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DIMET

บริษัท ไดเมท (สยาม) จำกัด (มหาชน)
DIMET (Siam) Public Company Limited

รายงานประจำปี 2554

(สิ้นสุดวันที่ 30 มิถุนายน 2554)

Annual Report 2011

(For the year ended June 30, 2011)



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Financial summary

Financial items	2009 (ended 30 June 2009)	2010 (ended 30 June 2010)	2011 (ended 30 June 2011)
Income statement (Baht million)			
Sales revenue	286.32	288.86	359.89
Total revenue	288.36	290.36	362.09
Gross profits (losses)	74.13	83.38	83.34
Profits (losses) before interest and tax	9.41	7.86	(12.37)
Net profits (losses)	6.43	5.61	(12.55)
Balance sheet (Baht million)			
Total assets	214.05	249.09	259.90
Total liabilities	72.41	104.54	129.07
Shareholders' equity	141.64	144.55	129.66
Financial ratio (%)			
Gross profit margin	25.89	28.87	23.16
Net profit margin	2.23	1.93	-3.47
Return on equity	4.62	3.92	-9.16
Return on assets	2.96	2.42	-4.93
Debt to equity ratio	0.51	0.72	1.00
Per share performance (Baht)			
Earnings (losses) per share	0.04	0.03	(0.07)
Book value per share	0.79	0.80	0.72

Remark: - * Calculated using weighted average common shares

General Information

Company's name	Dimet (Siam) Public Company Limited
Company's registrar number	0105525004339
Business characteristics	Produce and sell high performance protective coating, which is used in petrochemical plant, oil refinery, power plant, off-shore platform in the Gulf of Thailand to prevent corrosion, architectural coating, timber finishes for furniture factories, industrial coating such as coating gas tank.
Office and plant location	602 Moo2, Bangpu Industrial Estates, Soi1, Sukhumvit Road, Tambol Bangpu Mai, Muang District, Samutprakarn Province
Office and plant phone no.	0-2323-2800-6
Office and plant fax no.	0-2323-2807
Website	www.dimetsiam.com
Registered capital :	Baht 90,000,000
Issued and paid up capital	Baht 90,000,000
Type of securities	Common stocks
Stock ticker	DIMET
Investor relation	Please contact Mr. Suraphol Rujikarnchana, Tel: 0-2323-2800 e-mail : rsuraphol@dimetsiam.com
Reference person	
Stock registrar	Thailand Securities Depository Company Limited Equity Institute Building, 2 nd floor, 2/7 Moo4 (Northpark Project), Vibhavadi Rangsit Road, Tungsonghong Sub-District, Laksi District Bangkok 10210 Tel: 0-2596-9000 Fax 0-2832-4994-5
Certified public accountant	Ms. Nongram Laohaareedilok, the certified public accountant no. 4334 of AST Master Co., Ltd. 790/12 Thonglor Tower, Soi Thonglor 18, Sukhumvit 55 Road, Klongton Nua Sub-District, Wattana District, Bangkok 10110 Tel: 0-2714-8842-3, 0-2381-8016-7 Fax: 0-2381-5716
Financial advisor	Asset Pro Management Company Limited 999/9 The Offices at CentralWorld, 10 th Floor, Room 1011-1012, Rama I Road, Patumwan Sub-District, Patumwan District Bangkok 10330 Tel: 0-2264-5678 Fax: 0-2264-5679

Business Characteristics

Dimet (Siam) Public Company Limited was founded on 9 February 1982 to produce and sell high performance protective coating for industrial and steel structure for various construction projects, such as petrochemical plant, refinery, power plant, oil and gas platform in the Gulf of Thailand, as well as automotive refinishes, timber finishes, industrial coating and architectural coating.

- 2005
 - DIMET increased capital from Baht 6,500,000 to Baht 20,000,000 by issuing common shares for existing shareholders
 - DIMET invested in Suncoat (Thailand) company limited, a registered Thai company who is in the business of manufacture and trading heat resistance paints for automobile and electrical parts industry.
- 2006
 - DIMET invested in Asian Corrosion Control Trading Limited, by buying 99.96% of registered fund in order to facilitate own network
 - DIMET increased full paid registered capital from Baht 20,000,000 to Baht 60,000,000 by issuing common share and selling to existing shareholders.
 - DIMET increased full paid registered capital from Baht 60,000,000 to Baht 70,000,000 by issuing common share and selling to "ONE FUND" to improve financial facilities.
- 2007
 - DIMET transformed from private company limited to public company limited.
 - DIMET increased registered capital from 70 Million Baht to 90 Million Baht and change par value from 100 Baht per share to 0.5 Baht per share. Hence, DIMET has total shares of 180 Million shares with 90 Million Baht registered capital. Dimet offered 40 Million shares to public at 1 Baht per share.
 - DIMET signed "Special Manufacturing Agreement" and "Distribution Agreement" with PPG (Thailand) Co., Ltd., a subsidiary of PPG Industries, Inc USA to manufacture and distribute Protective Coatings in Thailand for 3 years (24 Nov. 2007 to 23 Nov. 2010)
- 2008
 - DIMET's shares has been registered in Market of Alternative Investment (MAI) stock market and begin trading officially.
 - Signed an addendum to Special Manufacturing Agreement with PPG (Thailand) Co., Ltd to provide better service to local customers.
 - Signed "Distribution Agreement for BILUX Auto Refinishes" with PPG (Thailand) Co., Ltd, for 3 years, effective from April 1st, 2008 to March 31st, 2011.
- 2009
 - Expanded laboratory at third floor of existing main building and built raw material warehouse to improve safety and efficiency.
 - Built 4 Solvent storage tanks of 15,000 L. each to improve efficiency and costing.
- 2010
 - Develop and modify production area and warehouse to serve increment of production capacity for Architectural Coatings and Industrial Coatings in the near future.
 - Has increased registered capital in ACCT from 2 Million Baht to 4 Million Baht, which DIMET has 99.98% in ACCT.
 - DIMET and ACCT were appointed to be an exclusive agent from Wilson Taylor Asia Pacific Pte Ltd of Singapore to expand of Cathodic Protection business in Oil and Gas Industries in Thailand.

- 2011
- Dimet appointed more dealers in provinces such as Chiangmai, Chiangrai, Samui - Suratthani, Phuket, Hua Hin – Prachubkirkhan, Chumporn and Ratchaburi, etc.
 - Expand Cathodic Protection business in ACCT.
 - Develop and modify production area.
 - Open Paint Showroom in Dimet factory for serving factories in Bangpoo Industrial Estates.

DIMET holds 10% or more in following companies as at 30 June, 2010

1. Asian Corrosion Control Trading Ltd. (ACCT)

Registered on March 28, 1988 as a trading arm for DIMET, to subcontract painting work for some clients, and to do Cathodic Protection business for immersed and submerged steel structure. DIMET has 99.98% of ACCT's registered Capital of 4 Million Baht by issuing 39,482 common shares and 510 preferred shares at 100 Baht per share.

2. Suncoat (Thailand) Co., Ltd. (Suncoat)

Registered on October 10, 2005 as a trading firm to expand business of heat resistance paint for automotive, motorcycle, parts, electrical appliances to almost Japanese Companies. DIMET had 10% of SUNCOAT's registered capital of 3 Million Baht by issuing 30,000 common shares at 100 Baht per share.

3. Solid Construction Co., Ltd. (Solid)

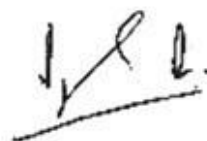
Registered on August 23, 1989 as a construction company. Solid has full paid registered capital 6,000,000 Baht by issuing 600 common shares at 10,000 Baht per share. Mrs. Achara Momin, who is director, executive director, and authorized director of the Company, has 57% stake in SOLID.

Message from Chairman

We finalize our financial year 2010/2011 with total sales revenue of about 360 Million Baht, an increase 24.6 %, compared to last year. Unfortunately, we had disappointed loss 3.5 % on total sales, due to following reasons:

1. Cost of sales increased 34.6 % because of raw materials' surge, alongside with Oil and Petrochemicals prices increment. Whereas we cannot raise selling prices under the tough market competition.
2. Selling expenses increased 33.2 % due to the efforts to expand market base for decorative paint and others.
3. An increase of outstanding debt accrues of 28.4 %, due to long time bad debts, which were pursued continuously, but not succeeded. Some of these outstanding debts were filed in court to pursue further payment.

For next financial year, July 1, 2011 to June 30, 2012, we are convinced that our sales revenue will be better, and make profit. This is due our past year investment in establishing our brand awareness. Nevertheless, the uncertain factors are economic situation of Thailand and the World, which will have significant impact to our bottom line.



(Mr. Suraphol Rujikarnchana)

Chairman

Business Characteristics

Dimet (Siam) Public Company Limited produce and sell high performance protective coating for industrial and steel structure for various construction projects, such as petrochemical plant, refinery, power plant, oil and gas platform in the Gulf of Thailand, as well as timber finishes, architectural coating, industrial coating such as coating gas tank. At present, the Company manufactures and distributes 4 major product lines, whose each product line's characteristics can be summarized as followed.

1. Protective Coating

Protective coating used for steel structure to prevent corrosion from internal and external environments (such as UV, sea atmosphere, industrial environment, etc.) and chemical. Moreover, the coating could maintain its appearance in industrial usage for long-lasting usage life. According to industrial classification, protective coatings are comprised of primer, intermediate coating and top coating. Each layer has different property as follow:

Primer	: To prevent rust and increase adhesion to steel surface such as Inorganic Zinc Primer
Intermediate	: To enhance strength of coating, such as Epoxy Coating
Top coat	: To prevent steel surface exposure to external environments (such as UV, sea environment, and chemical), such as Polyurethane Coating

2. Timber Coating

Coating used to coat timber to enhance appearance and make it more durable in actual usage. The coating is usually applied multiple layers to obtain desired characteristics, such as smoothness, glossy, resistance to washing detergent, catering foods, sauce, etc.

3. Architectural Coating

Paints used for building, home, hotel, or office building to offer beauty and durability from various environment factors. Architectural Coatings usually consist of primer and top coat. Some coatings are flexible, cover hairline cracks, anti-fungus both indoor and outdoor and easily cleaned. Moreover, some building coating can reflect heat to conserve energy, and others are odorless for interior painting to prevent irritation to the residents.

4. Industrial Coating

Coating is applied to various industrial products and parts. Each type of industrial coating shall have different characteristics due to specific needs for each industry.

For new invention products, Dimet continuous to register trademarks according to Thai's Law.

Revenue breakdown of the Company and subsidiaries

Income type	Ended 30 June 2009		Ended 30 June 2010		Ended 30 June 2011	
	Baht m.	%	Baht m.	%	Baht m.	%
1. Domestic sales						
1.1 Protective coating	126.81	43.98	142.83	49.19	151.20	41.76
1.2 Timber coating	78.59	27.25	71.35	24.57	73.19	20.21
1.3 Industrial coating	28.03	9.72	29.95	10.31	34.98	9.66
1.4 Architectural Coating	20.28	7.03	13.30	4.58	17.91	4.95
1.5 Others (other paints, OEM products, and service revenue)	25.54	8.86	28.09	9.68	80.57	22.25
Total domestic sales	279.25	96.84	285.52	98.33	357.85	98.83
2.Export sales	7.07	2.45	3.34	1.15	2.04	0.56
Total export sales	7.07	2.45	3.34	1.15	2.04	0.56
Total sales revenue	286.32	99.29	288.86	99.48	359.89	99.39
Other incomes	2.04	0.71	1.51	0.52	2.20	0.61
Total revenue	288.36	100.00	290.37	100.00	362.09	100.00

Remark: - Other incomes include sales commission, rental incomes and interest receive.

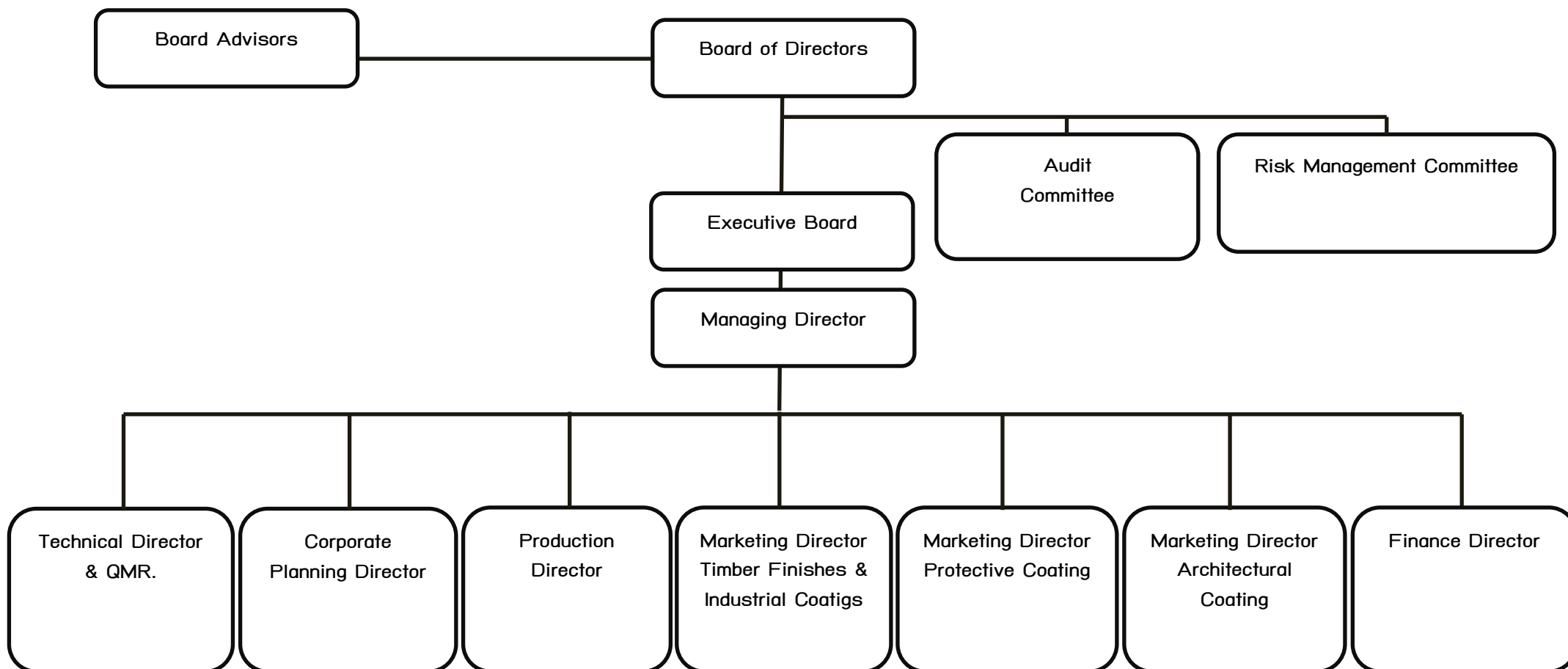
Shareholders' Structure

Shareholders: As of 30 June 2010, the Company has following shareholders as follow:

LIST OF TOP 12 SHARE HOLDERS.

