

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

1) We have reviewed the consolidated statements of financial position of Country Group Development Public Company Limited and its subsidiaries and the separated statements of financial position of Country Group Development Public Company Limited as at March 31, 2011, and the related consolidated and the separated statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the three - month period ended March 31, 2011 and 2010. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our reviews.

2) We conducted our reviews in accordance with the Standard on Auditing applicable to review engagements. These standards requires that we plan and perform the reviews to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards and accordingly, we do not express an opinion.

3) Based on our reviews, nothing has come to our attention that causes us to believe that the financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

4) We have previously audited the consolidated financial statement of Country Group Development Public Company Limited and its subsidiaries and the separate financial statement of Country Group Development Public Company Limited for the year ended December 31, 2010, have been audited in accordance with generally accepted auditing standards and expressed an unqualified opinion, in accordance with emphasized paragraph about its ability to continue as a going concern in the report dated February 28, 2011. The consolidated and the separated statements of financial position as at December 31, 2010, presented herein for comparison, have been derived from such financial statements which we have been audited and reported. We have not performed any other procedures subsequent to such report date.

5) As discussed in Notes 4 to the interim financial statements during the quarter ended March 31, 2011, the Company and its subsidiaries adopted the new and revised Thai Financial Reporting Standards issued by the Notification of Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards. In preparation and presentation of these interim financial statements, the consolidated and the separate financial statements for the quarter ended March 31, 2010 and the consolidated and the separate statements of financial position as at December 31, 2010, presented herein for comparison, are presented in the new format to conform to the presentation of the consolidated and the separate financial statements for the quarter ended March 31, 2011.

6) As discussed in note 1 to the financial statements, the Company's financial performance was adversely affected by the current economics crisis resulting loss, accumulated loss and negative cash flows from operation. These matters raise substantial doubt about its ability to continue as a going concern. However, the Company tried to solve these problems as discussed in note 1 to the financial statements. These financial statements are prepared under the going concern basis and do not include any adjustments relating the recoverability and reclassification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not be able to continue as a going concerns.

Miss Pranee Phonngam

Certified Public Accountant No. 4987

United Auditing PKF Limited

Bangkok

May 13, 2011.

INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT OF
THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2011 AND 2010

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

('Baht)

		CONSOLIDATED		SEPARATED FINANCIAL STATEMENTS	
		(Unaudited)		(Unaudited)	
		As at March 31,	As at December 31,	As at March 31,	As at December 31,
		2011	2010	2011	2010
Assets					
Current assets	Note				
Cash and cash equivalents	8	99,968,508	214,131,895	28,362,541	132,917,307
Temporary investment	9	193,093,365	122,451,371	193,093,365	122,451,371
Accounts receivable - net	10	68,597,280	33,648,612	-	-
Unbill income		-	1,191,896	-	-
Inventories		791,997	779,652	-	-
Other account receivable	17.1	-	1,200,000	-	-
Land and cost of under construction project		314,617,054	307,253,645	314,617,054	307,253,645
Other current assets		27,307,439	24,423,293	5,510,162	2,618,600
Total current assets		704,375,643	705,080,364	541,583,122	565,240,923
Non - current assets					
Cash at bank with obligation	19.2, 19.3	9,622,701	2,596,458	-	-
Other long-term investments		564,019	564,019	-	-
Investment in subsidiary companies - net	16.1	-	-	65,366,404	65,366,404
Property, plant and equipment - net		20,010,580	17,112,120	16,103,488	13,028,174
Intangible assets - net					
Computer software - net		2,749,917	1,249,825	2,469,943	876,178
Other non-current assets					
Withholding income tax		1,862,910	1,860,356	1,862,910	1,860,356
Deposits and others		4,902,079	5,837,560	1,394,843	2,365,221
Total non - current assets		39,712,206	29,220,338	87,197,588	83,496,333
Total assets		744,087,849	734,300,702	628,780,710	648,737,256

Notes to the interim financial statements form an integral part of these interim financial statements

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Continued)

('Baht)

		CONSOLIDATED		SEPARATED FINANCIAL STATEMENTS	
		(Unaudited)		(Unaudited)	
		As at March 31,	As at December 31,	As at March 31,	As at December 31,
		2011	2010	2011	2010
Liabilities and equity					
Current liabilities	Note				
Accounts payable		68,160,966	37,385,929	4,267,816	681,853
Other current liabilities		28,933,785	30,959,784	2,388,072	7,100,250
Total current liabilities		97,094,751	68,345,713	6,655,888	7,782,103
Non-current liabilities					
Post-employment benefits obligation	11	4,572,429	-	3,411,461	-
Provision liabilities from impairment of investment					
in subsidiary companies		74,792,313	74,792,313	-	-
Other non-current liabilities		-	43,000	-	23,000
Total non-current liabilities		79,364,742	74,835,313	3,411,461	23,000
Total liabilities		176,459,493	143,181,026	10,067,349	7,805,103
Equity					
Share capital	12				
Authorized share capital					
7,557,766,027 ordinary shares of Baht 1.00 each		7,557,766,027		7,557,766,027	
3,802,054,597 ordinary shares of Baht 1.00 each			3,802,054,597		3,802,054,597
Issued and paid-up share capital					
2,443,592,377 ordinary shares of Baht 1.00 each		2,443,592,377		2,443,592,377	
2,443,589,803 ordinary shares of Baht 1.00 each			2,443,589,803		2,443,589,803
Premium (discount) in share capital	12	(1,322,227,280)	(1,322,227,280)	(1,322,227,280)	(1,322,227,280)
Retained earning (deficit) unappropriated		(572,486,571)	(550,090,952)	(502,651,736)	(480,430,370)
Total parent company		548,878,526	571,271,571	618,713,361	640,932,153
Minority interest		18,749,830	19,848,105	-	-
Total equity		567,628,356	591,119,676	618,713,361	640,932,153
Total liabilities and equity		744,087,849	734,300,702	628,780,710	648,737,256

