

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO BOARD OF DIRECTORS OF COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED**

We have reviewed the consolidated and the separated statements of financial position as at June 30, 2013, and the related consolidated and separated statements of income, comprehensive income for the three-month and six-month periods ended June 30, 2013, the consolidated and the separated statement of changes in equity and cash flows for the six-month periods then ended, and notes to the condensed financial statements of Country Group Development Public Company Limited and its subsidiaries and Country Group Development Public Company Limited. The Company's management is responsible for the preparation and fair presentation of this interim financial information in accordance with Thai Accounting Standard No.34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our reviews.

**Scope of Review**

We conducted our reviews in accordance with Thai Standard on Review Engagements 2410 "Review of interim financial information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standard on auditing and consequently is not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our reviews, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No.34 "Interim Financial Reporting".

### **The emphasis paragraph**

Without modifying our conclusion, 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 concern.

As discussed in note 3.1.2 to the financial statements, the consolidated interim financial statements are prepared by using a reverse acquisition method. The consolidated financial statements of Landmark Development Group Co., Ltd and subsidiaries, which are the subsidiary companies for a legal perspective but are the parent company for accounting purposes, for the year ended December 31, 2012 were audited by another auditor in same firm to compare for the purpose of providing information in preparation of the consolidated financial statements of Country Group Development Public Company Limited and its subsidiaries and Landmark Development Group Co., Ltd and subsidiaries, whose expressed an unqualified opinion on those statements on February 28, 2013.

**Dr. Junyaporn Techamontrikul**

Certified Public Accountant No. 6720

United Auditing Limited

Bangkok

August 14, 2013.

INTERIM FINANCIAL INFORMATION AND REVIEW REPORT OF  
THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
FOR THE THREE - MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2013

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION

('Baht)

		CONSOLIDATED			SEPARATED FINANCIAL STATEMENTS		
		As at	As at	As at	As at	As at	As at
		June 30,	December 31,	January 1,	June 30,	December 31,	January 1,
		2013	2012	2012	2013	2012	2012
		(Unaudited)	(Adjustment)	(Adjustment)	(Unaudited)	(Adjustment)	(Adjustment)
<b>Assets</b>							
<b>Current assets</b>	<b>Note</b>						
Cash and cash equivalents	7	607,726,541	1,165,003	248,458	510,451,640	14,431,915	57,523,333
Temporary investment	8	49,981,017	-	-	49,981,017	26,673,146	21,475,000
Trade accounts and other receivable	9	251,353,528	-	-	26,121,270	17,397,150	23,615,224
Accrued dividend income	26.3	-	-	-	9,535,283	9,535,283	-
Advance interest expense	17	14,601,623	-	-	14,601,623	-	-
Short-term loan to other person		-	-	-	-	-	15,500,000
Inventories		13,532	-	-	-	-	-
Land and cost of under project construction	10	547,886,473	-	-	547,886,473	455,889,859	393,765,547
Other current assets		24,391,061	8,514,521	7,722,450	1,702,687	1,761,707	1,794,879
<b>Total current assets</b>		<b>1,495,953,775</b>	<b>9,679,524</b>	<b>7,970,908</b>	<b>1,160,279,993</b>	<b>525,689,060</b>	<b>513,673,983</b>
<b>Non - current assets</b>							
Cash at bank with obligation	28.3	18,090,700	-	-	-	-	-
Other long-term investments		582,034	-	-	-	-	-
Investment in subsidiary companies - net	26.1	-	-	-	215,366,104	65,366,404	65,366,404
Building in progress	11	200,260,471	195,436,859	190,208,050	86,060,230	-	-
Leasehold	12	91,794,871	87,743,465	87,743,465	3,773,816,168	-	-
Property, plant and equipment - net		19,117,606	-	-	11,451,144	13,034,719	16,647,330
Intangible assets - net		1,389,365	-	-	1,349,602	1,469,291	1,999,141
<b>Other non-current assets</b>							
Deferred income tax assets	4, 13	1,594,612	-	-	663,776	498,570	431,810
Withholding income tax		-	-	-	-	1,461,835	1,457,996
Deposits and others		5,262,466	-	-	2,267,242	2,125,291	2,167,698
Other non-current assets		-	40,000	666,032	-	-	-
Goodwill	3.5	3,622,271,933	-	-	-	-	-
<b>Total non - current assets</b>		<b>3,960,364,058</b>	<b>283,220,324</b>	<b>278,617,547</b>	<b>4,090,974,266</b>	<b>83,956,110</b>	<b>88,070,379</b>
<b>Total assets</b>		<b>5,456,317,833</b>	<b>292,899,848</b>	<b>286,588,455</b>	<b>5,251,254,259</b>	<b>609,645,170</b>	<b>601,744,362</b>