Name	Number of Shares	% Shares
1. Mr. Suraphol Rujikarnchana	21,845,400	12.14
2. Mrs. Saovaluck Chokearpornchai	20,145,400	11.19
3. Mrs. Achara Momin	19,101,000	10.61
4. Miss Chomporn Kamalasuddhi	9,801,200	5.45
5. Mr. Chokchai Niamratana	8,049,600	4.47
6. Miss. Vissuta Rujikarnchana	7,702,200	4.28
7. Mr. Tansith Rujikarnchana	7,534,800	4.19
8. Miss Sayomporn Buapoom	6,759,800	3.76
9. Mr. Chatchaval Asavakanoksilp	6,500,600	3.61
10. Mr. Amnat Su-Uthai	5,360,000	2.98
11. Other	67,200,000	37.33
Total	180,000,000	100.00

Corporates' Structure



Board of Directors: As of 30 June 2011, the Board of Directors comprised of 10 Director by having Dr.Pisit Leeahtam as Advisor to the Board of Directors.

LIST OF THE BOARD OF DIRECTORS.

No	Name	Position
1.	Mr. Suraphol Rujikarnchana	President
2.	Mrs. Saovaluck Chokearpornchai	Vice President
3.	Mrs. Achara Momin	Director
4.	Mr. Chokchai Niamratana	Director
5.	Mr. Chatchaval Asavakanoksilp	Director
6.	Miss Sayompporn Buapoom	Director
7.	Dr. Vudichai Neeranartvong	Independent Director
8	Prof.Dr. Lieutenant Achara Chandrachai	Independent Director & Chairman of Audit Committee
9.	Mr. Tumnong Dasri	Independent Director & Director of Audit Committee
10.	Mr. Krairit Boonyakiat	Independent Director & Director of Audit Committee

- Remark
- The Audit Committee with accounting and finance specialization is Prof. Dr. Lieutenant Achara Chandrachai
 - Mr. Jarintorn Udompipat acted as Board Secretary and Company Secretary
 - Mr. Amnat Su-Uthai resigned from Director, Authorized Director and Board of Director since February 11, 2011 (remain as company management)

Authorized directors

Mr. Suraphol Rujikarnchana, Mrs. Saovaluck Chokearpornchai, Mrs.Achara Momin, and Ms. Sayomporn Buapoom, with 2 of the above four directors co-sign with the Company's official stamp.

Scope of responsibilities of the Board of Directors

1. The Board of Directors must act according to the law, objectives, and resolution of the shareholders with integrity and prudence to maintain the Company's benefit.
2. The Board of Directors has duties to approve the Company's goals, guidelines, policies, plan and budget and to oversee the management or anyone who has been delegated with the works to ensure that they act according to the policy determined by the Board of Directors.
3. The Board of Directors has authority to appoint some directors to be Executive Board, sub-committee and/or other board advisor as appropriate to do certain or many tasks.
4. The Board of Directors has authority to appoint Executive Board, determine the authority and responsibilities of the Executive Board as deem appropriate according to the law or if this regulations determine that it is authority of the shareholders.

5. The Board of Directors must manage to the best interest of the shareholders, ensure that there is information disclosure, and prepare according to the required conditions and standards.
6. The Board of Directors has a duty to ensure that the Company has internal audit system and efficient internal audit system by having the internal audit oversee the audit system and work with the Audit Committee.
7. The Board of Directors has a duty to prepare financial statements and provide accounting auditors to audit and/or review the financial statement before presenting to the shareholders.
8. Any of the following proceedings by the Board of Directors, the Board must receive shareholders' resolution with the vote of no less than three-quarter (3/4) of the participated shareholders who are eligible to vote.
 - A. Sell or transfer all or crucial parts of business to other party.
 - B. Acquire or receive other company or public company to be part of the Company.
 - C. Create, amend, or cancel contracts about renting all or crucial parts of business, assigning other person to manage the Company, or to form joint venture to share profit or loss with other person.
 - D. Add or amend the Company memorandum of association or regulations.
 - E. Increase or decrease the Company's registered capital.
 - F. Terminate the Company.
 - G. Issue the Company's bond.
 - H. Merge with other company.

In all, any director who has conflict of interests with the Company or subsidiary does not have the right to vote on that particularly issue.

Moreover, the Board has obligation to oversee and ensure that the Company or subsidiary operate according to the regulations and announcement of the Stock Exchange of Thailand and law concerning Securities and Stock Exchange on connected transaction or items concerning acquisition or sales of the Company or subsidiary's assets.

Audit Committee: As of 30 June 2011, Audit Committee comprised of

LIST OF AUDIT COMMITTEE.

No	Name	Position
1.	Prof. Dr. Lieutenant Achara Chandrachai	Chairman of Audit Committee
2.	Mr. Tumnong Dasri	Director of Audit Committee
3.	Mr. Krairit Boonyakiat	Director of Audit Committee

Mr. Jarintorn Udornpipat is the Secretary to the Audit Committee

Scope of responsibilities of the Audit Committee

The Audit Committee has duties and responsibilities according to the regulations and criteria determined by the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and report directly to the Board of Directors.

1. Ensure adequate and reliable financial disclosure according to the accounting standard.
2. Ensure appropriate and effective internal control and audit system.
3. Review the Company's action to be consistent with the law concerning Securities and Stock Exchange, the regulation of the SET and relevant laws.
4. Select and appoint the Company's accounting auditor and the remuneration.
5. Accurately and adequately disclose information in case of connected transaction or any transaction that may potentially cause conflict of interest.
6. Other action as assigned by the Board and agreed by the Audit Committee.
7. Disclose the activities of Audit Committee in the Company's annual report, signed by the Chairman of the Audit Committee.

Risk Management Committee

According to Board's meeting dated February 11, 2011. The Board appointed a Risk Management Committee comprised of following:

No	Name	Position
1.	Dr. Vudichai Neeranartvong	Chairman of Risk Management Committee
2.	Mrs. Saovaluck Chokearpornchai	Risk Management Committee
3.	Mrs. Achara Momin	Risk Management Committee

Remark : Term is 2 years.

Scope of responsibilities of the Risk Management Committee

The Risk Management Committee has duties and responsibilities according to the regulations

1. Define policy and framework for company risk management . This policy will cover all types of risks; strategy, finance, operation, environment, marketing, legal and any risks which may effect company's reputation.
2. Set strategy of risk management system to comply with risk management policy and able to evaluate, monitor, and control risk at acceptable level.
3. Encourage to create cooperation in company risk management, review adequacy of the policy and risk management system including effectiveness and policy enforcement
4. Monitor and control to follow Risk Management policy and review information with relevants functions before releasing to Public.

5. Report periodically to Board of Directors for any improvement to comply with policy and defined strategies.
6. Conduct other assignment from Board of Directors.

The risk management committee is able to hire external consultant according to Board of Directors approval.

Executive Board: As of 30 June 2011, Executive Board comprised of

LIST OF EXECUTIVE BOARD

No	Name	Position
1.	Mr. Suraphol Rujikarnchana	President
2.	Mrs. Saovaluck Chokearpornchai	Vice President
3.	Mrs. Achara Momin	Director
4.	Mr. Chokchai Nimaratana	Director
5.	Mr. Chatchaval Asavakanoksilp	Director
6.	Miss Sayomporn Buapoom	Director

Remark : Mr. Amnat Su-Uthai resigned from Director, Authorized Director and Board of Director since February 11, 2011 (remain as company management)

Scope of responsibilities of the Executive Board

1. Determine the business policies and strategies
2. Plan and control operations according to the Company's policies.
3. Approve purchase, cancellation, or sales of assets, investments, and other expenses necessary to business's operation (details as shown in approval chart).
4. Determine employee's benefit according to the prevailing environment.

In all, the delegation of duties and responsibilities of the Executive Board as mentioned above will not include authorities and/or transfer of authority that he or the delegated person or related person (as defined by the Office of the SEC) has conflict of interest with the Company or subsidiary. Such items must be approved by the Board of Directors and/or the shareholders' meeting (depending on the case) to approve those transaction according to the Company or subsidiary's regulations or relevant laws.

Managements: As of 30 June 2011, managements comprised of

LIST OF COMPANY MANAGEMENT.

No	Name	Position
1.	Mr. Suraphol Rujikarnchana	Managing Director
2.	Mrs. Saovaluck Chokearpornchai	Technical Director
3.	Mrs. Achara Momin	Corporate Planning Director
4.	Miss Sayomporn Buapoom	Finance Director
5.	Mr. Amnat Su-Uthai	Production Director
6.	Mr. Chokchai Niamratana	Sales & Marketing Director Timber Finishes & Industrial Coatings
7.	Mr. Chatchaval Asavakanoksilp	Sales & Marketing Director Protective Coatings

Scope of responsibilities of the managing director

1. Propose management guideline to the Board of Directors for consideration.
2. Plan and control operation according to the policies stipulated by the Board of Directors and Executive Board.
3. Determine authorities and responsibilities of the top management.
4. Summarize operational result and propose to the Board of Directors and Executive Board.
5. Has authority to approve purchase, cancellation, or sales of assets, investments, and other expenses necessary to business's operation (details as shown in approval chart).
6. Has authority to hire, appoint, terminate, determine salary, reward, salary, remuneration, and bonus for employees at all level according to remuneration policy.

In all, the delegation of duties and responsibilities of the managing director as mentioned above will not include authorities and/or transfer of authority that he or the delegated person or related person (as defined by the Office of the SEC) has conflict of interest with the Company or subsidiary. Such items must be approved by the Board of Directors and/or the shareholders' meeting (depending on the case) to approve those transaction according to the Company or subsidiary's regulations or relevant laws.

Components and selection of the Board of Directors

The Company does not have selection committee. The person who is appointed to the managing director and management must fulfill the section 68 of the Public Company Limited Act B.E. 2535 and according to the SEC's announcement no. 12/2543. None of the Company's directors and management has criminal record in the last 10 years, is judged bankruptcy, found to be cheating or violating laws concerning Securities and Securities Exchange, and free of any charge or lawsuit during trial. The 4 independent directors must be experienced personnel and outsiders, and must not hold more than 5% of total outstanding shares of the Company to be deemed independent enough to protect minority shareholders' interest.

Criteria and selection of directors

1. The Company's Board of Directors shall comprise of at least five (5) directors with no less than half of directors must reside in the kingdom. The Company's directors must have characteristics according to the law. Director may be the Company's shareholder.
2. The shareholders' meeting will appoint directors with following criteria and procedures.
 - 2.1 Each shareholder shall have a vote (1) per share (1).
 - 2.2 Each shareholder shall exercise all the voting right according to the item 2.1 to select one or many candidates as directors. In case of selecting many directors, the shareholders cannot split vote unevenly among the candidates.
 - 2.3 The person who receives highest numbers of vote shall be elected as the Company directors in order down to the vacant positions in such selection. In case there are candidates who have equal votes exceed the number of vacant positions, the Chairman of the meeting shall have the final vote.
3. During the general ordinary shareholders' meeting, a-third (1/3) of the Board will retire by rotation. If the numbers of the Board cannot be divided by three, use the numbers closest to a-third. The directors retired this way may be re-elected back to the post. The directors with longest serving duration shall be retired from the positions.
4. The director may resign from the position by submitting resignation letter. The resignation will be in effect from the date the resignation letter reaches the Company.
5. The shareholders meeting may vote any director out of the position prior to the retirement by rotation by using at least three-quarter (3/4) of the participated shareholders who are eligible to vote, and all the shares must be more than half of the participated shareholders who are eligible to vote.
6. In case the directorship position become vacant by reason than retire by rotation, the remaining Board of Directors shall appoint person with characteristics and without any prohibited characteristics stipulated by the law concerning public company limited or securities and securities exchange to fill the vacant director position with at least three-quarter (3/4) vote of the remaining directors unless the term of the previous director is less than two (2) months. The new director selected by this method will remain director according to the remaining term of the previous directors.
7. The Board of Directors shall select one of the directors to be the Chairman of the Board. When appropriate, the Board may choose one or many directors as vice-chairman. Vice chairman has duties according to the regulation as assigned by the Chairman.

Criteria and selection of the Audit Committee

The Company's Audit Committee must be the Company's directors who are appointed by the Board and has characteristics as determined by the Securities and Stock Exchange Act and announcement, regulation and/or rules of the SET. The Audit Committee shall comprise of at least 3 directors with at least one of them must have accounting and finance knowledge. The Audit Committee must have following characteristics concerning their independency:

- Hold less than 1% of the outstanding, votable shares in the Company, subsidiary, joint venture and related companies or juristic person that may have conflict of interest.
- Is not the employee, consultant, or authorize person of the Company, subsidiary, joint venture and related companies or juristic person that may have conflict of interest.
- Is not personally related via family tie or marriage with person that may have conflict of interest.
- Does not have business relation with the Company, subsidiary, joint venture and related companies or juristic person that may have conflict of interest in the way that it may prevent independent judgment.
- Does not have any other characteristics that may prohibit independent judgment concerning the Company's operation.

Criteria and selection of the Risk Management Committee

1. Risk management committed should comprise of at least board of directors and at least of one of the committee has to be independent directors.
2. Risk management committee selects independent director to be the chairman of the committee.
3. Committee sets up a meeting twice a year.
4. Committee will consider as complete at least two of the committee attend the meeting. One of the meeting would act as chairman.
5. Meeting agenda with supported documents would be provided to committee prior to meeting by secretary of board of directors.
6. Committee could invite related company management as see appropriate.
7. When required consensus, each committee has one vote, in case of draw, chairman could decide and his decision is final.

Criteria and selection of the Executive Board

The Board of Directors proposes the Executive Board by choosing from directors and/or managements as appropriate. The Board shall determine a member of the Executive Board to be managing director.