Notes to the interim financial statements form an integral part of these interim financial statements

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2011 AND 2010

(Unaudited)

				('Baht)	
		CONSOLIDATED		SEPARATED FINANCIAL STATEMENTS	
	Note	2011	2010	2011	2010
Revenues					
Revenues from sales		55,569,909	51,812,385	-	-
Revenues from services		21,891,650	20,249,300	-	-
Other income		1,053,474	472,884	65,057	15,283
Gain on sale of temporary investment		51,016	-	51,016	-
Total revenues		78,566,049	72,534,569	116,073	15,283
Expenses					
Cost of goods sold		48,574,070	45,909,829	-	-
Cost of services		14,569,039	14,575,816	-	-
Selling expenses		2,424,824	1,494,064	-	-
Administrative expenses		16,468,226	12,844,890	9,333,203	4,538,364
Unrealized loss on investment in securities	9	4,087,545	410,000	4,087,545	410,000
Directors and managements' remuneration	17.3, 21	9,294,449	5,528,220	5,675,774	2,157,880
Total expenses		95,418,153	80,762,819	19,096,522	7,106,244
Profit (loss) before corporate income tax		(16,852,104)	(8,228,250)	(18,980,449)	(7,090,961)
Corporate income tax	15	(838,819)	(327,086)	-	-
Profit for the periods		(17,690,923)	(8,555,336)	(18,980,449)	(7,090,961)
Other comprehensive income					
Actuarial gain (loss) arising from post-employment benefits	11	(58,231)	-	(87,394)	-
Total other comprehensive income		(58,231)	-	(87,394)	-
Total comprehensive income for the period		(17,749,154)	(8,555,336)	(19,067,843)	(7,090,961)
Profit attributable to					
Parent company		(18,117,877)	(8,612,766)	-	-
Minority interest		426,954	57,430	-	-
		(17,690,923)	(8,555,336)	-	-
Total comprehensive income attributable to					
Parent company		(18,180,879)	(8,612,766)	-	-
Minority interest		431,725	57,430	-	-
		(17,749,154)	(8,555,336)	-	-
Earnings (loss) per shares					
Basic earnings (loss) per shares	16	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average number of ordinary shares (shares)		2,443,590,718	1,629,059,869	2,443,590,718	1,629,059,869
Diluted earnings per share		(0.01)	(0.01)	(0.01)	(0.01)
Diluted number of ordinary shares (shares)		2,628,012,463	1,629,059,869	2,628,012,463	1,629,059,869

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2011 AND 2010

(Unaudited)

('Baht)

		CONSOLIDATED					
		The Company's shareholders' equity				Minority interest	Total equity
		Issued and	Premium	Retained earning	Total		
		paid-up	(discount)	(deficit)	parent		
	Note	share capital	on share capital	unappropriated	company		
Beginning balance as at January 1, 2010		1,629,059,869	(890,526,418)	(508,301,844)	230,231,607	18,925,638	249,157,245
Total comprehensive income for the periods		-	-	(8,612,766)	(8,612,766)	57,430	(8,555,336)
Subsidiary's dividend paid to minority interest		-	-	-	-	(415,760)	(415,760)
Ending balance as at March 31, 2010		1,629,059,869	(890,526,418)	(516,914,610)	221,618,841	18,567,308	240,186,149
Beginning balances as at January 1, 2011 - as previous reported		2,443,589,803	(1,322,227,280)	(550,090,952)	571,271,571	19,848,105	591,119,676
Effect from change in accounting policy	4	-	-	(4,214,740)	(4,214,740)	-	(4,214,740)
Beginning balances as at January 1, 2011 - as restated		2,443,589,803	(1,322,227,280)	(554,305,692)	567,056,831	19,848,105	586,904,936
Total comprehensive income for the periods		-	-	(18,180,879)	(18,180,879)	431,725	(17,749,154)
Subsidiary's dividend paid to minority interest		-	-	-	-	(1,530,000)	(1,530,000)
Increase in share capital	12	2,574	-	-	2,574	-	2,574
Ending balance as at March 31, 2011		2,443,592,377	(1,322,227,280)	(572,486,571)	548,878,526	18,749,830	567,628,356

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (Continued)

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2011 AND 2010

(Unaudited)

('Baht)