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION (Continued)

('Baht)

		CONSOLIDATED			SEPARATED FINANCIAL STATEMENTS		
		As at	As at	As at	As at	As at	As at
		June 30,	December 31,	January 1,	June 30,	December 31,	January 1,
		2013	2012	2012	2013	2012	2012
		(Unaudited)	(Adjustment)	(Adjustment)	(Unaudited)	(Adjustment)	(Adjustment)
<b>Liabilities and equity</b>							
<b>Current liabilities</b>	<b>Note</b>						
Short-term loan from financial institute	14	83,186,849	-	-	-	-	-
Trade accounts and other payable	15	186,946,562	-	-	40,907,378	30,728,868	43,165,464
Assets payable		-	8,648,063	10,967,077	-	-	-
Financial lease liabilities due within 1 year	19	2,793,537	-	-	-	-	-
Deposit and advance from customer		37,174,958	-	-	37,174,958	23,331,904	6,957,328
Provision short-term liabilities	16	1,074,597	-	-	-	-	-
Bill of exchange	17	440,000,000	-	-	440,000,000	-	-
Short-term loan from related person	26.2	74,988,406	261,978,746	252,137,310	105,290,138	-	-
Accrued dividend		1,864,679	-	-	-	-	-
Advance income		4,653,981	-	-	-	-	-
Other current liabilities		9,259,821	676,695	372,362	1,107,425	304,390	707,986
<b>Total current liabilities</b>		<b>841,943,390</b>	<b>271,303,504</b>	<b>263,476,749</b>	<b>624,479,899</b>	<b>54,365,162</b>	<b>50,830,778</b>
<b>Non-current liabilities</b>							
Long-term loan	18	103,254,000	-	-	103,254,000	80,000,000	-
Financial lease liabilities	19	1,162,018	-	-	-	-	-
Post-employment benefits obligation	20	5,373,908	-	-	3,318,880	2,492,848	2,159,052
Other non-current liabilities		20,000	-	-	-	-	-
<b>Total non-current liabilities</b>		<b>109,809,926</b>	<b>-</b>	<b>-</b>	<b>106,572,880</b>	<b>82,492,848</b>	<b>2,159,052</b>
<b>Total liabilities</b>		<b>951,753,316</b>	<b>271,303,504</b>	<b>263,476,749</b>	<b>731,052,779</b>	<b>136,858,010</b>	<b>52,989,830</b>
<b>Equity</b>							
<b>Share capital</b>	<b>21</b>						
Authorized share capital							
7,557,772,720 ordinary shares of Baht 1.00 each		7,557,772,720			7,557,772,720	7,557,772,720	7,557,772,720
2,500,000,000 ordinary shares of Baht 10.00 each			25,000,000	25,000,000			
Issued and paid-up share capital							
6,982,294,461 ordinary shares of Baht 1.00 each		6,982,294,461			6,982,294,461		
2,444,820,629 ordinary shares of Baht 1.00 each						2,444,820,629	
2,444,745,629 ordinary shares of Baht 1.00 each							2,444,745,629
2,500,000,000 ordinary shares of Baht 10.00 each			25,000,000	25,000,000			
Premium (discount) in share capital		(1,741,001,696)	-	-	(1,741,001,696)	(1,322,264,780)	(1,322,227,280)
Adjustment of equity interests under reverse acquisition		(732,872,059)	-	-	-	-	-
		4,508,420,706	25,000,000	25,000,000	5,241,292,765	1,122,555,849	1,122,518,349
Retained earnings (deficit) unappropriated		(26,104,171)	(2,780,180)	(1,264,818)	(721,091,285)	(649,768,689)	(573,763,817)
<b>Total parent company</b>		<b>4,482,316,535</b>	<b>22,219,820</b>	<b>23,735,182</b>	<b>4,520,201,480</b>	<b>472,787,160</b>	<b>548,754,532</b>
Other components of equity		(623,476)	(623,476)	(623,476)	-	-	-
Non-controlling interests		22,871,458	-	-	-	-	-
<b>Total equity</b>		<b>4,504,564,517</b>	<b>21,596,344</b>	<b>23,111,706</b>	<b>4,520,201,480</b>	<b>472,787,160</b>	<b>548,754,532</b>
<b>Total liabilities and equity</b>		<b>5,456,317,833</b>	<b>292,899,848</b>	<b>286,588,455</b>	<b>5,251,254,259</b>	<b>609,645,170</b>	<b>601,744,362</b>

## COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE - MONTH PERIOD ENDED JUNE 30, 2013

(Unaudited)

('Baht)

		CONSOLIDATED		SEPARATED FINANCIAL STATEMENTS	
	Note	2013	2012 (Adjustment)	2013	2012
Revenues					
Revenues from sales		83,145,625	-	-	-
Revenues from services		11,734,517	-	-	-
Other income		621,120	3,379	438,767	533,788
Dividend income		-	-	-	-
Gain on sale of temporary investment		809,870	-	1,078,883	47,912
Unrealized gain on temporary investment		-	-	-	30,839
Total revenues		96,311,132	3,379	1,517,650	612,539
Expenses					
Cost of goods sold		64,276,661	-	-	-
Cost of services		10,134,806	-	-	-
Selling expenses		13,610,102	-	11,297,814	7,091,938
Administrative expenses		17,848,424	293,651	14,448,342	11,018,378
Unrealized loss on investment in securities		232,500	-	93,668	-
Directors and managements' remuneration	24	5,043,736	-	6,179,100	6,519,414
Total expenses		111,146,229	293,651	32,018,924	24,629,730
Profit (loss) before finance costs and income tax		(14,835,097)	(290,272)	(30,501,274)	(24,017,191)
Finance costs		(5,550,291)	(328,906)	(10,381,492)	-
Profit (loss) before income tax		(20,385,388)	(619,178)	(40,882,766)	(24,017,191)
Revenue (expenses) income tax	4, 13	(1,187,953)	-	82,603	54,497
Profit (loss) for the periods		(21,573,341)	(619,178)	(40,800,163)	(23,962,694)
Other comprehensive income					
Other comprehensive income		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income for the period		(21,573,341)	(619,178)	(40,800,163)	(23,962,694)
Profit (loss) attributable to					
Parent company		(22,682,453)	(619,178)	-	-
Non-controlling interests		1,109,112	-	-	-
		(21,573,341)	(619,178)	-	-
Total comprehensive income attributable to					
Parent company		(22,682,453)	(619,178)	-	-
Non-controlling interests		1,109,112	-	-	-
		(21,573,341)	(619,178)	-	-
Earnings (loss) per shares	25				
Basic earnings (loss) per shares		(0.01)	(0.01)	(0.01)	(0.01)
Diluted earnings (loss) per shares		(0.01)	(0.01)	(0.01)	(0.01)

## COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME (Continued)

FOR THE SIX - MONTH PERIOD ENDED JUNE 30, 2013

(Unaudited)

('Baht)