Directors and management's remuneration

1) Monetary remuneration

(a) Directors' remuneration

Name of Director and Management	Meeting Allowance (Baht)
Directors Meeting Allowance	
President	7,000
Vice President	6,000
Director	5,000
Independent Director	10,000
Advisor to the Board of Directors	10,000

Director of Audit Committee Allowance	
Chairman of Audit Committee	5,000
Director of Audit Committee	3,000
Director of Risk Management Committee Allowance	
Chairman of Risk Management Committee	5,000
Director of Risk Management Committee	3,000
Director's Annual Remuneration.	
Chairman of Audit Committee and Independent Director	66,000
Director of Audit Committee and Independent Director	55,000
Independent Director	55,000
Advisor to the Board of Directors	55,000

Directors' remuneration	2009 accounting year (1 July 08 - 30 June 09)		2010 accounting year (1 July 09 - 30 June 10)		2011 accounting year (1 July 10 - 30 June 11)	
	Amount (person)	Amount (Baht)	Amount (person)	Amount (Baht)	Amount (person)	Amount (Baht)
Meeting allowance	12	430,000	12	456,000	12	418,000
Remuneration	12	260,000	12	260,000	12	286,000

(b) Executive and management's remuneration

Executive and management's remuneration	2009 accounting year (1 July 08 - 30 June 09)		2010 accounting year (1 July 09 - 30 June 10)		2011 accounting year (1 July 10 - 30 June 11)	
	Amount (person)	Amount (Baht)	Amount (person)	Amount (Baht)	Amount (person)	Amount (Baht)
Salary	7	13,081,728	7	14,557,440	7	16,222,920
Bonus	7	1,124,720	7	1,560,852	7	493,965
Providence fund	7	1,116,016	7	1,169,424	7	1,236,000
Total		15,322,464		17,287,716		17,952,885

Director and Management's Profile

No.	Name/position	Age	Education	Relationship with management	Share-holding (%)	Work experience in the last 5 years	
						Period	Position and company
1.	Mr. Suraphol Rujikarnchana (Previous name Suraphol Kaewkitichai) Chairman of the Board Authorized director Board of Director Managing director	59	<u>Bachelor degree</u> Engineering, Chemical Engineering, Chulalongkorn University <u>Diploma</u> Director Certification Program No. 77/2006 Thai Institute of Directors	-	12.14	2002 - present	Chairman of the Board Managing director Dimet (Siam) Pcl. Member of Thai-Australia Chamber of Commerce
2.	Mrs. Saovaluck Chokearpornchai (Previous name Saovaluck Jiaranaidilok) Vice Chairman Authorized director Executive board Director in Technique and Efficiency Management	52	<u>Bachelor degree</u> Science, Chemical Major Chiangmai University <u>Diploma</u> Director Certification Program No. 82/2007 Thai Institute of Directors	-	11.19	2002 - present 1989 - Present	Technical Director Dimet (Siam) Pcl. Director, Thai Paint Association
3.	Mrs. Achara Momin (Previous name Achara Panichanon) Director Authorized director Executive board Director in Planning	47	<u>Bachelor degree</u> Economic, Economic Thammasat University <u>Master degree</u> MBA, Asian Institution of Technology (AIT) <u>Diploma</u> Director Certification Program No. 77/2006 Thai Institute of Directors	-	10.61	2002 – present	Corporate Planning Director Dimet (Siam) Pcl.
4.	Miss Sayomporn Buapoom Director Executive board Authorized director Director in Accounting and Finance	44	<u>Bachelor degree</u> Commerce and Accountancy Thammasat University <u>Master degree</u> Commerce and Accountancy Chulalongkorn University <u>Diploma</u> <ul style="list-style-type: none"> ▪ Accounting certificate Thammasat University ▪ Chief Financial Officer Certification Program No. 7/2007 Accounting Profession Institute ▪ Director Certification Program No. 88/2007 Thai Institute of Directors 	-	3.76	2002 - present	Finance Director Dimet (Siam) Pcl.

No.	Name/position	Age	Education	Relationship with management	Share-holding (%)	Work experience in the last 5 years	
						Period	Position and company
5.	Mr. Chokchai Niamratana Director Executive board Director in Marketing, Timber Coating and Industrial Paint	47	<u>Bachelor degree</u> Engineering, Industrial Chiangmai University <u>Diploma</u> Director Certification Program No. 82/2007 Thai Institute of Directors	-	4.47	2002 - present	Sales & Marketing Director Timber Coating and Industrial Paint Dimet (Siam) Pcl.
6.	Mr. Chatchaval Asavakanoksilp Director Executive board Director in Marketing, Protective Coating, and Marine Coating	51	<u>Bachelor degree</u> Engineering, Steel Engineering, Chulalongkorn University <u>Master degree</u> Commerce and Accountancy, MBA, Thammasat University <u>Diploma</u> Director Certification Program No. 88/2007 Thai Institute of Directors	-	3.61	2002 - present	Sales & Marketing Director Protective Coating, Dimet (Siam) Pcl.
7.	Dr. Vudichai Neeranartvong Independent director	60	<u>Bachelor degree</u> Mechanical Engineering Chulalongkorn University <u>Doctorate degree</u> Chemical Engineering Institut du Genie Chimique, France	-	-	2007 - present Present 2003 - 2004	Independent director Dimet (Siam) Pcl. - Consultant, M&E Co., Ltd. - Chairman of Audit Committee, Pan Asia Footware Pcl. - Chairman, Lemon Farm Co-op
8.	Professor Dr. Lieutenant Achara Chandrachai (<u>Previous name</u> Achara Tri- Ukot) Independent director Chairman of the Audit Committee	63	<u>Bachelor degree</u> Commerce and Accountancy Chulalongkorn University <u>Master degree</u> Master of Business Administration (2 nd honor roll) National Institute of Development Administration <u>Doctorate degree</u> Ph.D. (Quantitative Business Analysis) <u>Diploma</u> Director Certification Program No. 45/2004 Thai Institute of Directors	-	-	2007 - Present Present	- Independent director and Chairman of the Audit Committee Dimet (Siam) Pcl. - Professor for Technopreneur and Innovation Management Course, Chulalongkorn University - Independent director and Chairman of the Audit committee, Internet Thailand Pcl. - Independent director and Chairman of audit committee, Krungthai Securities Pcl. - Independent director and Audit committee, Pan Rajthwee Group Pcl. - Manager, I-Mate Foundation Project Thailand Co., Ltd. - Independent director and Chairman of the Audit committee, Union Textile PCL.

No.	Name/position	Age	Education	Relationship with management	Share-holding (%)	Work experience in the last 5 years	
						Period	Position and company
9.	Mr. Tumnong Dasri Independent director Audit Committee	65	<u>Bachelor degree</u> ■ Economic (honor roll) (English) ■ Thammasat University ■ BBA (General management) Sukhothai University <u>Master degree</u> ■ Master in Economic (English) Thammasat University <u>Diploma</u> ■ The Intensive Management Program Graduate School of Business Administration Harvard University (An Executive Program designed for the Bank of Thailand) ■ Accredited LEADR Mediator (Thailand), National Dispute Centre, Australia) ■ Director Certification Program No. 25/2002 Thai Institute of Directors ■ Tour Guide Diploma, Chulalongkorn University and Tourism Authority of Thailand	-	-	2007 - Present Present	- Independent director and Audit committee, Dimet (Siam) Pcl. - Consultant of Dean of Economic Faculty, Chiangmai University -Director of Association of Provident Fund -Consultant of Farmers' Reconstruction and Development Fund. -Member of Sub-committee to solve labour dispute in electronic industries, Ministry of Labour - Honorary consultant, Senate Sub-committee in Transport - Special lecturer, Economic Faculty, Chulalongkorn University -Special lecture, Management Sciences Faculty, Khonkaen University - Special lecture, Management Science, Ubonratchathani University.
10.	Mr. Krairit Boonyakiat Independent director Audit Committee	66	<u>Bachelor degree</u> Bachelor of Science (honor roll) Chulalongkorn University <u>Master degree</u> MBA Massachusetts Institute of Technology : USA <u>Diploma</u> - Post Graduate Diploma in International Trade, Management Institute of United Nation, Italy - Director Certification Program No. 0/2000 Thai Institute of Directors	-	-	2007 - Present Present	- Audit committee, Dimet (Siam) Pcl. - Audit committee, Pan Rajthwee Group Pcl. - Audit committee, Pack Food CL. - Consultant, Marketing Association of Thailand - Honorary committee, Silpakorn University Institute - Professor Emeritus, Commerce and Accountanc, Chulalongkorn University

No.	Name/position	Age	Education	Relationship with management	Share-holding (%)	Work experience in the last 5 years	
						Period	Position and company
11.	Mr. Amnat Su-Uthai Director in Production	49	<u>Bachelor degree Engineering.</u> <u>Chemical Engineering.</u> <u>King Mongkut Thonburi University</u> <u>Bachelor degree Law</u> <u>Thammasat University</u> <u>Diploma</u> <u>Director Certification Program</u> <u>No. 84/2007 Thai Institute of Directors</u>	-	2.98	2002 - present	Production Director Dimet (Siam) Pcl.

Details of directors of subsidiary

Name	Company	Company Subsidiary (ACCT)
1. Mr. Suraphol Rujikarnchana	X, //, ///, @	X, @
2. Mrs. Saovaluck Chokearpornchai	/, //, ///, @	/, @
3. Mrs. Achara Momin	/, //, ///, @	/, @
4. Miss Sayomporn Buapoom	/, //, ///, @	/, @
5. Mr. Chokchai Niamratana	/, //, ///	/
6. Mr. Chatchaval Asavakanoksilp	/, //, ///	-
7. Dr. Vudichai Neeranartvong	/	-
8. Professor Dr. Lieutenant Achara Chandrachai	/	-
9. Mr. Tumnong Dasri	/	-
10. Mr. Krairit Boonyakiat	/	-
11. Mr. Amnat Su-Uthai	///	/, @

Remark:

ACCT is Asian Corrosion Control Trading Company Limited

X means Chairman

/ means Director

// means Executive director

/// means Management

@ means Authorized director

Corporate Governance

In the past, the Company has practiced according to the good corporate governance guideline as follow

Part 1 : Rights of Shareholders

The Company is well-aware of the basic rights of the shareholders, both in term of the owner of the Company and the investors in the securities. Those rights include, the right to buy, sell, or transfer the securities, right to receive adequate information disclosure, right to receive profit shares from the Company's operation, right to participate in the shareholders' meeting, right to give opinion, right to co-make important decision of the Company, such as dividend allocation, appoint or terminate directors, appoint accounting auditor, and other transaction that is crucial to business operation, etc. Other than the rights mentioned above, the Company also does the following to facilitate the shareholders to exercise their right.

1. The Company will arrange general ordinary shareholders' meeting every year within 4 months after the last date of each accounting year. The Company will send meeting invitation and relevant information concerning every agenda to shareholders at least 7 days prior to the meeting. The Company will also publish the invitation in the newspaper for 3 consecutive days prior to the meeting. Each agenda will be commented by the Board of Directors.
2. In case that the shareholder cannot participate in the meeting by self, the Company allow the shareholders to appoint independent directors or other person as a proxy to attend the meeting by using any of the attached proxy form that was sent with the invitation letter. The Company will choose the venue with convenient transportation at appropriate date and time.
3. In the meeting, the Company will allow the shareholders to independently and equally raise question, make suggestion or present any comment on different agenda. The Company's directors and relevant managements will be there to answer questions raised in the meeting.
4. After the shareholders' meeting is over, the Company will notify the resolutions to the Stock Exchange of Thailand (SET) before the stock exchange could open in the next session. The Company will record meeting minutes with accurate and complete meeting information, details of the participating directors, vote counts of every agenda, important and interest question or comment raised in the meeting. The minute will be sent to the SET within 14 days after the shareholders' meeting.

Part 2: Equitable Treatment of Shareholders

Other than the shareholders' meeting as mentioned above, the Company also has a policy to treat every shareholder on equitable basis. During every shareholders' meeting, the Company will give every shareholders equal opportunity to vote according to the numbers of shares the shareholders own, which is one share equal to one vote. In case that the shareholder cannot participate in the meeting by self, the Company

allow the shareholders to appoint independent directors or other person as a proxy to attend the meeting by using any of the attached proxy form that was sent with the invitation letter.

Moreover, the Company has a policy to strictly deal with internal insider's information, which shall only be known by the relevant persons. Every director and management is well aware of duties and responsibilities for the insider's information and will not use it for personal gain or personal trading. The Company has determined measure in case of any violation. The Company determined that management report any changes in shareholdings to the Office of the SEC and the SET according to the section 59 of the Securities and Securities Exchange act B.E. 2535.

Part 3: Roles of Stakeholders

The Company respects the rights of all stakeholders, whether the internal stakeholders, such as employees and management, or external stakeholders, such as competitors, trade partners and customers. The Company value support and suggestion from every stakeholder and believe that it will be invaluable to develop and improve the Company operations. The Company will comply with the relevant law and regulation to preserve the right of every stakeholder. The Company respect right of every stakeholder by doing the following:

Employee	:	Treat employee on equitable basis and remunerate them accordingly.
Customers	:	Care and responsible for customers, in term of high quality product, during and after sales service and keep customers' secrets.
Share Holders	:	The Annual General Meeting for 2010 which was held on October 20, 2010, had total shareholders 65 persons. There was not any additional topics, requested by shareholders in advance, either by website of the company or website of MAI. All share holders, presented in meeting, had voted all topics without any dispute. All questions from individual share holders were answered by the Management of the company.
Competitors	:	Behave according to the fair competition practices; avoid dishonest means to sabotage competitors.
Supplier	:	Buy goods and services from supplier according to fair trade condition and keep promise with them.
Community and Society:		Responsible to community and society with environmental friendly concept and policy to protect environment. There is no issue regarding to environmental claim from any party in the past up to present.
Fiancial Institute :		Treat all Financial Institutes with fair deals, good relationship, trust, and honour to every signed contractors.

Part 4: Disclosure and Transparency

The Company aware of the importance of accurate, complete, and transparent information disclosure, both in financial and general information according to the requirement of the Office of the SEC and the SET, as well as the crucial information that may affect share prices, which could affect decision making of the investors and stakeholder of the Company. The Company discloses information to the shareholders, investors and public through various channels of the Office of the SEC, the SET, and the Company's website www.dimetsiam.com.