	Note	SEPARATED FINANCIAL STATEMENTS			Total equity
		Issued and paid-up share capital	Premium on share capital	Retained earning (deficit) unappropriated	
Beginning balance as at January 1, 2010		1,629,059,869	(890,526,418)	(437,853,773)	300,679,678
Total comprehensive income for the periods		-	-	(7,090,961)	(7,090,961)
Ending balance as at March 31, 2010		<u>1,629,059,869</u>	<u>(890,526,418)</u>	<u>(444,944,734)</u>	<u>293,588,717</u>
Beginning balances as at January 1, 2011 - as previous reported		2,443,589,803	(1,322,227,280)	(480,430,370)	640,932,153
Effect from change in accounting policy	4	-	-	(3,153,523)	(3,153,523)
Beginning balances as at January 1, 2011 - as restated		2,443,589,803	(1,322,227,280)	(483,583,893)	637,778,630
Total comprehensive income for the periods		-	-	(19,067,843)	(19,067,843)
Increase in share capital	12	2,574	-	-	2,574
Ending balance as at March 31, 2011		<u>2,443,592,377</u>	<u>(1,322,227,280)</u>	<u>(502,651,736)</u>	<u>618,713,361</u>

Notes to the interim financial statements form an integral part of these interim financial statements

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2011 AND 2010

(Unaudited)

			(Baht)	
	CONSOLIDATED		SEPARATED FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Cash flows from investing activities				
(Increase) decrease in cash at bank with obligation	(7,026,243)	(7,227,297)	-	-
Cash paid for purchase building in progress and other fixed assets	(3,001,262)	(159,115)	(2,703,147)	(56,128)
Cash paid for purchase intangible assets	(1,716,300)	-	(1,716,300)	-
Net cash provided by (used in) investing activities	(11,743,805)	(7,386,412)	(4,419,447)	(56,128)
Cash flows from financing activities				
Cash received from increase in share capital	2,574	-	2,574	-
Cash paid for dividend to minority interest	-	(415,760)	-	-
Net cash provided by (used in) financing activities	2,574	(415,760)	2,574	-
Net increase (decrease) in cash and cash equivalents	(114,163,387)	(15,809,587)	(104,554,766)	(6,704,668)
Cash and cash equivalent at the beginning of the periods	214,131,895	82,707,595	132,917,307	9,601,387
Cash and cash equivalent at the ending of the periods	99,968,508	66,898,008	28,362,541	2,896,719

Notes to the interim financial statements form an integral part of these interim financial statements

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2011 AND 2010
(Unaudited)

1. Going concern

The Company's has loss continue many year, accumulated loss and negative cash flow from operation, these matters raise substantial doubt about its ability to continue as a going concern. However, in 2009 the management of the Company solved the problem by cost reduction program. Furthermore, in the 2010, the management of the Company plans to solve the problem by cost reduction and increase share capital and issued warrant (see note 12) to invest in the project that can generate a good return in the future which in construction.

These financial statements are prepared with generally accepted accounting principles under the going concern basis.

If the Company is unable to continue as a going concern, it may be required to dispose its assets or pay liabilities which is not the normal course of business and at the amounts that different from those stated in the financial statements. These financial statements do not include any adjustments relating the recoverability and reclassification of recorded assets amounts or to the amounts and classification of liabilities that might be necessary should the Company not be able to continue as a going concerns.

2. The Company and subsidiaries operations

2.1 The Company operation

Country Group Development Public Company Limited ("the Company"), is incorporated in Thailand on March 29, 1995 and has registered its office at 1 Q-House Lumpini Building, 11th floor, room no. 1103, South Sathorn Road, Tung Mahamek, Sathorn, Bangkok. Its main business is a holding company and real estate.

The Company was listed on the Stock Exchange of Thailand on May 7, 1997. In December 2006, the Company submitted a filing to the Stock Exchange of Thailand and was listed on the Market for Alternative Investment ("MAI") and commenced trading on June 25, 2007.

2.2 Subsidiaries operation

A-HOST Company Limited is incorporated in Thailand on August 20, 1999 and has registered its head office at 979/53 - 55, SM Tower, 21st Floor, Phaholyotin road, Samsennai, Phayathai, Bangkok. Its main business is to sale and to provide rendering service related to computer software.

Avison Company Limited is incorporated in Thailand on September 15, 2004 and has registered its head office at 979/52 SM Tower 21st Floor, Phaholyothin road, Samsennai, Phayathai, Bangkok. Its main business is to sale and to provide rendering service related to computer software.

ABCs Company Limited is incorporated in Thailand on January 10, 2008 and has registered its head office at 99/28, Software Park Building, 7 Floor, Unit D, Chaengwattana Road, Khlong Gleua, Pakkred, Nonthaburi. Its main business is to sale and to provide rendering service related to computer software.

3. Basis of preparation and presentation of the interim financial statements

3.1 The interim consolidated and separated financial statements of the Company for the three-month period ended March 31, 2011 and 2010 are presented in accordance with accounting standard No.34 "Interim Financial Reporting" (revised 2009) and in accordance with generally accepted accounting principles in Thailand. The format financial statement presentation is compliance with Thai Accounting Standard No.1 (revised 2009) "Presentation of Financial Statement", which is effective for financial statements for the accounting periods beginning on or after January 1, 2011 onwards and in accordance with the regulations of the stock exchange of Thailand dated January 22, 2001, regarding the basis conditions and procedures for the preparation and submission of financial statements and reports for the financial position and results of operations of listed companies B.E. 2544.

The financial statements for the three months period ended March 31, 2010 and the statements of financial position as at December 31, 2010, presented herein for comparison, are presented in the new format to conform to the presentation of the financial statements for the three months period ended March 31, 2011.