		CONSOLIDATED		SEPARATED FINANCIAL STATEMENTS	
	Note	2013	2012	2013	2012
			(Adjustment)		
Revenues					
Revenues from sales		83,145,625	-	-	-
Revenues from services		11,734,517	-	-	-
Other income		621,120	3,379	676,269	573,765
Dividend income		-	-	-	-
Gain on sale of temporary investment		809,870	-	1,124,052	4,022,526
Unrealized gain on temporary investment		-	-	283,468	138,200
Total revenues		96,311,132	3,379	2,083,789	4,734,491
Expenses					
Cost of goods sold		64,276,661	-	-	-
Cost of services		10,134,806	-	-	-
Selling expenses		13,610,102	-	21,088,558	15,061,642
Administrative expenses		18,000,849	835,025	26,478,283	22,006,285
Unrealized loss on investment in securities		232,500	-	-	-
Directors and managements' remuneration	24	5,043,736	-	12,302,196	13,447,480
Total expenses		111,298,654	835,025	59,869,037	50,515,407
Profit (loss) before finance costs and income tax		(14,987,522)	(831,646)	(57,785,248)	(45,780,916)
Finance costs		(5,550,291)	-	(13,702,554)	-
Profit (loss) before income tax		(20,537,813)	(831,646)	(71,487,802)	(45,780,916)
Revenue (expenses) income tax	4, 13	(1,187,953)	-	165,206	108,995
Profit (loss) for the periods		(21,725,766)	(831,646)	(71,322,596)	(45,671,921)
Other comprehensive income					
Other comprehensive income		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income for the period		(21,725,766)	(831,646)	(71,322,596)	(45,671,921)
Profit (loss) attributable to					
Parent company		(22,834,878)	(831,646)	-	-
Non-controlling interests		1,109,112	-	-	-
		(21,725,766)	(831,646)	-	-
Total comprehensive income attributable to					
Parent company		(22,834,878)	(831,646)	-	-
Non-controlling interests		1,109,112	-	-	-
		(21,725,766)	(831,646)	-	-
Earnings (loss) per shares					
Basic earnings (loss) per shares	25	(0.01)	(0.01)	(0.02)	(0.02)
Diluted earnings (loss) per shares		(0.01)	(0.01)	(0.02)	(0.02)

## COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX - MONTH PERIOD ENDED JUNE 30, 2013

(Unaudited)

('Baht)

## CONSOLIDATED

	The Company's shareholders' equity					Other	Non-controlling	Total
	Issued and paid-up share capital	Premium (discount) on share capital	Adjustment of equity interests under reverse acquisition	Retained earning (deficit) unappropriated	Total parent company	components of equity Surplus from acquisition under common control	interests	equity
<b>Note</b>								
Beginning balances as at January 1, 2012	25,000,000	-	-	(1,264,818)	23,735,182	(623,476)	-	23,111,706
Total comprehensive income for the periods	-	-	-	(831,646)	(831,646)	-	-	(831,646)
<b>Ending balance as at June 30, 2012</b>	<b>25,000,000</b>	<b>-</b>	<b>-</b>	<b>(2,096,464)</b>	<b>22,903,536</b>	<b>(623,476)</b>	<b>-</b>	<b>22,280,060</b>
Beginning balances as at January 1, 2013	25,000,000	-	-	(2,780,180)	22,219,820	(623,476)	-	21,596,344
Adjustment of equity interests under reverse acquisition	2,419,820,629	(1,322,264,780)	(732,872,059)	(489,113)	364,194,677	-	21,762,346	385,957,023
Total comprehensive income for the periods	-	-	-	(22,834,878)	(22,834,878)	-	1,109,112	(21,725,766)
Increase in share capital	4,537,473,832	(418,736,916)	-	-	4,118,736,916	-	-	4,118,736,916
<b>Ending balance as at June 30, 2013</b>	<b>6,982,294,461</b>	<b>(1,741,001,696)</b>	<b>(732,872,059)</b>	<b>(26,104,171)</b>	<b>4,482,316,535</b>	<b>(623,476)</b>	<b>22,871,458</b>	<b>4,504,564,517</b>



COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (Continued)

FOR THE SIX - MONTH PERIOD ENDED JUNE 30, 2013

(Unaudited)

('Baht)