The Company has not form the investor relation unit, but the Board has appointed Mr. Suraphol Rujikarnchana to communicate with the investors, shareholders, analysts and relevant persons. The interested person can contact the Company at 02-323-2800-6.

The Board of Directors is responsible for the Company's financial statements and financial information appears in the annual report. The financial reports are made according to the Thai generally accepted accounting standard (Thai GAAP). The Company selects an appropriate accounting policy that has been adopted consistently. The Company discloses adequate amount information in the financial statement. The Audit Committee will review the quality of the financial statements and internal audit system, and ensure adequate information disclosure in the notes to financial statements.

Part 5: Board Responsibilities

The Board of Directors comprised of persons with diverse sets of knowledge, skills and expertise with good leadership. The Board will take part in determining the Company's vision, mission, strategy and policy to operate business. The Board will ensure the Company's operation is consistent with legal requirement, objective, regulations and shareholders' resolution. To achieve good corporate governance standard, the Company has complied with principles and guidelines provided by the SET as follow:

1. The Principles of Good Corporate Governance

The Board understand the importance of the principles of good corporate governance by determine making it a key operating policy to ensure business transparency that can be verified. To increase investor's confidence, the Company will regularly disclose the Company's information to the public. The Company also stress on internal audit system. The Company tries to control cost very closely. The Company also considered business ethics to ensure that every stakeholder is treated fairly.

2. Leadership and vision

The Board has responsibilities to ensure good corporate governance in the following issues

- Determine vision, mission, objective, business plan and budget of the Company.
- Regularly oversee and follow up the operation of the management to ensure that the goals are achieved.

- Ensure adequate internal audit system. The Company's accounting auditor, AST Master Company Limited, also evaluated and reviewed the Company's internal audit during the annual audit and did not found significant weakness and flaws in the system.
- Ensure that there is adequate risk management measure and followed up regularly for the Company's best interest.

3. Conflict of interest

To prevent conflict of interest, the Board will carefully evaluate any transaction that may cause conflict of interest. The Board will determine policies and measures to prevent management and relevant persons to use the Company's insider's information for personal gain. In order to proceed with the transaction that may risk conflict of interest, the Board's approval must be obtained with consent from the Audit Committee. In all the connected transaction must consider the Company's best interest, must be done with fairness and rationale with transaction occurred at market price. Moreover, the related person who may have conflict of interest in such transaction shall not take part in the approval of such transaction to ensure fairness and greatest benefit of the Company. If the connected transaction that relates to the SET's regulation, announcement, order and rule, the Company shall comply with the regulations of the SET. Moreover, the Company will determine the guideline to prevent the usage of insider's information by limiting the disclosure of the insider's information to only those who responsible. Every director and management is well aware of the duties and responsibilities toward insider's information and will not use it for personal gain or personal trading. The Company also stipulates punishment measure for violation.

4. Business ethics

The Company is preparing code of ethics of the Board, management and employees to ensure that the related persons shall take the ethic code as a guideline to perform his own duties and responsibilities with loyalty, integrity, just and responsibility towards stakeholder, shareholders and related parties. The code of ethics shall also indicate punish in an event of violation.

5. Balancing of power of non-executive directors

The Company has 3 independent directors who are audit committees and another independent directors, making 4 independent directors altogether from a total of 11 directors in the Board, which is more than a-third (1/3) of the total numbers of Board members and should help balancing power of executive directors.

6. Directors and management's remuneration

The Company determine remuneration for directors to benchmark the similar companies in the same industry and suitable for assigned duties and responsibilities to be able to retain desired directors. The directors' remuneration is in accordance with the guideline and policy determined by the Board, which linked to the Company and individual's performance.

7. Board meeting

The Company determined that there must be at least a Board meeting every 3 month and meet more as necessary. The meeting agendas will be clearly indicated prior to the meeting with a regular agenda to follow-up on the progress of the Company. The meeting invitation and relevant documents will be sent to directors at least 7 days prior to the meeting so the Board can have enough time to study relevant information prior to the meeting. The meeting statistics are as followed:

No	Name of Director	Number of Meetings Atended / Number of Meetings Held	
		2010 accounting year (1 July 09 - 30 June 10)	2011 accounting year (1 July 10 - 30 June 11)
1.	Mr. Suraphol Rujikarnchana	4/4 Meeting	5/5 Meeting
2.	Mrs. Saovaluck Chokearpornchai	4/4 Meeting	4/5 Meeting
3.	Mrs. Achara Momin	4/4 Meeting	5/5 Meeting
4.	Mr. Amnat Su-Uthai	4/4 Meeting	2/2 Meeting
5.	Mr. Chokchai Niamratana	4/4 Meeting	5/5 Meeting
6.	Mr. Chatchaval Asavakanoksilp	4/4 Meeting	5/5 Meeting
7.	Miss Sayomporn Buapoom	4/4 Meeting	5/5 Meeting
8.	Dr. Vudichai Neeranartvong	4/4 Meeting	5/5 Meeting
9.	Professor Dr. Lieutenant Achara Chandrachai	4/4 Meeting	5/5 Meeting
10.	Mr. Tumnong Dasri	4/4 Meeting	5/5 Meeting
11.	Mr. Krairit Boonyakiat	3/4 Meeting	5/5 Meeting

Remark : Mr. Amnat Su-Uthai resigned from Director, Authorized Director and Board of Director since February 11, 2011 (remain as comany management)

8. Sub committees

The extraordinary shareholders' meeting no. 2/2550 resolved to appoint 3 audit committees and an independent director on 17 October 2007. They have serving tenure of 2 years to oversee the Company's business. As of February 11, 2011, 3 risk management committee members were appointed and stay in member for 2 year per term. These two committees will manage as per company description for audit and risk management policy and guidelines in clause 1.8 structure for management. Audit committee will meet once every quarter and will conduct special meeting as required, for risk management committee will meet twice annually.

9. Internal audit system

The Company gives importance to the Company's internal audit system in all levels from management to operational to enhance efficiency. So the Company indicate clearly in written as the Company's policy to control the Company's assets, and divided responsibilities among operators, follow-up person, controller and evaluator to ensure appropriate level of check and balance. Moreover, the Company's financial system is controlled by forming financial reporting system to each responsible head of respective

department. Moreover, AST Master Company Limited, who is accounting auditor, also evaluate and review internal audit system during the annual accounting audit, yet did not find any significant weakness or flaw in the internal audit system.

10. The Board reports

The Board will be responsible for the major business transaction and corporate governance, financial statement of the Company and subsidiary, and public information disclosure in the annual information disclosure form and annual report. The financial statement shall be prepared according to Thailand generally accepted accounting principles. The Board shall select appropriate accounting policies and practice them on continual basis. The Company will prudently exercise judgment and forecast estimates. The Board will ensure adequate information disclosure in the note attached to financial statement.

The Board of Directors shall maintain appropriate level of internal audit system to ensure that the accounting record are accurate, complete and adequate enough to maintain the Company's assets and point out weakness to prevent any significant fraud or abnormality.

In regard to this issue, the Board has appointed the Audit Committees, who are non-executive, independent directors. They will be responsible for the quality of financial report and internal audit system. The Audit Committee deems that the Company's internal audit system is satisfactory and thus should contribute to the degree of confidence in the Company's financial statements.

Risk Factors

1. Production risks

1.1. Risk on reliance on overseas production technology

The Company relied on production technology from 2 world-class paint manufacturer which are well-recognised by the paint industry, Wattyl and PPG.

(1) Wattyl : Wattyl grant Dimet a Manufacturing Licence for Wattyl's products since 2002 .

The latest Licences will expire on 30, June 2013.

(2) PPG : PPG made 2 agreements with Dimet to make PPG's products and distribute in Thailand. The latest agreements will expire on 30, December 2013.

More or less there are risks with these 2 principles if there were some changes in Wattyl or PPG's agreement, or both.

However, the Company has continued to research and develop protective coating and has come up with protective coatings with chemical qualities suitable for weather in Thailand. Other than paint quality, color selection and delivery capability, after-sales service also play a vital role in paint distribution business, such as to have service team to attend actual customer's site to provide accurate advice about paint choice, which enable the Company to provide prompt services for clients and make opportunity for the Company to expand market. The long track record of paint distribution in domestic market makes the Company familiar with the domestic market and creates marketing competitiveness. Due to extensive

exposure in domestic paint market, Wattyl and PPG still need the Company's marketing arm to distribute their products in domestic markets.

Moreover, the Company has established strong relationship with both companies for over 25 years. Until today, the Company continues to receive license to produce paint. The Company is ready and very experienced in producing and distributing paints under technology of the two companies. As a result, the company also builds good relationship and received trust and confidence from the paint buyers of the two global brands. Moreover, the DIMET has continuously enhanced paint quality using production technology from the two major players to come up with paint that is suitable with weather and environment in Thailand. Moreover, the Company has research and development (R&D) teams that develop new formula of paint, which the Company is registering for its own brand name, such as timber coating under the Company's own brand. These developments are mainly to reduce degree of technology dependency of the two aforementioned companies and create public acceptance and confidence in the Company's own brand. Presently, the Company's owned researched products account for 31.76 % of the Company's total sales.

1.2. Risk in raw material acquisition

The raw materials used in paint production are from both domestic and imports via local suppliers. Main raw materials are resin, pigment, solvent and additive. The Company does not make any purchasing contract with any particular supplier. Therefore, the Company may face risk of unable to acquire raw material if any suppliers cease to sell raw materials to the Company. However, the Company has minimized the risk of raw material acquisition by ordering raw materials from many suppliers. And the Company has bought raw materials from many suppliers for over the last decade and has established good relationship with those suppliers. Therefore, the Company believes that the risk of raw material acquisition is low as there has never been any problem in the past. DIMET is confident that the raw materials acquisition used in production will not be a problem.

1.3. Risk from fluctuation in raw material prices and exchange rate

Company could have risk from fluctuation of overseas raw materials price. As they are related to crude oil price, global demand and supply as well as variation of foreign currency exchange rate. Company orders these raw materials through local vendors in ratio of 90% and import 10%. According to the overseas purchasing from manufacturers, company does not make forward exchange rate with banks as raw material purchasing value is not much. Therefore company does not have much impact from this foreign exchange rate.

However, company has emphasized in supply chain management especially material planning, material purchasing, inventory control management including delivery management to control and manage cost and expenses to run the company business. Together with company business is mainly made to order allow us to

plan production effectively as per selling plan, at the same time made company is able to define the price as per raw material cost change in each period and able to maintain basic profits.

1.4. Risk from customers changing production technology

As most of the Company's clients are industrial clients with different production lines, if industrial customers change production technology to respond to changing requirements, DIMET will also be affected. For example, many industrial users now tend to switch from solvent base paint, which contain large portion of solvent and little paint, to water base paint, which contains small portion of solvent and more paint and could reduce environmental impacts, which require the Company to change production process to respond to customer's changing needs. Therefore, the Company may face some risks from those changes. However, the Company's after-sales service team focuses on giving advice about paint usage in the customers' production line, which enables the Company to plan any necessary production and technology changes to suit customers' preference. Thus the Company could lessen risk from those changes.

2. **Business Risks**

2.1. Risks from new entrants and free trade agreement

The company may face the risk of new entrants, both in term of subsidiaries of overseas paint producers, Thai paint producers, and Thai paint producers who receive technological support from overseas paint producers. Moreover, the free trade agreement may pose risk that cheap. The threats from new entrants and free trade agreement may cause price competition, which may affect sales and profits of the Company in the future. However, the Company has operated in the paint industry for over 25 years and has offered both industrial and household paints in wide range of shades with good after-sales service, all of which contribute to the Company's strength. Moreover, the Company has produced paints that are widely-accepted in term of premium quality, and the Company's production standard and technology have been transferred from the world-class paint manufacturers. While the threat of new entrants may affect the Company, the Company was never impacted by such risk.

2.2. Risk from reliance from skilled employees

Paint manufacturing needs highly specialized chemical production techniques, which require understanding, experiences and expertise of employees in order to continually research and development (R&D) to achieve high quality paint that could respond to market demand. Therefore, the employees who understand the products and have intuition to innovate high quality product are very important assets of paint production and distribution business. Thus, losing those R&D staffs may affect the Company's competitiveness.

However, most of the Company's R&D staffs have been working with the Company for over 10 years, with very low turnover rate in the department. Moreover, crucial R&D staffs are the Company's shareholders, directors and managements. Therefore, the Company is confident that the risk of losing key R&D staffs is minimized. The Company also provides training for employees in that department to share knowledge to other team members to reduce reliance on any particular employee.

2.3. Risk from production halt as a result of fire

As paint production require highly flammable chemicals such as resin, pigment, solvent and additive. Therefore if those chemicals leak or a spark occurs in the factory, the Company may risk production halt due to fire. However, the Company is well-aware of the risk and has prevented those risk by provide training for employees in the Company to understand about the manufacturing procedures, guidelines and cautions. The Company also educates employees about causes of fire, such as chemical reaction, temperature that the chemical may ignite, avoiding chemical, hazardous chemical resulted from decomposition, etc. Moreover, the Company also provides training on fire prevention and suppression by inviting official from Public Disaster Prevention Center, Preaksa District, Muang District, Samut Prakarn Province to regularly educate employees. The Company also invested in explosion proof electricity system that could prevent electrical spark, which may cause fire. Thus the risk of fire is minimized, and the Company never has any fire occur in the Company.

2.4 Risk for the change of customer value to use the substituted material instead of architecture paint

There is the change of customer value to use substitution material to preserve "Green Environment". As a result, real estate investors and architects have to adjust the design to match with the trends, which will affected the change in less demand on using paints; but using other materials more.

However, protective coatings, used in energy and petrochemical industries, are occupied the major portion of company sales i.e. 41.76% in 2010/11. Timber coatings, used in furniture manufacturing, is 20.21% and architecture coatings is 4.95% against the total sales revenue.

This implies that the company revenue do not depend on the sales of architecture coatings. So if the change in customers' value to use other substituted material against paint in real estate sector, the impact is not severe to sales revenue.

2.5 Risk from expanding the investment

According to company financial year 2010/11, the company has invested her business more on architecture coatings. This is to expand sales revenue and market share into majority market of paints; but high competition. The company must invest to launching brand awareness via public relation and media etc. to be known. In addition, company tried to increase various kinds of distribution channels e.g. more sales team, direct customers, resident or building owners, dealers, contractors and architects.