- 3.2 The consolidated and separated statements of financial position of the Company as at December 31, 2009, presented herein for comparison, has been derived from the financial statements of the Company for the year then ended which have been audited.
- 3.3 The results of operations for the three-month period ended March 31, 2011 and 2010, are not indicated of the operating results anticipated for the full year.
- 3.4 Certain financial information which is normally included in the financial statements for the year prepared in accordance with generally accepted accounting principles, but which is not required for interim reporting purposes, has been omitted. In addition, the interim consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the audited financial statements for the year ended December 31, 2009, which have been audited.
- 3.5 The consolidated financial statements include the financial statements of Dragon One Public Company Limited and its subsidiaries in Thailand and foreign country as follows:

Subsidiaries	Location	Type of business	Percentage of holding (%)	
			As at	As at
			March 31, 2011	December 31, 2010
Direct subsidiaries				
A-HOST Company Limited	Thailand	Sale and provide rendering service related to computer software	83.64	83.64
Indirect subsidiaries				
Avision Company Limited	Thailand	Sale and provide rendering service related to computer software	40.98	40.98
ABCs Company Limited	Thailand	Sale and provide rendering service related to computer software	75.28	75.28

The consolidated financial statements' company included financial statements of two indirect subsidiaries in interim consolidated financial statements since the Company has power, directly or indirectly, to govern their financial and operating policies so as to obtain benefits from their activities of two subsidiaries.

- 3.6 The consolidated financial statements are the consolidation between the Company's and subsidiaries' account. Therefore, intercompany transactions are eliminated from these financial statements. In preparation the consolidated financial statements, the information about the minority interest is presented in separated transaction in the consolidated balance sheets and the statements of income.

4. Adoption Of New And Revised Thai Financial Reporting Standards

During the three-month period ended March 31, 2011, the Company and subsidiaries have adopted the new and revised Thai Financial Reporting Standards issued by The Federation of Accounting Professions which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards. This adoption does not have significant impact to Company and subsidiaries financial statements, except the following Thai Accounting Standards:

4.1 Thai Accounting Standard No. 1 (Revised 2009) "Presentation of Financial Statements"

This Accounting Standard changed requirements about the presentation in the financial statements. Therefore, it affected the reclassification in the consolidated and the separate financial statements for the three-month period ended March 31, 2010 and the statements of financial position as at December 31, 2010, presented for comparison with financial statements for the three-month period ended March 31, 2011 (see note 3.1).

4.2 Thai Accounting Standard No. 19 "Employee Benefits"

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits or liabilities arising from other defined benefit plans and other long-term employee benefits using actuarial techniques. The Company and subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

- The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate.
- Actuarial gains and losses arising from post-employment benefits are recognized in full in other comprehensive income.

The Company and subsidiaries have changed this accounting policy in the current year and recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current period. The cumulative effect of the changes in the accounting policy as at January 1, 2011 are as follow”

		('Baht)
	Consolidated	Separated financial statements
Statements of financial position		
Increase in post-employment benefits obligation	4,214,740	3,153,523
Decrease in retained earning	4,214,740	3,153,523

5. Accounting Standards and Accounting Standards Interpretation announced but not effective in 2011

The Federation of Accounting Professions has issued the Notifications regarding the Thai Accounting Standards (TAS), and Thai Accounting Standards Interpretation (TSI) which will become effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards as follows;

Thai Accounting Standards

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Thai Accounting Standards Interpretation

TSI 10	Government Assistance - No Specific Relation to Operating Activities
TSI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSI 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company and subsidiaries management anticipates to adopt the accounting standards that affect to the Company's financial statements when they become effective. The management are now evaluating the impact to financial statement for the year those accounting standards will be started.

6. Summary of significant accounting policies

The Company and subsidiaries uses the same accounting policies and calculation method in these interim financial statements as compared with the financial statements for the year ended December 31, 2010, except for the changes in the following accounting policies due to the adoption of new accounting standard as described in Note 4.

7. The additional information regarding cash flow

In first quarter 2011, the Company has the building under construction in the amount of Baht 3.21 million which Baht 0.51 million was still unpaid which was not related with cash flows from operating activities and investing activities.

8. Cash and cash equivalents

Cash and cash equivalents, as follows:

	Consolidated		Separated financial statements	
	As at March 31, 2011	As at December 31, 2010	As at March 31, 2011	As at December 31, 2010
Cash	65,486	62,657	40,634	28,795
Saving account	69,501,631	187,042,693	29,302,564	133,791,312
Fixed deposit 3 months	31,589,706	28,552,666	-	-
Current account	(1,188,315)	(1,526,121)	(980,657)	(902,800)
Total	99,968,508	214,131,895	28,362,541	132,917,307

9. Temporary investment

Invested in securities, as follows:

	Consolidated			
	As at March 31, 2011		As at December 31, 2010	
	Cost / Cost amortize	Fair value	Cost / Cost amortize	Fair value
Temporary security				
Trade security				
Equity securities	197,180,910	193,093,365	121,907,819	122,451,371
Unrealized loss	(4,087,545)	-	543,552	-
Total trade securities	193,093,365	193,093,365	122,451,371	122,451,371

('Baht)