	Note	SEPARATED FINANCIAL STATEMENTS			
		Issued and paid-up share capital	Premium on share capital	Retained earning (deficit) unappropriated	Total equity
Beginning balance as at January 1, 2012 - as previous reported		2,444,745,629	(1,322,227,280)	(574,195,627)	548,322,722
<u>Less</u> cumulative effect from changing accounting policy	4	-	-	431,810	431,810
Beginning balance as at January 1, 2012 - as restated		2,444,745,629	(1,322,227,280)	(573,763,817)	548,754,532
Total comprehensive income for the periods		-	-	(45,671,921)	(45,671,921)
Increase in share capital	21.1	75,000	(37,500)	-	37,500
<b>Ending balance as at June 30, 2012</b>		<b>2,444,820,629</b>	<b>(1,322,264,780)</b>	<b>(619,435,738)</b>	<b>503,120,111</b>
Beginning balance as at January 1, 2013 - as previous reported		2,444,820,629	(1,322,264,780)	(650,267,259)	472,288,590
<u>Less</u> cumulative effect from changing accounting policy	4	-	-	498,570	498,570
Beginning balance as at January 1, 2013 - as restated		2,444,820,629	(1,322,264,780)	(649,768,689)	472,787,160
Total comprehensive income for the periods		-	-	(71,322,596)	(71,322,596)
Increase in share capital	21.1	4,537,473,832	(418,736,916)	-	4,118,736,916
<b>Ending balance as at June 30, 2013</b>		<b>6,982,294,461</b>	<b>(1,741,001,696)</b>	<b>(721,091,285)</b>	<b>4,520,201,480</b>

## COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE SIX - MONTH PERIOD ENDED JUNE 30, 2013

(Unaudited)

('Baht)

	CONSOLIDATED		SEPARATED FINANCIAL STATEMENTS	
	2013	2012	2013	2012
<b>Cash flows from operating activities</b>				
Profit (loss) before corporate income tax	(21,646,925)	(831,646)	(71,487,802)	(45,780,916)
Adjust with:				
Depreciation of fixed assets and amortization of intangible assets	1,060,644	-	2,308,558	2,284,566
Unrealised (Gain) loss on temporary investment	232,500	-	(283,468)	(138,200)
(Gain) loss on sales of temporary investment	(809,870)	-	(1,124,052)	(4,022,526)
Portion in (gain) loss of non-controlling interests in subsidiary company	1,109,112	-	-	-
Gain (loss) on exchange rate	(26,903)	-	-	-
Post-employment benefits obligation	5,373,908	-	826,031	544,975
Allowance for short-term provision liabilities	1,074,597	-	-	-
Adjustment from reverse on business combination	(732,872,059)	-	-	-
Interest income	(607,657)	(3,379)	(128,591)	(129,206)
Interest expenses	5,563,265	-	13,702,554	-
	(741,549,388)	(835,025)	(56,186,770)	(47,241,307)
(Increase) decrease in accounts and other receivable	(251,353,528)	-	(8,724,120)	7,248,335
(Increase) decrease in temporary investment	(49,403,647)	-	(21,900,351)	14,139,487
(Increase) decrease in advance interest expenses	(14,601,623)	-	(14,601,623)	-
(Increase) decrease in subsidiaries company	-	-	(149,999,700)	-
(Increase) decrease in leasehold	(3,626,323,339)	-	(3,773,816,168)	-
(Increase) decrease in unbill income	-	-	-	-
(Increase) decrease in inventories	(13,532)	-	-	-
(Increase) decrease in building in progress	(4,823,612)	-	(86,060,230)	-
(Increase) decrease in short-term loan to other persons	-	-	-	15,500,000
(Increase) decrease in other accounts receivable	-	-	-	-
(Increase) decrease in other current assets	(8,937,488)	(122,356)	60,302	36,730
(Increase) decrease in cost of under construction project	(547,886,473)	-	(91,996,614)	(19,416,789)
(Increase) decrease in other non - current assets	(7,399,112)	(17)	1,319,884	355,723
(Increase) decrease in assets payable	-	(2,075,327)	-	-
Increase (decrease) in accounts and other payable	178,298,499	-	10,178,510	(21,718,417)
Increase (decrease) in deposit and advance from customer	37,174,958	-	13,843,054	7,024,955
Increase (decrease) in other current liabilities	15,088,812	(136,408)	790,062	(163,671)
Increase (decrease) in other non - current liabilities	20,000	-	-	-
Cash received (paid) from operating	(5,021,709,473)	(3,169,133)	(4,177,093,764)	(44,234,954)