The effectiveness of investment depends on many factors such as domestic economic situation and the competition. Company expenses are 97.90 Million Bath, which is higher than last financial year 77.02 Million Bath. The huge increment on expenses make company performance lost 12.55 Million Bath in this year.

However, DIMET paints are high performance, which can apply the paint for more areas against other brands at least 20-30% in the same paid price. So most of customers have more confident on DIMET paints when they have experience on it.

3. Management Risks

3.1. Risk from reliance on key managements

As the Company sells over 95% of its products to industrial customers that trust the Company's product and service quality and has good relationship with the key managements of the Company. Most of the key managements have been working for the Company for over 10 years. Moreover, it require a great deal of experience, knowledge, understanding to manage the Company, particularly in the R&D department as paint requires high chemical expertise to be able to respond to customer demand, both in terms of paint characteristics and qualities. Therefore, the Company may face the risk from reliance on key managements to operate, and the changes in management may affect the Company's operations.

However, the Company has established the management system as a guideline for the managements and employees to operate. The Company also provides training for employees at all level to understand the works evenly and encourage and delegate employees to work up organization level as a succession plan, which could minimize risk from reliance on key managements.

Connected transaction

1. Connected transaction with subsidiaries

Subsidiary	Relationship	Transaction details	Account receivable (Baht)		Reasons and rationales
			As at 30 June 2010	As at 30 June 2011	
ACCT	<ul style="list-style-type: none"> The Company's Subsidiary Shares directors and authorized director with the Company: Mr. Suraphol Rujikarnchana, Mrs. Saovaluck Chokearpornchai, Mrs. Achara Momin, and Mr. Amnat Su-Uthai are authorized director in ACCT. Mr. Chokchai Niemratana, and Miss Sayomporn Buapoom are the company's directors. 	<ol style="list-style-type: none"> The Company sold products to ACCT Some of Dimet's account receivable causes from ACCT sell Dimet's products. 	0.00	568,590.00	ACCT operate painting contractor, bidding supply, apply projects and supply Cathodic Protection System for controlling corrosion of steel immersed in sea-water or buried underground.
			822,951.00	826,114.00	

1. Connected transactions (continue)

Subsidiary	Relationship	Transaction details	Account receivable (Baht)		Reasons and rationales
			As at 30 June 2010	As of 30 June 2011	
ACCT		3. The Company receive rental income from ACCT	12,000.00	12,000.00	To be used as storage warehouse
		4. The Company receive management fee income from ACCT	61,200.00	61,200.00	To make transaction clear and management transparency
		5. ACCT receive transportation service and telephone charges incomes.	44,959.00	39,500.00	To finance the Company's working capital.
		6. Dimet pay service fee for ACCT	0.00	825,400.00	Dimet hired ACCT to improved the customer's working area.
		7. Dimet provided short term loan for ACCT	0.00	550,000.00	Dimet provides support to its subsidiaries.
		8. Dimet has interest income from ACCT.	0.00	10,168.00	
		9. Dimet has accrued interest of ACCT.	0.00	2,401.00	

Remark: - The Company has entered office and warehouse leasing contract and service contract for office no. 602 Moo2, Bangpu Industrial Estates, Soi1, Sukhumvit Road, Tambol Bangpu Mai, Muang District, Samutprakarn Province with ACCT with contract duration of 1 year from 1 August 2007 to 31 July 2008 (contract renewable every year). The Company receives Baht 15,000 per month income from leasing office and warehouse space and Baht 20,000 per month for providing office service together with electricity fee of Baht 5,000 per month and insurance fee of Baht 6,000 per month. The Company has renewed the contract on 1 August 2008 with 2 years duration from 1 August 2008 to 31 July 2010, collectible on monthly basis. The rental fee for office and warehouse is Baht 1,000 per month, office service fee of Baht 5,000 per month and insurance fee of Baht 100 per month.

- The Audit Committee and independent directors have considered connected transaction between the Company and ACCT as mentioned above on Audit Committee meeting no. 3/2011 on 25 August 2011 and deemed that the connected transaction is deemed a normal business transaction and should not have any issue that may affect the Company's operation.

2. Connected transaction with related company

Company	Relationship	Transaction details	Account receivable (Baht)		Reasons and rationales
			As at 30 June 2010	As of 30 June 2011	
SUNCOAT	<ul style="list-style-type: none"> The related company The Company holds 10% stakes of total outstanding shares of SUNCOAT 	1. The Company sell heat-resistant paints to SUNCOAT	20,052,143.00	75,405,685.00	The Japanese shareholder of SUNCOAT is knowledgeable in heat-resistant paint production. The Company could learn such knowledge to expand the Company's heat-resistant product line.
		2. Dimet has a receivable due from the sale of heat-resistant paint to SUNCOAT.	8,875,914.00	27,542,293.00	
		3. The Company bought products from SUNCOAT	2,608,057.00	22,326,985.00	Raw materials used to produce SUNCOAT products, which are imported from Japan. They are 94% raw materials and 6% packaging.
		4. The company's trade creditors arising from purchases of SUNCOAT.	1,039,024.00	7,813,194.00	
		5. Dimet purchased the assets of SUNCOAT.	0.00	520,020.00	Dimet purchased the equipment that meets the needs of the technology at an affordable price.

Remark:

- SUNCOAT sells heat-resistant paint for automotive and electrical appliance industry. 60% of SUNCOAT's shares are owned by Thai shareholders and the remaining 40% of registered capital are held by Japanese shareholders who are experience in heat-resistant production.
- The Audit Committee and independent directors have considered connected transaction between the Company and SUNCOAT as mentioned above on Audit Committee meeting no. 3/2011 on 25 August 2011 and deemed that the connected transaction is deemed a normal business transaction and should not have any issue that may affect the Company's operation.

2. Connected transaction with related company (continue)

Company	Relationship	Transaction details	Account receivable (Baht)		Reasons and rationales
			As at 30 June 2010	As at 30 June 2011	
SOLID	– SOLID is related to the Company as it has director, authorized director as the person related to Mrs. Achara Momin, who is director, executive director, authorized director and management of the Company.	1. The Company sold products to SOLID	679,413.00	332,620.00	Business Relationship since 1990.
		2. The Company has a receivable due from the sale of products to SOLID.	197,508.00	174,999.00	
SOLID		3. The Company hire SOLID to construct fixed assets	2,450,069.00	1,553,303.00	The Company hired SOLID to construct buildings for future expansion to accommodate the expansion of sales in the future.
		4. The Company hire SOLID .	0.00	45,480.00	The company hired SOLID to install the glass blower Training Room.

Remark:

- SOLID operates contractor business with registered and paid up capital of Baht 6,000,000. SOLID's director, executive director and authorized director is related to Mrs. Achara Momin and holds 57% controlling stake in SOLID.
- The Audit Committee and independent directors have considered connected transaction between the Company and SOLID as mentioned above on Audit Committee meeting no. 3/2011 on 25 August 2011 and deemed that the connected transaction is deemed a normal business transaction and should not have any issue that may affect the Company's operation.

3. Connected transaction with related person

Related person	Relationship	Transaction details	Value (Baht)		Reasons and rationales
			Ended 30 June 2010	Ended 30 June 2011	
Mrs. Sayomporn Buapoom	Shareholder Director Authorized director Executive board Finance Director	The Company sold vehicle	0.00	364,486.00	The Company has a policy to sell vehicle by giving the first right to the person entitled to the vehicles at the price discounted from market prices from at least 3 sources (internet, 2 nd -hand car dealer, and service center) as a good morale for Company's management.
Mrs. Achara Momin	Shareholder Director Authorized director Executive board Director in Planning	1.Bought Paints from the company	6,000.00	0.00	1. The company has a policy to sell paints by giving special discount for employee.
Mr. Amnat Su-thai	Shareholder Production Director	1.Bought Paints from the company	19,600.00	400	1. The company has a policy to sell paints by giving special discount for employee.
		2.The Company sold vehicle	320,093.00	0.00	2. The Company has a policy to sell vehicle by giving the first right to the person entitled to the vehicles at the price discounted from market prices from at least 3 sources (internet, 2 nd -hand car dealer, and service center) as a good morale for Company's management.

4. Comment of the Audit Committee

The Audit Committee has considered connected transaction between the Company, subsidiaries and related person in the Audit Committee meeting no. 3/2011 on 25 August 2011 and deemed that the connected transaction are normal business transactions or providing assistance to subsidiaries. The connected transactions are reasonable in term of pricing and other conditions that are similar to what the market would pay for the non-related person or company. There is no transferring of benefit between the Company, subsidiaries and the related person.

5. Measures and procedures to approve the connected transaction

In case of any connected transaction between the Company, subsidiaries and the related person that may cause conflict of interest in the future, the Company will have the Audit Committee comment on the necessity and appropriateness of the transaction. In case the committee does not have expertise in the area, the Company will allow independent expert or accounting auditor to give comment on the connected transaction for the Board of Directors or shareholders to consider, depending on the case. In all, the Company will disclose the connected transaction in the audited financial statements and information disclosure form 56-1 of the Company.

6. Policy or tendency to do connected transaction in the future.

In the future, the Company may engage in the connected transaction as appropriate for the best interest of the Company. The connected transaction must be based on the normal term of trade or financial assistance, which can be referred to the normal trade practice, and the Company would have done to the outsiders. The Company will comply with the law concerning securities and securities exchange and regulation, announcement, order or rules of the Stock Exchange of Thailand and will strictly comply with the disclosure requirement for the connected transactions and acquisition and disposal of the major assets of the Company and subsidiaries according to the standard specified by the Accounting Association

Management Discussion and Analysis

Revenue

During accounting year 2011, the Company reported product sales of 359.89 Million Baht, increased from 2010 accounting year 71.03 Million Baht which was 24.59% Baht. The revenue for 2011 accounting year was contributed from Protective Coating, Timber Coating, Industrial Coating and Architectural Coating which were 151.20 Million Baht, 73.19 Million Baht, 34.98 Million Baht and 17.91 Million Baht. Increased revenue in the accounting year 2011 was due to higher sales of Intumescent paints which increased 186.89 % or 52.49 Million Baht .

The company has other incomes for 2011 accounting year 2.20 Million Baht from management fees, rents and interest income.

Cost of Sales and Selling and Administration Expenses

Cost of goods sold and service in 2011 is 76.84% of total revenues increases when compare to cost of goods sold in 2010 34.59%, this differences cause by raw material prices are increasing.

Sell and management expenses in 2011 equal to 97.90 MB increases by 20.88 MB or 27.11% from 2010 due to increment transferred from last year 16.10 MB and management expense increases to 4.76 MB all increases to support market expansion for building paints.

Finance cost for 2011 fiscal year is 0.18 MB it is 0.17 MB in 2010.

Gross profit margin and net profit margin

In 2011 fiscal year, company has initial profit rate equal to 23.16% of sell revenues reduces from 2010 fiscal year by 28.87% of selling revenues caused from price increase of raw materials.

In 2011 fiscal year, company has net loss of 12.55 MB or 3.47% of total revenues.

2. Financial Analysis**Total Assets.**

Total assets as of the end of accounting year 2011 was 259 MB which increased from 2010 accounting year 10.81 MB or 4.34%. The changes in total assets are due to the following factors.

- Cash and equivalent as of the end of accounting 2011 was 20.97 MB. which decreased from 2010 accounting 22.31 MB. or 51.55% The cash and equivalent incremental during accounting year 2011 were due to invest in building paint business expansion.
- Account receivable as of the end of accounting year 20082011 was 63.83 MB or 7.85% resulted from accrual of debtors and over 12 months debtors, from this account of over 12 months was 19.45 MB in 2011 increases from 2010 by 2.12 MB or 12.23% of all account receivable.
- Account receivable of related company business as of 2011 equal to 27.72 MB increases from 2010 by 18.64 MB or 205.49% as resulted from more sell from heat resistant paints.

Company management evaluated accrual of debtor using verification of debtor balance times by 0.5% of total sell. Management will review the adequacy of this accrual in case of overdue payment or payment not in full using payment historical for debtors, number of debtors, relation between debtor and bad debts as well as economy criteria.

- Inventory as of 2011 is 90 MB increases from 2010 by 23.55 MB or 35.45% as resulted from increases of packaging materials by 284.40% and raw materials by 57.93% respectively. This increase support market expansion of building paints.
- Land, building and equipment as of 2011 values equal to 51.82 MB increases from 2010 by 2.98 MB or 6.10 MB as resulted from asset investment for future expansion.

Liquidity

As the accounting period, total current assets of the company is 203.94 MB and cash flow of 129.07 MB or cash flow of 1.58 times. The cash flow rate speed of 0.87 times, shows it is a good cash flow as management can manage account payable effectively and has no issue with Bank for loan.

Liabilities.

As the end of accounting year 2011, the company reported total liabilities of 130.24 MB, which increased from 2010 accounting year 25.69 MB or 24.58% as resulted from percentage increases of related account payable by 651.97% and other account payable by 25.81%.

Shareholders' Equity

The company's shareholders' equity as of 30 June 2011 was at 129.66 MB which decreased from 2010 accounting year 14.89 MB as the overall performance for 2011 is loss.

The company has debt to equity ratio for 2011 of 1.00x this increment is resulted by number of shareholders is reduced from loss in operation together with total assets is increased in higher ratio.

Finance status summary and business performance of ACCT**Business performance**

ACCT is an affiliate of the company is currently selling paints and subcontract for painting at the project level. It has the performance in summary in account year of 2011, as it has income from sale and service of 4.02 MB which increased from 2010 accounting year 2.17 MB or 117.59%. ACCT has net profit from account year from 2011 0.58 MB. Therefore ACCT is not a company who could perform significant importance.

Finance status

ACCT has total asset in account year from 2011 equal to 3.06 MB which increased from 2010 accounting year 1.96 MB or 177.18% . ACCT has debts of 2.50 MB increases from 2010 by 1.39 MB or 125.23%, shareholders has 0.57 MB. Fiscal year 2011, ACCT has expanded design, installation rust protection system – cathodic protection.