	Separated financial statements			
	As at March 31, 2011		As at December 31, 2010	
	Cost / Cost amortize	Fair value	Cost / Cost amortize	Fair value
Temporary security				
Trade securities				
Equity securities	197,180,910	193,093,365	121,907,819	122,451,371
Unrealized loss	(4,087,545)	-	543,552	-
Total trade securities	193,093,365	193,093,365	122,451,371	122,451,371

In first quarter 2011 and 2010, investment in trade securities have changed, as follows:

	('Baht)	
	2011	2010
Book value as at January 1, - net	122,451,371	1,025,000
Amount of purchase securities	104,078,523	-
Amount of sale securities	(29,348,984)	-
Changing in fair value of trade securities	(4,087,545)	(410,000)
Book value as at March 31, - net	193,093,365	615,000

10. Accounts receivable - net

Accounts and notes receivable, as follows:

	Consolidated		Separated financial statements	
	As at	As at	As at	As at
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Accounts receivable	71,785,386	36,836,718	-	-
<u>Less</u> Allowance for doubtful account	(3,188,106)	(3,188,106)	-	-
Net	68,597,280	33,648,612	-	-

Accounts are classified by aging as follows:

('Baht)				
	Consolidated		Separated financial statements	
	As at March 31, 2011	As at December 31, 2010	As at March 31, 2011	As at December 31, 2010
Current	62,932,197	20,945,877	-	-
Not over 1-3 months	2,833,221	12,298,742	-	-
Over 3 months - 6 months	2,831,862	290,573	-	-
Over 6 months - 12 months	-	3,301,526	-	-
Over 12 months	3,188,106	-	-	-
Total	71,785,386	36,836,718	-	-

11. Post-Employment Benefits Obligation

The Company and subsidiaries have post-employment benefits plans under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans.

Amounts recognized in the statement of comprehensive income in respect of the defined benefit plans for the three-month ended March 31, 2011 and 2010 are as follows:

('Baht)				
	Consolidated		Separated financial statements	
	2011	2010	2011	2010
Current service cost	248,345	-	135,067	-
Interest cost	51,113	-	35,477	-
Loss from changing estimation	58,231	-	87,394	-
Total	357,689	-	257,938	-

Changing in the present value of the defined benefit obligation for the three-month periods ended March 31, 2011 and 2010 are as follows:

			('Baht)	
	Consolidated		Separated financial statements	
	2011	2010	2011	2011
Beginning present value of post-employment benefits obligation	-	-	-	-
Plus Adjust from changing accounting policy (see note 4.2)	4,214,740	-	3,153,523	-
Beginning present value of post-employment benefits obligation - as restated	4,214,740	-	3,153,523	-
Current service costs	248,345	-	135,067	-
Interest costs	51,113	-	35,477	-
Loss from charging estimation	58,231	-	87,394	-
Ending present value of post-employment benefits obligation	4,572,429	-	3,411,461	-

The principle actuarial assumption used to calculate the defined benefit obligation are as follows:

	Consolidated and Separated financial statements	
	As at March 31,	As at December 31,
	2011	2010
The principle actuarial assumption		
Discount rate	4.50%	4.50%
Turnover rate	1.00%	1.00%
Expected rate of salary increase	5.25%	5.00%

As at March 31, 2010, the Company change the assumption of expected rate of salary from 5% to 5.25%.

12. Share capital

Parent company

Issued and paid-up share capital and premium (discount) on share capital has movement as follows:

	Number of shares (shares)	Paid-up share capital (Baht)	Premium on (discount) in share capital (Baht)	Dated of registered with Department of Business Development
Balance as at December 31, 2010	2,443,589,803	2,443,589,803	(1,322,227,280)	
Increase 1 st	2,574	2,574	-	February 28, 2011
Balance as at December 31, 2011	2,443,592,377	2,443,592,377	(1,322,227,280)	

According to the Extraordinary General Meeting of Shareholders no. 1/2011 held date January 19, 2011, the meeting agree on the following issues.

- CGD decrease registered capital share from Baht 3,802,054,597 to be Baht 3,648,022,343 by cancel 154,032,254 shares which are not allotted, par value of Baht 1 each (except for the 1,204,432,540 shares remaining ordinary shares reserved for the exercise of the warrants that have been offered to directors (CGD-WA) and existing shareholders. (CGD-W1 and CGD-W2) of the Company
- CGD increase registered capital share from Baht 3,648,022,343 to be Baht 7,557,766,027 by issue capital share totally 3,909,743,684 shares at the par value of Baht 1 per share. Those new shares from the capital increase will be allotted and offered to the existing shareholders of the Company pro-rata to their shareholding and to offer and sell to the specific investors by detail below.
- Issue increasing capital share not exceeding 3,909,743,684 shares at the par value of Baht 1 per share, at ratio of 1 existing ordinary share to 1.6 new ordinary shares, fraction of shares will be discarded and for the offer price of Baht 1 per share, (this subscription ratio may change if there is any warrant holder exercises the right under the warrant prior to the Record Date), and the existing shareholders shall not be entitled to subscribe in excess of their rights. The shareholders entitled to subscribed to the newly issued shares shall be shareholders whose names are registered in the share register of the Company as of January 27, 2011 (the "Record Date").
- Approved the allocation and offering of the shares left unsubscribed after the rights offering to the shareholders in proportion to the shareholding ratio to the following specific investors, namely, Mr. Sadawut Taechaubol, Mr. Bee Taechaubol, Mr. Ben Taechaubol, Mrs. Louise Diskul Na Ayudhya, Mr. Tommy Taechaubol and Miss Jureporn Kawiwirotkun (the "LGD Shareholder Group") in the number of not exceeding 3,700,000,000 shares at the subscription of Baht 1 per share which was the same price as the right offering share subscription price pursuant to Clause 7 days above and was not below the market price which is calculated by the weighted average trading price of the Company's shares traded on the Stock Exchange 7 days consecutive trading days prior to the date of board of directors' meeting (Calculated from the market price during November 10-18, 2010 at the price of Baht 0.65 per share)

The board of director meeting No. 1/2010 held on January 25, 2010, approve the subscription period during February 14, 2010 to February 18, 2011.