Notes to the condensed 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 SIX - MONTH PERIOD ENDED JUNE 30, 2013

(Unaudited)

('Baht)

	CONSOLIDATED		SEPARATED FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Cash received from interest income	511,401	3,379	128,591	129,206
Cash received from dividend income	-	-	-	-
Cash paid for interest expenses	(5,550,291)	-	(13,689,580)	-
Cash paid for corporate income tax	(8,030,748)	-	(1,282)	(1,224)
<b>Net cash provided by (used in) operating activities</b>	<b>(5,034,779,111)</b>	<b>(3,165,754)</b>	<b>(4,190,656,035)</b>	<b>(44,106,972)</b>
<b>Cash flows from investing activities</b>				
(Increase) decrease in cash at bank with obligation	(18,090,700)	-	-	-
Cash paid for purchase building in progress and other fixed assets	(160,229)	(2,466,428)	(451,044)	(386,212)
Cash paid for purchase intangible assets	(107,250)	-	(154,250)	(24,000)
Cash received from sale fixed assets	-	-	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>(18,358,179)</b>	<b>(2,466,428)</b>	<b>(605,294)</b>	<b>(410,212)</b>
<b>Cash flows from financing activities</b>				
Cash paid for financial lease liabilities	3,955,554	-	-	-
Cash received from short-term loan from related person increase (decrease)	(186,990,340)	5,979,144	105,290,138	-
Bill of exchange	440,000,000	-	440,000,000	-
Long-term loans	186,440,849	-	23,254,000	-
Cash received from increase in share capital	5,216,292,765	-	4,118,736,916	37,500
Cash paid for dividend to non-controlling interests	-	-	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>5,659,698,828</b>	<b>5,979,144</b>	<b>4,687,281,054</b>	<b>37,500</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>606,561,538</b>	<b>346,962</b>	<b>496,019,725</b>	<b>(44,479,684)</b>
Cash and cash equivalent at the beginning of the periods	1,165,003	248,458	14,431,915	57,523,333
<b>Cash and cash equivalent at the ending of the periods</b>	<b>607,726,541</b>	<b>595,420</b>	<b>510,451,640</b>	<b>13,043,649</b>

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2013  
(Unaudited)

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**1. Going concern**

The Company has continued loss in several years, accumulated loss and negative cash flow from operation, these matters raise substantial doubt about its ability to continue as a going concern. However, the Company's managements have contacted with several financial institutes for project financing which has been interested from many financial institutions. In third quarter 2012, the Company signed the project financing with one financial institute in the amount of Baht 868 million for the condominium project which is under construction and continue to sell since second quarter 2011.

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 of the recoverability and reclassification of recorded assets or the amounts and classification of liabilities that might be necessary in case the Company is not be able to continue as a going concerns.

**2. The Company operations**

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, 11<sup>th</sup> 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.

The Company submitted a filing to the Stock Exchange of Thailand for listed and traded on the Market for Alternative Investment due to the extraordinary shareholders meeting of the Company No. 2/2011 held on September 13, 2011, approved the purchase and acquisition of all business of Landmark Development Group Company Limited. The filing was approved on March 26, 2012. The number of ordinary shares has been increased by shareholders of Landmark Development Group Co., Ltd in the amount of shares 3,700 million, which started to be traded on the Market for Alternative Investment (“MAI”) on June 5, 2013.

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

#### **3.1 Basis of preparation of the financial statements**

3.1.1 The interim consolidated and separated financial statements of the Company for the three-month and six-month periods ended June 30, 2013 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 Company choose to prepare the condensed interim financial statements, however the Company has presentation in statements of financial position, comprehensive income, changes in equity and cash flows in same format of annual financial statements.