Report of the Audit Committee

Dear Shareholders

The Audit Committee of Dimet (Siam) Public Company Limited comprises 3 independent directors:

1. Prof. Dr. Lieutenant Achara Chandrachai Chairman of the Audit Committee
2. Mr. Tumnong Dasri Audit Committee
3. Mr. Krairit Boonyakiat Audit Committee

In the accounting year 2011 (1 July 2010 to 30 June 2011), the Audit Committee convened 4 meetings in which all the committee members attended. The committee also invited the Company's top management and the accounting auditor to participate in the meeting on relevant agendas. The Audit committee invites public accountant without management team once. The committee reported the findings to the Board every time. Major undertakings can be summarized as followed:

1. Review annual and quarterly financial statements to ensure that the Company's financial statements provide accurate information, adequate disclosure and are prepared according to the GAAP, prior to the presentation to the Board.

2. Review the connected transactions between the Company and subsidiaries, related companies and connected persons to ensure that the transactions conform to normal business practice and the information disclosure is accurate and complete in accordance with SET's regulations, before forwarding the transactions for the Board's approval.

3. Review the adequacy of the internal control system through the review of reports from the internal audit office and discussion with the accounting auditor. Comments and recommendations are given to improve the internal control system.

4. Review to ensure that the Company complies with the good corporate governance practices for the listed company according to the Securities and Securities Exchange Law, the SET regulations, and other relevant laws or regulations.

5. Review risk management system, plan and determine the scope of internal audit to ensure greatest efficiency. The committee reports the audit results and suggestions to the Board and follows-up the progress of corrective actions to ensure effectiveness.

6. Appraise independency of the auditor, consider and propose the nomination of the auditor and his remuneration.

7. Review to ensure that the Company's operations conform to good corporate governance to gain confidence from all stakeholders.

For the fiscal year 2012, for the certified accountant selection and its subsidiaries (from July 1, 2012 to June 30, 2013) the committee satisfies with the independency of the current auditor, and proposes to the Board of Directors to obtain approval from the Shareholders' meeting to appoint Mr Somkid Tiatragoon, certified public accountant no. 2785 or Mr. Kosol Yamleemul, certified public accountant no. 4575 of Grant Thornton Co., Ltd. ,either one of the two, as the Company accounting auditor for the accounting year 2012 (1 July 2012 to 30 June 2013).



(Prof. Dr. Achara Chandrachai)
Chairman of the Audit Committee


REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To The Board of Directors and Shareholders' of Dimet (Siam) Public Company Limited

I have audited the consolidated balance sheets as at June 30, 2011 and 2010, the consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended of Dimet (Siam) Public Company Limited and Subsidiary. I have also audited the separate financial statements of Dimet (Siam) Public Company Limited. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dimet (Siam) Public Company Limited and Subsidiary and of Dimet (Siam) Public Company Limited as at June 30, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.



(NONGRAM LAOHAAREEDILOK)

Certified Public Accountant

Registration No. 4334

Ast Master Co., Ltd.

August 22, 2011

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
BALANCE SHEETS
AS AT JUNE 30, 2011 AND 2010

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
<u>ASSETS</u>	<u>Notes</u>	2011	2010	2011	2010
CURRENT ASSETS					
Cash and cash equivalents	6	20,972,627	43,278,231	20,356,256	42,522,513
Trade accounts receivable					
Related companies	5.2,7	27,717,292	9,073,422	28,543,406	9,896,373
Other companies - net	7	63,828,143	69,268,258	62,078,864	69,159,118
Short - term loan to subsidiary	5.2	-	-	550,000	-
Inventories - net	8	89,996,161	66,441,701	89,914,897	66,426,461
Other current assets		1,425,231	1,810,211	1,411,366	1,681,112
Total current assets		203,939,454	189,871,823	202,854,789	189,685,577
NON - CURRENT ASSETS					
Deposits pledged as collateral	9	1,500,000	8,500,000	1,500,000	8,500,000
Investment in subsidiary - net	10	-	-	500,000	4,199,890
Investment in related company	11	300,000	300,000	300,000	300,000
Property, plant and equipment					
- net	12	51,818,931	48,839,461	51,789,869	48,823,730
Intangible assets - net	13	881,845	837,400	881,845	837,400
Refundable income tax		494,765	274,703	372,869	197,723
Other non current assets		964,883	475,222	514,057	474,397
Total non - current assets		55,960,424	59,226,786	55,858,640	63,333,140
TOTAL ASSETS		259,899,878	249,098,609	258,713,429	253,018,717

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

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
BALANCE SHEETS (CONTINUED)
AS AT JUNE 30, 2011 AND 2010

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2011	2010	2011	2010
CURRENT LIABILITIES					
Trade accounts payable					
Related company	5.2	7,813,194	1,039,024	7,813,194	1,039,024
Other companies		109,296,997	86,872,092	108,893,360	86,683,504
Current portion of finance lease liabilities	15	1,436,157	1,702,196	1,436,157	1,702,196
Other current liabilities	16	10,523,407	13,714,766	9,809,009	13,614,227
Total current liabilities		129,069,755	103,328,078	127,951,720	103,038,951
NON - CURRENT LIABILITIES					
Finance lease liabilities - net	15	1,169,197	1,217,156	1,169,197	1,217,156
Total liabilities		130,238,952	104,545,234	129,120,917	104,256,107
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
Common share 180,000,000 shares, Baht 0.50 par value		90,000,000	90,000,000	90,000,000	90,000,000
Issued and paid - up share capital					
Common share 180,000,000 shares, Baht 0.50 par value		90,000,000	90,000,000	90,000,000	90,000,000
Premium on share capital		20,385,912	20,385,912	20,385,912	20,385,912
Retained earnings					
Appropriated for legal reserve	17	3,030,000	3,030,000	3,030,000	3,030,000
Unappropriated		16,245,014	31,137,463	16,176,600	35,346,698
Total shareholders' equity		129,660,926	144,553,375	129,592,512	148,762,610
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		259,899,878	249,098,609	258,713,429	253,018,717

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

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF INCOME
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Sales and services	359,893,108	288,861,999	357,270,361	287,015,962
Costs of sales and services	(276,554,243)	(205,477,556)	(275,191,847)	(203,846,309)
Gross profit	83,338,865	83,384,443	82,078,514	83,169,653
Other income	2,195,023	1,504,615	2,216,328	1,515,072
Profit before expenses	85,533,888	84,889,058	84,294,842	84,684,725
Selling expenses	(64,606,461)	(48,510,122)	(63,845,208)	(48,510,122)
Administrative expenses	(21,520,195)	(16,758,810)	(21,620,161)	(16,229,712)
Managements' remuneration	(11,774,651)	(11,755,395)	(11,774,651)	(11,755,395)
Loss of decline in value of investment in subsidiary	-	-	(3,699,890)	-
Total Expenses	(97,901,307)	(77,024,327)	(100,939,910)	(76,495,229)
Profit (loss) before finance costs and income tax	(12,367,419)	7,864,731	(16,645,068)	8,189,496
Finance costs	(185,160)	(174,307)	(185,160)	(174,307)
Profit (loss) before income tax	(12,552,579)	7,690,424	(16,830,228)	8,015,189
Income tax	-	(2,081,903)	-	(2,081,903)
Net profit (loss)	(12,552,579)	5,608,521	(16,830,228)	5,933,286
Net profit (loss) attributable to:				
Equity holders of the parent	(12,552,579)	5,608,521	(16,830,228)	5,933,286
Minority interest	-	-	-	-
	(12,552,579)	5,608,521	(16,830,228)	5,933,286
Basic earnings (loss) per share				
Net profit (loss)	(0.07)	0.03	(0.09)	0.03
The weighted average number of common shares (Shares)	180,000,000	180,000,000	180,000,000	180,000,000

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

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

		In Baht				
		Retained earnings				
		Appropriated				
		Issued and	Premium	for legal	Unappro-	
		Paid - up	on		priated	
		Share	share			
Notes		Capital	capital	reserve		Total
Balance as at July 1, 2009		90,000,000	20,385,912	2,730,000	28,528,942	141,644,854
Net profit		-	-	-	5,608,521	5,608,521
Increase in legal reserve	17	-	-	300,000	(300,000)	-
Dividends	18	-	-	-	(2,700,000)	(2,700,000)
Balance as at June 30, 2010		90,000,000	20,385,912	3,030,000	31,137,463	144,553,375
Balance as at July 1, 2010		90,000,000	20,385,912	3,030,000	31,137,463	144,553,375
Net loss		-	-	-	(12,552,579)	(12,552,579)
Dividends	18	-	-	-	(2,339,870)	(2,339,870)
Balance as at June 30, 2011		90,000,000	20,385,912	3,030,000	16,245,014	129,660,926

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

DIMET (SIAM) PUBLIC COMPANY LIMITED
 SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

		In Baht				
		Retained earnings				
		Issued and	Premium	Appropriated		
		Paid - up	on	for legal	Unappro-	
		Share	share	reserve	riated	
<u>Notes</u>		Capital	capital	reserve	riated	Total
Balance as at July 1, 2009		90,000,000	20,385,912	2,730,000	32,413,412	145,529,324
Net profit		-	-	-	5,933,286	5,933,286
Increase in legal reserve	17	-	-	300,000	(300,000)	-
Dividends	18	-	-	-	(2,700,000)	(2,700,000)
Balance as at June 30, 2010		90,000,000	20,385,912	3,030,000	35,346,698	148,762,610
Balance as at July 1, 2010		90,000,000	20,385,912	3,030,000	35,346,698	148,762,610
Net loss		-	-	-	(16,830,228)	(16,830,228)
Dividends	18	-	-	-	(2,339,870)	(2,339,870)
Balance as at June 30, 2011		90,000,000	20,385,912	3,030,000	16,176,600	129,592,512

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

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	In Baht			
	Consolidated	Separate		
	financial	financial statements		
	statements			
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit (loss) before income tax	(12,552,579)	7,690,424	(16,830,228)	8,015,189
Adjustments to reconcile profit (loss) to net cash provided by (used in) operating activities				
Doubtful accounts	5,859,437	1,290,465	6,209,437	1,290,465
Loss on obsolescence of inventories (reversal)	1,074,921	(1,372,884)	1,100,603	(1,463,492)
Unrealised loss on exchange rate	42,139	97,908	42,139	97,908
Loss of decline in value of investment in subsidiary	-	-	3,699,890	-
Gain on disposal of equipment and intangible assets	(658,846)	(442,690)	(658,846)	(442,690)
Depreciation	7,793,378	6,472,313	7,789,977	6,472,134
Amortization of intangible assets	256,006	220,432	256,006	220,432
Written of withholding tax	-	577,338	-	381,219
Interest expenses	185,160	174,307	185,160	174,307
Profit from operating before changing in operating assets and liabilities	1,999,616	14,707,613	1,794,138	14,745,472
Decrease (Increase) in operating assets				
Trade accounts receivable - Related companies	(18,643,870)	(2,408,113)	(18,647,033)	(901,607)
Trade accounts receivable - Other companies	(419,322)	11,914,591	870,817	9,729,437
Inventories	(24,629,381)	(4,911,191)	(24,589,039)	(4,904,291)
Other current assets	384,980	(871,417)	269,746	(750,575)
Other non - current assets	(489,661)	(64,292)	(39,660)	(65,767)
Increase (Decrease) in operating liabilities				
Trade accounts payable - Related company	6,774,170	744,829	6,774,170	744,829
Trade accounts payable - Other companies	22,382,766	27,803,073	22,167,717	29,563,638
Other current liabilities	(1,749,497)	2,699,446	(2,363,356)	2,764,194
Cash received (paid) from operations	(14,390,199)	49,614,539	(13,762,500)	50,925,330
Interest paid	(185,160)	(174,307)	(185,160)	(174,307)
Income tax paid	(220,062)	(4,472,590)	(175,146)	(4,395,610)
Cash received from income tax refundable	-	2,005,550	-	2,005,550
Net cash provided by (used in) operating activities	(14,795,421)	46,973,192	(14,122,806)	48,360,963

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in short - term loan to subsidiary	-	-	(550,000)	-
Decrease (increase) in deposits pledged as collateral	7,000,000	(1,500,000)	7,000,000	(1,500,000)
Cash paid for investments in subsidiary	-	-	-	(2,000,000)
Proceeds from disposal of equipment	782,587	540,038	782,587	540,038
Cash paid for acquisition of plant and equipment				
(Supplementary information)	(10,950,248)	(9,144,139)	(10,933,516)	(9,128,239)
Cash paid for acquisition of intangible assets	(300,457)	(163,924)	(300,457)	(163,924)
Net cash used in investing activities	(3,468,118)	(10,268,025)	(4,001,386)	(12,252,125)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of finance lease liabilities	(1,702,195)	(1,236,424)	(1,702,195)	(1,236,424)
Dividends paid	(2,339,870)	(2,700,000)	(2,339,870)	(2,700,000)
Net cash used in financing activities	(4,042,065)	(3,936,424)	(4,042,065)	(3,936,424)
Net increase (decrease) in cash and cash equivalents	(22,305,604)	32,768,743	(22,166,257)	32,172,414
Cash and cash equivalents, beginning of the year	43,278,231	10,509,488	42,522,513	10,350,099
Cash and cash equivalents, end of the year	20,972,627	43,278,231	20,356,256	42,522,513
<u>Supplement Disclosures of Cash Flows information</u>				
Cash paid for acquisition of plant and equipment				
Detail of acquisition of plant and equipment during the year is as follows :				
Acquisition of plant and equipment during the year	(10,896,583)	(13,286,260)	(10,879,851)	(13,270,360)
Increase in finance lease liabilities	1,388,197	1,877,954	1,388,197	1,877,954
Increase (decrease) in payable from acquisition of assets	(1,441,862)	2,264,167	(1,441,862)	2,264,167
Cash paid for acquisition of plant and equipment	(10,950,248)	(9,144,139)	(10,933,516)	(9,128,239)

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

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

1. GENERAL INFORMATION

Dimet (Siam) Public Company Limited was listed on the Stock Exchange of Thailand in 2008 and the Company's stocks were traded on the MAI (Market for Alternative Investment). The principal business operations of the Company are manufacture and sales of coating products (paint). The Company is located at 602 Moo 2 Sukhumvit Road, Bangpoo Mai, Muang Samutprakarn, Samutprakarn.

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PREPARATION

The consolidated and separate financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting 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, B.E. 2535.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The consolidated financial statements of Dimet (Siam) Public Company Limited and subsidiary, Asian Corrosion Control Trading Limited which is engaged in a business of distribution of coating products (paint) and painting service. The Company holds 100% of the subsidiary's registered share capital.

The significant transactions between the Company and the subsidiary have been eliminated in the consolidated financial statements.