The board of directors' meeting No. 2/2011 held on February 28, 2011 approve the following:

- Change the subscription period because the rule of the Stock Exchange of Thailand states that subscription period must be at least 5 days due to February 18, 2011 are holiday, therefore the Company change the subscription period to be during February 14-21, 2011, only working day.
- According to the Company to allocated new ordinary share not exceeding 3,909,743,684 shares, which the subscription period during February 14-21, 2011, the shareholders subscribe total 2,574 share with the price of Baht 1. The Company received money and registered the increase of share capital with the Ministry of Commerce on February 28, 2011.

13. Warrants

Details of the warrants of the Company which were issued without charge are as follows: -

	Outstanding of warrants as at December 31, 2010	Outstanding of warrants issuance in year	Exercise for the period	Outstanding of warrants as at March 31, 2011
Warrants				
CGD – WA (BSCP)	150,000,000	-	-	150,000,000
CGD – W1	192,928,208	-	-	192,928,208
CGD – W2	843,070,832	-	-	843,070,832
	<u>1,185,999,040</u>	<u>-</u>	<u>-</u>	<u>1,185,999,040</u>

13.1 The Company issued and allotted warrants CGD-WA to directors and employees of the Company (ESOP) as follows:

The Company issued and allotted warrants CGD-WA to directors and employees of the Company, which are transferable to others but not exceeding limited 35 persons. The warrant has no offered price and their terms do not exceed 3 years from the issued date.

According to the annual general meeting of shareholders for the fiscal year 2008 held on April 9, 2008, approved the extension of the maturity of warrants CGD-WA by extending the maturity of warrants CGD-WA from “3 years from the issuance date of warrants is March 10, 2007 which will be due on March 9, 2010” to “5 years from the issuance date of warrants which will be due on March 9, 2012” and adjust the last exercise date to be March 9, 2012 in order to match the extension of the maturity of warrants. Other exercise dates will remain unchanged. The exercise ratio and price are detailed below:

	Issued date	Issued units (Million units)	Exercise price (Baht/unit)	Exercise period	
				Start	End
ESOP	March 10, 2007	150	1	September 28, 2007	March 9, 2012

13.2 The Company issued and allotted warrants to shareholders, as follow:

On April 21, 2008, the Company submitted filing of Warrants 193,008,776 units to the Securities Exchange and Commission (SEC) which later approved on October 3, 2008. Therefore, the board of director's meeting No.9/2008 dated October 13, 2008 approved the closing date to issue warrants (CGD-W1) at the ratio of 3 common shares to 1 unit of warrant for free. This warrant is transferable and has exercise period in 3 years. The exercise ratio and price are detailed below:

	Issued date	Issued units (Million units)	Exercise price Baht/unit	Exercise period	
				Start	End
CGD-W1	October 27, 2008	193	1	October 30, 2009	October 26, 2011

13.3 The Company issued and allotted warrants to purchase ordinary shares No. 2 (CGD-W2) to existing shareholders as well as the existing shareholders who subscribe new shares are as follows:

The Annual General Meeting of Shareholders for the fiscal year 2010 held on April 29, 2010 approved issuance and offering CGD-W2 not exceeding of 995,536,586 units to the existing shareholders as well as the existing shareholders who subscribe new shares and are allocated as follows:

- Allocation of 181,006,652 units at a ratio of 9 existing ordinary shares to 1 unit of warrant to the existing shareholders. Any fraction of shares will be discarded.
- Allocation of 814,529,934 units at a ratio of 1 new ordinary share to 1 unit of warrant to the existing shareholders who subscribe for newly issued share and are allocated.

The Company fixed the closing date of the shareholders registration book for determining the shareholders having the rights to be allotted warrants as specified and the shareholders having the rights to purchase new ordinary shares with warrants on May 17, 2010.

CGD-W2 are free warrant and transferable which listed securities in MAI (Market for Alternative Investment). Terms of CGD-W2 shall be 3 years from issuing date (The issuing date of CGD-W2 is on June 22, 2010). The number of warrants allotted to the existing shareholders is 843,070,832 units. The exercise ratio and price are detailed below:

	Issued date	Issued units (Million units)	Exercise price Baht/unit	Exercise period	
				Start	End
CGD-W2	June 22, 2010	843	0.50	September 30, 2010	June 21, 2013

14. Dividend

Dividend are declared are comprise of:

The Subsidiary

- Avison Company Limited

According to the ordinary shareholders' meeting for the fiscal year 2010 held on March 30, 2010 approved to pay dividend in the amounting of Baht 0.70 million for 20,000 shares at Baht 35 to the existing shareholders. The dividend was paid on April 25, 2010.