3.1.2 These consolidated interim financial statements were prepared for the reverse acquisition business combinations which Country Group Development Public Company Limited is a parent company based on legal basis ( but it is a seller based on accounting basis) and Landmark Development Group Company Limited which is a subsidiary company based on legal basis (but it is a purchase entity based on accounting basis). The consolidated interim financial statements for the period ended June 30, 2013 presented a consolidated financial position of both companies with their subsidiaries as at June 30, 2013, and the consolidated financial performance of Landmark Development Group Company Limited and its subsidiaries for the three-month period from April 1, 2013 to May 14, 2013 and for the six-month period from January 1, 2013 to May 14, 2013 and Country Group Development Public Company Limited and subsidiaries for the three-month and six-month periods from May 15, 2013, to June 30, 2013. However, the separated financial statements for the period ended June 30, 2013 presented financial

position, performance and cash flow only for Country Group Development Public Company Limited

The detail of the subsidiary companies from a legal perspective in the consolidation financial statements which are under control of Landmark Development Group Company Limited as a reverse buyer of Country Group Development Public Company Limited are as follows:

Subsidiaries which holding by Landmark Development Group Company Limited.

Subsidiaries	Location	Type of business	Percentage of holding (%)	
			As at June 30, 2013	As at December 31, 2012
Landmark Waterfront Residences Co., Ltd	Thailand	Real estate business	99.99	99.99
Landmark Waterfront Hotel Co., Ltd	Thailand	Hotel	99.99	99.99
Landmark Urban Resort Hotel Co., Ltd..	Thailand	Hotel	99.99	99.99

Subsidiaries which holding by Country Group Development Public Company Limited.

Subsidiaries	Location	Type of business	Percentage of holding (%)	
			As at June 30, 2013	As at December 31, 2012
Direct subsidiaries				
A-HOST Company Limited	Thailand	Sale and provide rendering service related to computer software	83.64	83.64
Indirect subsidiaries				
Avison 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

- 3.2 The extraordinary shareholders meeting of the Company No. 2/2011 held on September 13, 2011, approved the purchase and entire Business Transfer - EBT from Landmark Development Group Company Limited. The Company has to increase its registered capital by offering shares to existing shareholders in proportion to their holding which the remaining shares has to offer to LDG's shareholders not exceeding than 3,700,000,000 shares at the subscription price of Baht 1 per share. The company completed the merger on May 15, 2013. The Company has acquired and transferred the entire business (assets, liabilities, rights, duties and obligations) from Landmark Development Group Company Limited. After the completion of the Entire business transfer, Landmark Development Group Company Limited. was dissolved. LDG group become major shareholder which more than 50% and had a control over the Company which was a reverse takeover according to TFRS No.3 (Revised 2009) "Business combination".

3.3 The recognitions of the transactions in the consolidated financial statements were as follows:

- The assets and liabilities of Landmark Development Group Company Limited and subsidiaries before the business combination were recognized and measured at pre-combination carrying amount.
- The assets and liabilities of Landmark Development Group Company Limited and subsidiaries were recognized and measured in accordance with TFRS No.3 (Revised 2009).
- The retained deficit and the other equity of balances of Landmark Development Group Company Limited and subsidiaries were recognized and measured at pre-combination carrying amount.
- The amount recognized as issued equity interests in the consolidated financial statements determined by adding the issued equity interest of Landmark Development Group Company Limited and subsidiaries outstanding before the business combination to the business combination cost of the Country Group Development Public Company Limited.
- The structure of the equity in the consolidated financial statements has stated number of shares of the company. Including the shares issued by the Company in a business combination.
- The retained earnings and other equity interests of non-controlling interest of Landmark Development Group Company Limited and subsidiaries were proportionately recognized and measured at pre-combination carrying amounts.
- The comparative consolidated financial statements for reverse acquisition were the combined financial statements of Landmark Development Group Company Limited and subsidiaries for the year 2012.