"The Company" represents "Dimet (Siam) Public Company Limited," while "The Group" represents "Dimet (Siam) Public Company Limited" and subsidiary which is "Asian Corrosion Control Trading Limited"

For the convenience of the user, an English translation of the financial statements has been prepared from the financial statements that are issued in the Thai language.

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

3. ADOPTION OF NEW ACCOUNTING STANDARDS

New accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework

a) Accounting framework

The amendment of the accounting framework was announced by the Federation of Accounting Professions on May 26, 2010 with effect on May 26, 2010.

b) New accounting standards, new financial reporting standards and amendments to accounting standards

The following new accounting standards, new financial reporting standards and amendments to accounting standards were announced by the Federation of Accounting Professions and are mandatory for the accounting periods beginning on or after January 1, 2011 and January 1, 2013. The Group has elected not to early adopt these standards.

Effective for the period beginning on or after January 1, 2011

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Plant Property and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2	Shared-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
SIC 31	Revenue-Barter Transactions Involving Advertising Services

Effective for the period beginning on or after January 1, 2013

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 Rates

Management has presently determined the effects from adoptions of the new accounting standards on the financial statements of the Group. Significant accounting standards for which having direct effect to the Group are as follows:

TAS 16 (revised 2009) - Property, plant and equipment

The principal changes introduced by the revised TAS 16 and affecting the Group are that

- (a) Costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation
- (b) The depreciation charge has to be determined separately for each significant part of an asset; and
- (c) In determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The revised TAS 16 (revised 2009) permits as a transitional provision that these changes may be introduced prospectively from the year of introduction. The Group intends to adopt this transitional provision which the management has already determined that no any material impact on the financial statements.

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

TAS 19 - Employee benefits

The accounting standard, Employee Benefits has been in effect for financial periods beginning on or after January 1, 2011. The Group therefore has not presently accounted for the costs of post-employment benefits under defined benefit plans; other long-term employee benefits; and termination benefits until such costs are incurred. This accounting standard includes the requirements to recognise expenses and provision for employee benefits in the period in which

the service is performed. The standard requires actuarial assumptions to measure the obligations and expenses of long-term benefits and to measure on a discounted basis due to the settlement of these benefits would incur in the subsequent years of services.

Management is still evaluating the liability for employee benefits and has yet to reach a conclusion.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below;

4.1 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Deposits at financial institutions that are restricted in use are presented as "Deposits pledged as collateral" under non - current assets in the balance sheets.

4.2 Trade accounts receivable

Trade accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the end of years. Bad debts are written off during the years in which they are identified. The Group estimates the allowance for doubtful accounts as a percentage of sales approach in the rate of 0.5% of total sales and additionally reviews the adequacy of allowance for doubtful accounts by individually accounts at end of years. The estimate encompasses consideration of past collection experiences and other factors, such as changes in the composition and volume of the receivable, the relationship of the allowance for doubtful accounts to the receivable and the local economic conditions.

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

4.3 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Allowance for obsolete, slow-moving and defective inventories is made based on the following policies;

Raw Material

The Group estimates the allowance for obsolete raw materials as 2.86% of raw materials balance at end of years together with consideration in its physical raw materials, aging and standard shelf life of individually raw materials for the adequacy of the allowance for obsolete raw materials.

Finished goods

The Group's management estimates the allowance for obsolete finished goods at end of years as follows:

Aging of finished goods	The percentage of allowance for obsolete finished goods
Less than 6 months	-
6 months to 1 year	25 % of finished goods
1 year to 8 years	50 % of finished goods
Over 8 years	100 % of finished goods

At the end of years, the Group considers the physical of finished goods in the estimation of adequately allowance for obsolete finished goods.

4.4 Investments

Investment in subsidiary is reported by using the cost method of accounting in the separate financial statements.

Subsidiary, which are those entities in which the Company has power to govern the financial and operating policies, are consolidated.

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

Subsidiary is consolidated from the date on which control is transferred to the Company and is no longer consolidated from the date that control ceases.

Investments in non-marketable equity securities, which the Company holds as general investments, are valued at cost.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statements of income.

4.5 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. All assets except for land are stated at historical cost less accumulated depreciation.

The construction in progress is stated at historical cost. The depreciation of underlying asset is not recognized until the construction is completed and the asset is ready for its intended use.

Depreciation of plant and equipment is calculated on the straight line method over their estimated useful lives are as follows:

Buildings	20	years
Machinery and equipment	6.6	years
Fixtures and office equipment	6.6	years
Motor vehicles	5	years

When assets are sold or retired, the Group will eliminated their costs and accumulated depreciation from the accounts and any gain or loss resulting from their disposal is included in the statements of income.

4.6 Impairment of assets

The Group reviewed the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount of assets is below the carrying amount (the higher of an assets selling price or value in use). The review is made for individual assets or the cash generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, The Group recognise the impairment losses in the statements of income. The reversal of impairment losses recognised in prior years is

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

recorded as other income when there is an indication that the impairment losses recognised for the assets no longer exist or are decreased.

4.7 Intangible assets and amortization

Intangible asset is computer software which is stated at historical cost and amortized using the straight line method over its useful live of 6.6 years.

4.8 Accounting for leases - where a company is the lessee

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the assets.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the less or) are charged to the statement of income on a straight-line basis over the period of the lease.

4.9 Foreign currency transactions

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the statements of income.

4.10 Provisions

Provisions are recognized when the Group 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 a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

4.11 Revenue recognition

The Group recognized sales as income when delivery has taken place and transfer of risks and rewards has been completed.

The Group recognized service income when services have been rendered.

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

4.12 Income tax

The Group recorded income tax based on the actual amount currently payable according to the Revenue Code.

4.13 Basic earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of paid-up common shares during the years.

4.14 Financial instruments

Financial assets carried on the balance sheet include cash and cash equivalents, trade accounts receivable, short - term loan to subsidiary and deposits pledged as collateral. Financial liabilities carried on the balance sheet include, trade accounts payable, financial lease liabilities and other current liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.15 Related parties

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 personal, 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.

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

5. TRANSACTIONS WITH RELATED PARTIES

5.1 Relationship and pricing policies

	Relationship
Subsidiary	
Asian Corrosion Control Trading Limited	Shareholding by the Company and directorship
Related companies	
Suncoat (Thailand) Co., Ltd.	Shareholding by the Company
Solid construction Co., Ltd.	Shareholding by close relative of directors
Miss Sayomporn Buapoom	Shareholder and director of the Company
Mr. Amnat Su-Uthai	Shareholder and board of the Company
Mrs. Achara Momin	Shareholder and director of the Company

Pricing policies for subsidiary, related person and companies are as follows:

	Pricing policy
Sales of goods	At normal business prices, as same as other entities.
Revenue from management fee	At contract price which had been agreed upon.
Rental income	At contract price which had been agreed upon.
Other income	At contract price which had been agreed upon.
Purchase	At normal business prices, as same as other entities.
Service	At normal business prices, as same as other entities.
Guarantee	No fee charged.
Disposal of vehicle	The Company has a policy to sell the old car which due to be replaced to its user, which has position in director and manager, at market price reduced by Baht 50,000.
Acquisition of fixed assets	At normal business prices, as same as other entities.
Loan to	Interest charge at rate of 7.0% per annum

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

5.2 Balances of transactions with subsidiary, related person and companies

A summary of significant transactions with subsidiary and related companies as at June 30, 2011 and 2010 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Trade accounts receivable				
Asian Corrosion Control Trading Limited	-	-	826,114	822,951
Suncoat (Thailand) Co., Ltd.	27,542,293	8,875,914	27,542,293	8,875,914
Solid construction Co., Ltd.	174,999	197,508	174,999	197,508
Total	<u>27,717,292</u>	<u>9,073,422</u>	<u>28,543,406</u>	<u>9,896,373</u>
Short - term loan to				
Interest rate (%) per annum	-	-	7.0	-
Asian Corrosion Control Trading Limited				
<u>Add</u> Increase during the period	-	-	550,000	-
<u>Less</u> Decrease during the period	-	-	-	-
Net	<u>-</u>	<u>-</u>	<u>550,000</u>	<u>-</u>
Accrued interest income				
Asian Corrosion Control Trading Limited	-	-	2,401	-
Trade accounts payable				
Suncoat (Thailand) Co., Ltd.	<u>7,813,194</u>	<u>1,039,024</u>	<u>7,813,194</u>	<u>1,039,024</u>

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

In Baht

Payable from acquisition of assets

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Suncoat (Thailand) Co., Ltd.	520,020	-	520,020	-
Solid construction Co., Ltd.	45,480	-	45,480	-
Total	565,500	-	565,500	-

5.3 Revenues and expenses with subsidiary, related person and companies

Transactions with subsidiary, related person and companies for the years ended June 30, 2011 and 2010 are as follows:

In Baht

Sales of goods

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Asian Corrosion Control Trading Limited	-	-	568,590	-
Suncoat (Thailand) Co., Ltd.	75,405,685	20,052,143	75,405,685	20,052,143
Solid construction Co., Ltd.	332,620	679,413	332,620	679,413
Mr. Amnat Su-Uthai	400	19,600	400	19,600
Mrs. Achara Momin	-	6,000	-	6,000
Total	75,738,705	20,757,156	76,307,295	20,757,156

Revenues from management fee

Asian Corrosion Control Trading Limited	-	-	61,200	61,200
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Rental income

Asian Corrosion Control Trading Limited	-	-	12,000	12,000
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Other income

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

Asian Corrosion Control Trading Limited	<u>-</u>	<u>-</u>	<u>39,500</u>	<u>44,959</u>
Interest income				
Asian Corrosion Control Trading Limited	<u>-</u>	<u>-</u>	<u>10,168</u>	<u>-</u>
Purchase				
Suncoat (Thailand) Co., Ltd.	<u>22,326,985</u>	<u>2,608,057</u>	<u>22,326,985</u>	<u>2,608,057</u>
Service				
Asian Corrosion Control Trading Limited	<u>-</u>	<u>-</u>	<u>825,400</u>	<u>-</u>
In Baht				
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Proceeds from disposal of vehicle				
Miss Sayomporn Buapoom	364,486	-	364,486	-
Mr. Amnat Su-Uthai	<u>-</u>	<u>320,093</u>	<u>-</u>	<u>320,093</u>
Total	<u>364,486</u>	<u>320,093</u>	<u>364,486</u>	<u>320,093</u>
Gain on disposal of vehicle				
Miss Sayomporn Buapoom	290,410	-	290,410	-
Mr. Amnat Su-Uthai	<u>-</u>	<u>267,949</u>	<u>-</u>	<u>267,949</u>
Total	<u>290,410</u>	<u>267,949</u>	<u>290,410</u>	<u>267,949</u>
Acquisition of fixed assets				
Solid construction Co., Ltd.	<u>1,553,303</u>	<u>2,450,069</u>	<u>1,553,303</u>	<u>2,450,069</u>

Office and warehouse rental agreement and office service agreement

The Company entered into office and warehouse rental agreement and office service agreement with a subsidiary for the period of 2 years start from August 1, 2008 to July 31, 2010. The monthly rental income is Baht 1,000 for the office and warehouse, Baht 5,000 for the office services and Baht 100 for insurance service.

The Company requested renewal of the agreement dated August 1, 2010 for the period of 2 years start from August 1, 2010 to July 31, 2012. The monthly rental income is Baht 1,000 for the office and warehouse, Baht 5,000 for the office services and Baht 100 for insurance service.

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

6. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Cash on hand	85,318	75,307	70,318	60,307
Deposits at financial institutions	20,887,309	43,202,924	20,285,938	42,462,206
Total	20,972,627	43,278,231	20,356,256	42,522,513

The weighted average effective interest rates of deposits at financial institutions were 0.20% - 2.25% per annum (2010 : 0.075% - 0.75% per annum).

7. TRADE ACCOUNTS RECEIVABLE - NET

Aging of trade accounts receivable as at June 30, 2011 and 2010 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Trade accounts receivable - related person and companies				
Not yet due receivable	16,849,591	5,865,490	16,983,809	5,885,447
Over due with 1 to 3 months	10,867,701	3,207,932	11,361,067	3,229,478
Over due with 4 to 6 months	-	-	-	33,218
Over 12 months	-	-	198,530	748,230
Total	27,717,292	9,073,422	28,543,406	9,896,373
Trade accounts receivable - other companies				
Not yet due receivable	38,665,895	35,496,909	37,859,714	35,387,769
Over due with 1 to 3 months	21,942,515	24,564,915	20,999,417	24,564,915
Over due with 4 to 6 months	2,553,039	4,275,365	2,553,039	4,275,365

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

Over due with 7 to 9 months	283,609	900,795	283,609	900,795
Over due with 10 to 12 months	1,187,737	1,644,811	1,187,737	1,644,811
Over 12 months	19,453,703	17,327,490	17,628,700	15,152,487
Total	84,086,498	84,210,285	80,512,216	81,926,142
<u>Less</u> Allowance for doubtful accounts	(20,258,355)	(14,942,027)	(18,433,352)	(12,767,024)
Net	63,828,143	69,268,258	62,078,864	69,159,118

8. INVENTORIES - NET

In Baht

Consolidated financial statements

	At Cost		Provision for obsolescence of inventories		Inventories-net	
	2011	2010	2011	2010	2011	2010
Finished goods	39,613,897	35,579,430	(7,197,084)	(6,464,035)	32,416,813	29,115,395
Work in process	8,319,596	8,022,680	(2,169,584)	(2,387,540)	6,150,012	5,635,140
Raw material	50,561,206	32,046,219	(1,473,376)	(964,542)	49,087,830	31,081,677
Container and packaging material	2,410,445	627,434	(68,939)	(17,945)	2,341,506	609,489
Net	100,905,144	76,275,763	(10,908,983)	(9,834,062)	89,996,161	66,441,701

In Baht

Separate financial statements

	At cost		Provision for obsolescence of inventories		Inventories-net	
	2011	2010	2011	2010	2011	2010
Finished goods	39,239,385	35,245,260	(6,903,836)	(6,145,105)	32,335,549	29,100,155
Work in process	8,319,596	8,022,680	(2,169,584)	(2,387,540)	6,150,012	5,635,140
Raw material	50,561,206	32,046,219	(1,473,376)	(964,542)	49,087,830	31,081,677
Container and packaging material	2,410,445	627,434	(68,939)	(17,945)	2,341,506	609,489
Net	100,530,632	75,941,593	(10,615,735)	(9,515,132)	89,914,897	66,426,461

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

Aging of inventories as at June 30, 2011 and 2010 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Finished goods				
Less than 6 months	63,628,850	48,008,732	63,547,586	47,993,492
6 months to 1 year	13,655,314	6,049,855	13,655,314	6,049,855
1 year to 3 years	12,749,575	12,343,415	12,749,575	12,343,415
Over 3 years	10,871,405	9,873,761	10,578,157	9,554,831
Total	100,905,144	76,275,763	100,530,632	75,941,593
<u>Less Provision for</u>				
obsolescence of inventories	(10,908,983)	(9,834,062)	(10,615,735)	(9,515,132)
Net	89,996,161	66,441,701	89,914,897	66,426,461

9. DEPOSITS PLEDGED AS COLLATERAL

	In Baht	
	Consolidated and separate	
	financial statements	
	2011	2010
Cash at banks - saving accounts	-	2,000,000
- fixed deposits	1,500,000	6,500,000
Total	1,500,000	8,500,000

As at June 30, 2011, the Company has fixed deposits at financial institutions in the amounts of Baht 1.5 million (2010 : Baht 6.5 million), interest at the rates ranging from 2.00% per annum (2010 : 0.50% - 1.00% per annum) which are pledged as collateral for overdraft and short-term loans from financial institutions as discussed in Note 14.