According to the ordinary shareholders' meeting for the fiscal year 2011 held on March 30, 2011 approved to pay dividend in the amounting of Baht 3 million for 20,000 shares at Baht 150 to the existing shareholders. The dividend was paid on April 25, 2011.

- ABCS Company Limited

According to the ordinary shareholders' meeting for the fiscal year 2010 held on March 16, 2010 approved to pay dividend in the amounting of Baht 0.59 million for 40,000 shares at Baht 14.69 to the existing shareholders. The dividend was paid on April 9, 2010.

15. Corporate income tax

The corporate income tax in the interim consolidated financial statements for the three – month period ended March 31, 2011, of the Company and its subsidiaries calculated from net profit (loss) for the period after having been adjusted with other transactions which can not use as revenue or expenses for calculated the income tax and deduct with loss of tax from prior year not less than 5 years. And a subsidiary calculated from net profit less net promotional profit of BOI, therefore for the three-month period ended March 31, 2011 ,the Company and two subsidiaries have no corporate income tax because of having net loss of tax. For the three-month period ended March 31, 2011, 9 subsidiaries have net profit of tax, therefore, have corporate income tax in the amount of Baht 0.84 million.

The corporate income tax in the interim consolidated financial statements for the three – month period ended March 31, 2010, of the Company and its subsidiaries calculating from net profit (loss) for the period after having been adjusted with other transactions which can not use as revenue or expenses for calculated the income tax and deduct with loss of tax from prior year not less than 5 years. Therefore for the three-month period ended March 31, 2010, the Company and a subsidiaries have no corporate income tax because of having net loss of tax. For the three-month period ended March 31, 2010 two subsidiaries have net profit of tax therefore have corporate income tax in the amount of Baht 0.33 million.

16. Earnings (loss) per share

Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares issue during the years. For the three-month period ended March 31, 2011 and 2010, as follows:-

	Consolidated		Separated financial statements	
	2011	2010	2011	2010
Total comprehensive income for the period (Baht)	(17,749,154)	(8,555,336)	(19,067,843)	(7,090,961)
Weighted average number of ordinary shares (shares)	2,443,590,718	1,629,059,869	2,443,590,718	1,629,059,869
Basic earnings (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)

Diluted earnings (loss) per share

Diluted earnings (loss) per share are calculated by dividing the net profit (loss) attributable to shareholders by the diluted number of ordinary shares for the three-month period ended March 31, 2011 and 2010, as follows:-

	Consolidated		Separated financial statements	
	2011	2010	2011	2010
Total comprehensive income for the period (Baht)	(17,749,154)	(8,555,336)	(19,067,843)	(7,090,961)
Weighted average number of ordinary shares (shares)	2,443,590,718	1,629,059,869	2,443,590,718	1,629,059,869
Diluted number of ordinary shares (shares)	184,421,745	-	184,421,745	-
Total	<u>2,628,012,463</u>	<u>1,629,059,869</u>	<u>2,628,012,463</u>	<u>1,629,059,869</u>
Diluted earnings (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)

The diluted number of ordinary shares for the period ended March 31, 2011, in the amount of 184,421,755 units is based on the assumption that there is the exercise of CGD-W2 warrant holders. As at March 31, 2011, the company has CGD-W2 warrant 843,070,832 warrants, which have an exercise price of Baht 0.50 per share of 1 warrant per 1 ordinary share. The fair value of the common stock, which the company is based on the assumption that there is the exercise, is calculated by weighted average of purchase and selling price from start exercise warrants to statement of financial position date, are Baht 0.64.

Since the exercise price during period was higher than the average market price during period, there were no exercised warrants impacted to diluted earnings per share statements for the years ended March 31, 2010.

The Company has warrants (CGD-WA) that were issued and allotted to directors and employees totaling 150 million units, CGD-W1 warrants totaling 193 million. (see note 13). Since the exercise price during period was higher than the average market price during period, there were no exercised warrants impacted to diluted earnings per share statements for the years ended March 31, 2011 and 2010.

17. Transactions with related parties

17.1 Investment in subsidiary company - net

('Baht)

Company	Type of business	Location	Paid up capital	Separated financial statements					
				Percentage of holding (%)		Cost method		Dividend income	
				As at	As at	As at	As at	For the three-month periods	
				March 31,	December 31,	March 31,	December 31,	ended March 31,	
				2011	2010	2011	2010	2011	2010
Subsidiary company									
A – HOST Company Limited	Sale and provide rendering service related to computer software	Thailand	60,000,000	83.64	83.64	232,894,329	232,894,329	-	-
Total of investment in subsidiary company						232,894,329	232,894,329	-	-
<u>Less</u> Allowance of impairment						(167,527,925)	(167,527,925)	-	-
Total of investment in subsidiary company - net						65,366,404	65,366,404	-	-

According to the board of directors' meeting of subsidiary No 3/2010 held on May 13, 2010 approved to invest in Mobizign Co., Ltd. Limited in 120,000 share at the price of Baht 10, totaling 1.2 million total investment is 60 percent of authorized share capital the Subsidiaries paid complete.

