT AND CONTINGENT LIABILITIES**

17.1 The Company has commitment under construction building agreement total amount as at December 31, 2011 amount of Baht 3.75 million.

17.2 The Company has contingent liabilities from a local bank's issuance of letter of guarantee for the results of work to customers of the Company and guarantee the electricity usage to government agency, total amount as at March 31, 2012 and December 31, 2011 of Baht 4.65 million and Baht 6.21 million respectively.

## **18. EVENTS AFTER THE REPORTING DATE**

According to the annual general shareholders' meeting for the year 2012 held on April 11, 2012, the shareholders passed the resolution as follows:

18.1 Approved to pay dividend from the result of profit for the year 2011 to the shareholders at Baht 0.55 per share for 90 million ordinary shares, total amount of Baht 49.50 million by dividing into:

1) Pay by cash dividend to the shareholders at Baht 0.50 per share, total amount of Baht 45 million by making interim dividend payment at Baht 0.20 per share, total amount of Baht 18 million, thus, the remaining annual dividend payment amount of Baht 27 million at Baht 0.30 per share will be paid on May 10, 2012.

2) Pay by shares dividend of the Company for amount not exceed Baht 4.50 million or at Baht 0.05 per share in the ratio of 20 existing shares per 1 share dividend (in case the indivisible shares less than 20 shares, the dividend will be paid by cash at Baht 0.05 per share).

18.2 Issue the ESOP-warrants for 4.50 million units at the exercised ratio of 1 unit of warrant per 1 ordinary share at the price of Baht 5.72 each. The exercise period is 3 years from the date of issuance and offering (in the 1st and 2nd year can be exercised right not exceed 30% and the remaining can be exercised in the 3rd year).

18.3 Decrease the registered shares capital from Baht 100 million to Baht 90 million by deducting unissued 10 million shares at par value of Baht 1 each, the Company has registered the decrease share capital with the Ministry of Commerce on April 24, 2012.

18.4 Increase the registered share capital for reserve the shares dividend payment and the exercised ESOP-warrants from Baht 90 million to Baht 99 million by issuing 9 million ordinary shares at par value of Baht 1 each, the Company has registered the increase share capital with the Ministry of Commerce on April 25, 2012.

## **19. INTERIM FINANCIAL STATEMENTS APPROVAL**

These interim financial statements were approved and authorized for issue by the Board of directors of the Company on May 11, 2012.