As at June 30, 2010, saving deposits in the amounts of Baht 2.0 million are pledged as collateral for bank guarantee issued in favor of government agency on electricity and performance bond to its customer as discussed in Note 21.

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

10. INVESTMENT IN SUBSIDIARY - NET

	Paid up Capital		% Holdings		Separate financial statements	
	(In Baht)				At Cost (In Baht)	
	2011	2010	2011	2010	2011	2010
Asian Corrosion Control Trading Limited (Distribution of coating products (paint) and painting service)	4,000,000	4,000,000	100.0	100.0	4,199,890	4,199,890
<u>Less</u> Allowance for declining in value of investment					(3,699,890)	-
Investments - net					500,000	4,199,890

As at June 30, 2011, The book value of investment in Asian Corrosion Control Trading Limited (based on the latest audited financial statements), was less than a cost of investment, the Company set up allowance for declining in values of investment in Asian Corrosion Control Trading Limited amounting to Baht 3.7 million in the separate financial statements.

11. INVESTMENT IN RELATED COMPANY

	Paid up Capital		% Holdings		Consolidated and separate financial statements	
	(In Baht)				At Cost (In Baht)	
	2011	2010	2011	2010	2011	2010
Suncoat (Thailand Co., Ltd. (Purchasing-selling product paint and thinner)	3,000,000	3,000,000	10.0	10.0	300,000	300,000

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2011 AND 2010

12. PROPERTY, PLANT AND EQUIPMENT - NET

Consolidated financial statement

	In Baht						Total
	Land	Buildings	Machinery & Equipment	Fixture & Office Equipment	Vehicle	Assets under construction and installation	
As at June 30, 2010							
Cost	16,470,500	37,362,712	41,598,642	21,191,500	15,275,468	418,692	132,317,514
Less Accumulated depreciation	-	(24,756,365)	(34,378,357)	(14,890,945)	(9,452,386)	-	(83,478,053)
Net book amount	16,470,500	12,606,347	7,220,285	6,300,555	5,823,082	418,692	48,839,461
For the year ended June 30, 2011							
Net book value, Beginning of year	16,470,500	12,606,347	7,220,285	6,300,555	5,823,082	418,692	48,839,461
Acquisition assets	-	135,900	2,840,991	3,587,179	2,263,421	2,069,092	10,896,583
Transfer in (out)	-	1,927,784	560,000	-	-	(2,487,784)	-
Disposals	-	-	-	(49,657)	(74,078)	-	(123,735)
Depreciation	-	(1,992,162)	(1,934,024)	(1,803,778)	(2,063,414)	-	(7,793,378)
Net book value, End of year	16,470,500	12,677,869	8,687,252	8,034,299	5,949,011	-	51,818,931
As at June 30, 2011							
Cost	16,470,500	39,426,396	44,999,633	24,436,898	16,085,666	-	141,419,093
Less Accumulated depreciation	-	(26,748,527)	(36,312,381)	(16,402,599)	(10,136,655)	-	(89,600,162)
Net book amount	16,470,500	12,677,869	8,687,252	8,034,299	5,949,011	-	51,818,931

As at June 30, 2011 and 2010, the Group's land and structures thereon and machinery with net book value amounted of Baht 29.2 million and Baht 29.1 million, respectively, were mortgaged as collateral for overdrafts and loans from financial institutions as discussed in Note 14.

As at June 30, 2011 and 2010, the Group had gross carrying amounts that are fully depreciated. These are still in active use amounting to approximately Baht 46.7 million and Baht 45.8 million, respectively and the Company had vehicle acquired under finance lease liabilities agreements, with net book value amounting to approximately Baht 5.5 million and Baht 5.4 million, respectively.

Separate financial statement

	In Baht						Total
	Land	Buildings	Machinery & Equipment	Fixture & Office Equipment	Vehicle	Assets under construction and installation	
As at June 30, 2010							
Cost	16,470,500	37,362,712	40,894,241	21,108,372	15,275,468	418,692	131,529,985
Less Accumulated depreciation	-	(24,756,365)	(33,673,960)	(14,823,544)	(9,452,386)	-	(82,706,255)
Net book amount	16,470,500	12,606,347	7,220,281	6,284,828	5,823,082	418,692	48,823,730
For the year ended June 30, 2011							
Net book value, Beginning of year	16,470,500	12,606,347	7,220,281	6,284,828	5,823,082	418,692	48,823,730
Acquisition assets	-	135,900	2,840,991	3,570,447	2,263,421	2,069,092	10,879,851
Transfer in (out)	-	1,927,784	560,000	-	-	(2,487,784)	-
Disposals	-	-	-	(49,657)	(74,078)	-	(123,735)
Depreciation	-	(1,992,162)	(1,934,024)	(1,800,377)	(2,063,414)	-	(7,789,977)
Net book value, End of year	16,470,500	12,677,869	8,687,248	8,005,241	5,949,011	-	51,789,869
As at June 30, 2011							
Cost	16,470,500	39,426,396	44,295,232	24,337,038	16,085,666	-	140,614,832
Less Accumulated depreciation	-	(26,748,527)	(35,607,984)	(16,331,797)	(10,136,655)	-	(88,824,963)
Net book amount	16,470,500	12,677,869	8,687,248	8,005,241	5,949,011	-	51,789,869

As at June 30, 2011 and 2010, the Company's land and structures thereon and machinery with net book value amounted of Baht 29.2 million and Baht 29.1 million, respectively, were mortgaged as collateral for overdrafts and loans from financial institutions as discussed in Note 14.

As at June 30, 2011 and 2010, the Company had gross carrying amounts that are fully depreciated. These are still in active use amounting to approximately Baht 46.0 million and Baht 45.0 million, respectively and the Company had vehicle acquired under finance lease liabilities agreements, with net book value amounting to approximately Baht 5.5 million and Baht 5.4 million, respectively.

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

13. INTANGIBLE ASSETS - NET

	In Baht
	<u>Consolidated</u>
	and separate
	<u>financial statements</u>
As at June 30, 2010	
Cost	4,374,672
<u>Less</u> Accumulative amortization	(3,537,272)
Net book amount	<u>837,400</u>
For the year ended June 30, 2011	
Net book value, Beginning of year	837,400
Acquisition of intangible assets	300,457
Written off intangible assets	(6)
Amortization	(256,006)
Net book value, End of year	<u>881,845</u>
As at June 30, 2011	
Cost	1,851,478
<u>Less</u> Accumulative amortization	(969,633)
Net book amount	<u>881,845</u>

14. OVERDRAFTS AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS

As at June 30, 2011, the Company has the overdrafts and short-term loans lines amounted to Baht 100 million (2010 : Baht 110 million). The facilities charge an interest at the rates ranging from MLR-0.75 to MOR-1 per annum (2010 : MLR-1 to MOR per annum). The overdrafts and short-term loans are guaranteed by fixed deposits as discussed in Note 9 and the mortgage land, structures thereon and machinery as discussed in Note 12.

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

15. FINANCE LEASE LIABILITIES - NET

	In Baht	
	Consolidated and separate financial	
	statements	
	2011	2010
Finance lease liabilities	2,848,766	3,204,428
<u>Less</u> Deferred Interest	(243,412)	(285,076)
<u>Less</u> Current portion of finance lease		
liabilities(net deferred interest amount Baht		
135,350 and Baht 170,232, respectively)	(1,436,157)	(1,702,196)
Net	1,169,197	1,217,156

16. OTHER CURRENT LIABILITIES

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Accrued expenses	5,365,957	7,956,829	5,243,765	7,856,290
Withholding tax payable	376,987	265,504	372,594	265,504
Vat payable	538,838	-	538,838	-
Payable from acquisition of assets	822,305	2,264,167	822,305	2,264,167
Advance receive for the sales of goods	649,026	213,241	61,213	213,241
Other payables	2,770,294	3,015,025	2,770,294	3,015,025
Total	10,523,407	13,714,766	9,809,009	13,614,227

17. LEGAL RESERVE

Under the provisions of the Limited Public Company Act B.E 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as legal reserve until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution. As at June 30, 2010 the Company appropriated the legal reserve amounted to Baht 0.3 million.

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

18. DIVIDENDS PAID

At the ordinary shareholders' meeting dated October 20, 2010, the shareholders approved the payment of dividends at Baht 0.013 per share for 180 million shares totaling Baht 2.34 million from operating for the year ended June 30, 2010 and the Company has already paid for such dividends on November 18, 2010.

At the ordinary shareholders' meeting dated October 15, 2008, the shareholders approved the payment of dividends at Baht 0.015 per share for 180 million shares totaling Baht 2.70 million from operating for the year ended June 30, 2008 and the Company has already paid for such dividends on November 12, 2008.

19. EXPENSES BY NATURE

Significant expenses by nature for the years ended June 30, 2011 and 2010 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Changes in finished goods and work in process	(4,331,383)	138,633	(4,291,041)	145,533
Purchase of finished goods	12,743,306	15,396,952	10,806,152	14,134,992
Raw materials and consumable used	236,886,161	162,566,537	236,886,161	162,566,537
Employees costs	42,435,007	35,521,391	42,016,817	35,461,391
Depreciation and amortization				
intangible assets	8,049,384	6,692,745	8,045,983	6,692,566
Bad debts and doubtful accounts	5,859,437	1,290,465	6,209,437	1,290,465
Managements' remuneration				
- Group as cost of sales	5,982,240	6,165,321	5,982,240	6,165,321
- Group as managements' remuneration	11,774,651	11,755,395	11,774,651	11,755,395

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

20. SEGMENT INFORMATION

The Group are engaged in a business of manufacturing and distribution of coating products (paint), rendering services and painting services. The Group operate in one geographical area in Thailand. The rendering services and painting services revenues charged is insignificant; therefore, these financial statements do not present the financial information by segment.

21. BANK GUARANTEE

As at June 30, 2011 and 2010, the Company had letters of guarantee issued by banks for

	In Baht	
	<hr/>	
	Consolidated and separate	
	financial statements	
	2011	2010
Payment of electricity fee	296,200	256,100
Performance bond	3,300,000	850,000
Total	<u>3,596,200</u>	<u>1,106,100</u>

As at June 30, 2011, Bank Guarantee of the Company was guaranteed by fixed deposits as discussed in Note 9 and the mortgage land, structures thereon and machinery as discussed in Note 12 (June 30, 2010 : guaranteed by saving deposit as discussed in Note 9 amounted to Baht 2.0 million).

22. KNOW - HOW AND TECHNICAL ASSISTANCE AGREEMENT

The Company has signed 2 agreements with PPG operated in USA through its subsidiary in Thailand, PPG Coating (Thailand) Co., Ltd. for special manufacturing agreement to produce protective coating and distributor agreement, which will be effective until December 31, 2013 and distributor agreement for Auto Refinish, which will be effective until March 31, 2011 (not renew agreement). The Company has license agreement to produce timber coating and decorative paints with Wattyl Australia, which will last until June 30, 2013. All agreements have conditions of early termination before expiry date. The Company also agree to pay fees in percentage according to each agreements.

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

23. EMPLOYEE'S PROVIDENT FUND

The Company established a contributory registered provident fund in accordance with the provident fund Act, B.E.2530. The provident fund plan was registered on June 27, 1990.

Under the plan, the employees contribute monthly the amounts equivalent 2%-5% of their basic salaries. The Company contributes at the rates of 2%-5% of the employees basic salaries. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No.2 B.E. 2532 issued under the Provident fund Act. B.E. 2530.

The Company's contributions charged to expenses for the years 2011 and 2010 amounted to Baht 2.3 million and Baht 2.2 million, respectively.

24. FINANCIAL INSTRUMENTS

A) FINANCIAL RISK MANAGEMENT POLICIES

The principal financial risks faced by the Group are interest rate risk and credit risk. The Group did not adopt any derivative strategies to manage such exposures.

The Group did not intend to engage in trading derivative instruments for speculative purposes.

B) INTEREST RATE RISK

The Group was exposed to interest risks because it held deposits to and loan from financial institutions. However, the Group believed that the future fluctuation on market interest rate would not provided significant effect to their operation and cash flow; therefore, no financial derivative was adopted to manage such risks.

C) CREDIT RISK

The Group was exposed to credit risk. However, due to the large number and diversity of the entities comprising the Group's customer base, the Group does not anticipate material losses from its debt collection. The Group estimated the allowance for doubtful accounts from the ending balance of accounts receivable. The estimate was made by generally accepted principles.

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2011 AND 2010**

A) FOREIGN CURRENCY RISK

The Group's exposure to foreign currency risk relates to its trade accounts payable amounted to U.S. dollars 0.1 million and the Group has not used purchase-sale forward exchange contracts at the date of balance sheet to mitigate such risks.

B) FAIR VALUE

The financial assets and liabilities include cash and cash equivalents, trade accounts receivable, trade accounts payable and financial lease liabilities. Their carried values approximate to their fair values.

25. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at June 30, 2011, the Group's debt-to-equity ratio was 1:1 (2010 : 0.72:1) and the Company's debt-to-equity was 1:1 (2010 : 0.70:1).

26. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of directors on August 22, 2011.



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