The board of directors' meeting of the subsidiaries No.6/2010 held on December 16, 2010, approve to sell all investment of Mobizign Co., Ltd. to other person in 120,000 share at the price of Baht 10, totaling 1.2 million, total investment is 60 percent of authorized share capital because the Company record the sell and purchase agreement paid cheque held on December 17, 2010, by the subsidiary pay in cheque in January 2010, the subsidiary show other account receivable as at December 31, 2010, the subsidiaries receive from other account receivable complete in January, 2011.

17.2 Transactions with related parties

The Company and subsidiaries have transactions with related parties. A portion of the Company's asset, liabilities, revenues and expenses arose from transactions with related parties. These companies are related through common shareholders and directors both direct and indirect. These transactions are in line with transfer pricing policy which can be described as follows:

Transaction	Transfer pricing policy
Revenue from sales and services	Price that comparable with price sale /service to outsiders
Consulting income	Mutually agree in accordance with the contract
Rental income	Mutually agree in accordance with the contract which compare market rate

Significant transactions with related parties were consisted of:

		('Baht)			
	Nature of relationship	Consolidated		Separated financial statements	
		As at	As at	As at	As at
		March 31,	December 31,	March 31,	December 31,
		2011	2010	2011	2010
Outstanding balance					
Related company					
Bangkok Development Company Limited	Common-shareholder and director				
Cash at financial institute		22,335,597	54,359,542	22,335,997	54,359,542

		('Baht)			
	Nature of relationship	Consolidated		Separated financial statements	
		For the three-month period ended March 31,			
		2011	2010	2011	2010
Revenues and expenses					
Related company					
Country Group Securities Pcl.	Common shareholder and director				
Interest income		55,130	45,000	55,130	93,384
Fee and service		200,000	15,000	200,000	1,000,000

17.3 Directors' Remuneration

17.3.1 Directors, Remuneration represents the benefit paid to the Company, s directors under section 90 of the Public Company Act, which is not included the salary and related benefits paid to the Company' s directors, who are executive managements of the Company

17.3.2 The management's benefits in cash are salary, bonus, and provident funds paid to the Company's management under Notification of the Capital Market Commission No. Tor Jor 24/2009 "Requirement about directors and managements remuneration of the Company issued securities" dated July 20, 2009.

17.3.3 For the three-month periods ended March 31, 2011 and 2010. The management's benefits paid to management according to the TAS 24 (revised 2009) "Related Party Disclosures" are as follows:

	('Baht)			
	Consolidated		Separated financial statements	
	For the three-month period ended March 31,			
	2011	2010	2011	2010
Short-term employee benefit	7,538,162	3,623,220	4,467,291	1,187,880
Post retirement benefits	241,288	-	158,483	-
Total	7,779,450	3,623,220	4,625,774	1,187,880

18. Business segment information

The Company operations involve a various business segment, which is holding company, real estate sale and to provide rendering service related to computer software. For the three-month period ended March 31, 2011. Operation involve a single business segment, which is to sale and to provide rendering service related to computer software only. Therefore no geographical segment and business.

19. Commitment and letter of guarantee

- 19.1 As at March 31, 2011, the Company and subsidiaries have service contracts with the customer in the amount of Baht 53.61 million.
- 19.2 As at March 31, 2011 and as at December 31, 2010, the subsidiaries requested the commercial bank to issue the letter of guarantee in the amount of Baht 21.81 million and 3.75 million respectively. The letters of guaranteed by fixed deposit of the subsidiaries in the amount of Baht 8.73 million and 1.50 million respectively.
- 19.3 As at March 31, 2011 and as at December 31, 2010, the subsidiaries used fixed deposit of subsidiaries agreement of the Mobizign Company Limited (Previously subsidiary) to the other company in the amount of Baht 3.23 million of each year.
- 19.4 The Company and subsidiaries had commitment in land, rental agreement and office lease agreement, office space lease agreement, car rental agreements and hardware hire-purchase agreements. The Company and subsidiaries had commitment to lease payments are as follows:

	Consolidated		Separated financial statements	
	As at	As at	As at	As at
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Within 1 year	7,699,447	10,656,573	2,282,878	2,282,878
Over 1 year but not over 5 years	9,033,943	6,076,817	2,957,126	2,957,126

20. Other issue

Parent Company

According to the Extraordinary General Meeting of Shareholders no. 1/2011 held on January 19, 2011, approved to purchase and accept the transfer of entire business ("Entire Business Transfer" or "EBT") from Landmark Development Group Co., Ltd. ("LDG") at selling price 3,700 million Baht in purpose to develop Landmark Waterfront Project, which is a real estate project consists of hotels and residences. CGD will receive all assets, liabilities, rights and obligations which belong to Landmark Development Group Co., Ltd. Furthermore, after the entire business transfer LDG will cease its business and proceed with the liquidation of the company.

21. Transaction reclassification

Transaction in the financial statements for the three-month periods ended March 31, 2010. was reclassified to conform with the financial statements for the three-month periods ended March 31, 2011. The significant reclassification are as follows:

- Management benefit expenses in the amount of Baht 5.21 million which be shown in cost of goods sold in the amount of Baht 2.72 million, cost of service in the amount of Baht 3.43 million, administrative expenses in the amount of Baht 0.05 million. The selling expresses was deducted in the amount of Baht 0.90 million.

22. Approving to issue of interim financial statements

The interim financial statements are approved to issue by the authorized directors of the Company held on May 13, 2011.