3.4 The Company has calculated the basic earnings per share in each reporting period of the consolidated financial statements for reverse acquisition as follows:

3.4.1 Basic earnings (loss) per share for the period that the reverse acquisition occurred are calculated by dividing the net profit (loss) for the period by the weighted average of number of ordinary shares outstanding during the period based on:

- a) The number of ordinary shares outstanding from the beginning of the period to the acquisition date is computed by the number of weighted average ordinary shares that were issued by the company to the shareholders of Landmark Development Group Company Limited.
- b) The number of ordinary shares outstanding on the acquisition date to the end of the period was the weighted average number of ordinary shares of Country Group Development Public Company Limited outstanding during the period.

3.4.2 Basic earnings (loss) per share of the period prior to the acquisition date presented comparatively are calculated by dividing the net income of Landmark Development Group Company Limited and subsidiaries by the weighted average number of ordinary shares that were issued by the company to the shareholders of Landmark Development Company Limited.

3.5 Cost of business combinations and goodwill

To calculate the cost of the business combination, the company using the market price of Country Group Development Public Company Limited because it is a listed company in the Stock Exchange. Therefore, using the fair value of equity instruments of Country Group Development Public Company Limited before the business combination as a base to calculate the cost of the business combination. The difference of the cost of business combination over the equity in net fair value has stated as goodwill.



	(Unit : Baht)
Transaction	Amount
Total fair value of the Company as at acquisition date on May 15, 2013 (2,487,454,629 ordinary shares of Baht 1.64 each)	4,079,425,592
business combination consulting expenses	4,954,760
Cost of business combination as at reverse acquisition date	4,084,380,352
Identifiable assets and liabilities at fair value at pre-acquisition date of Country Group Development Public Company Limited and subsidiaries	
Cash and cash equivalents	148,623,064
Temporary investment	176,083,647
Trade accounts and other receivable	444,046,887
Advance interest expense	10,424
Inventories	19,337,155
Land and cost of under project construction	492,379,431
Other current assets	26,185,625
Other long-term investments	582,034
Property, plant and equipment - net	19,945,251
Intangible assets - net	1,354,885
Deferred income tax assets	1,760,757
Deposits and others	5,925,662
Trade accounts and other payable	(227,658,099)
Deposit and advance from customer	(31,704,350)
Short-term provision liabilities	(1,074,597)
Bill of exchange	(440,000,000)
Short-term loan from related person	(20,000,000)
Other current liabilities	(21,997,144)
Long-term loans	(103,254,000)
Post-employment benefits obligation	(5,055,429)
Non-controlling interests	(23,382,784)
Fair value	462,108,419
Goodwill	3,622,271,933

- 3.6 The consolidated and separated statements of financial position of the Company as at December 31, 2012 preparation as follow:
- 3.6.1 The consolidated statements of financial position as at December 31, 2012 which presented herein for comparison, has been derived from the financial statements of Landmark Development Group Co., Ltd and subsidiaries which is a subsidiary company based on legal basis but is a parent company based on accounting basis for the year ended which have been audited by other auditor in the same firm.
- 3.6.2 The separated statements of financial position as at December 31, 2011, which presented herein for comparison, has been derived from the financial statements of Country Group Development Public Company Limited and subsidiaries for the year then ended which have been audited.
- 3.7 The results of operations for the three-month and six-month periods ended June 30, 2013, are not indicated of the operating results anticipated for the full year.
- 3.8 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, 2012, which have been audited.
- 3.9 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 non-controlling interests is presented in separated transaction in the consolidated statements of financial position and the statements of comprehensive income.

3.10 Separated interim financial statements which record by including assets, liabilities of Landmark Development Group Co., Ltd, which was acquired from business combination.

	(Unit : Baht )
Construction	85,919,793
Leasehold	3,769,764,763
Other deposit	10,000
Investments in subsidiary	149,999,700
Accrued audit fee	(60,000)
Accrued interest expenses	(344,118)
Director loan	(264,988,406)
Loan to related company	(40,301,732)
Fair value	<u>3,700,000,000</u>

#### 4. Adoption of new and revised Thai Financial Reporting Standards

For the three-month and six-month periods ended June 30, 2013, the Company and subsidiaries has adopted the new and revised Thai Financial Reporting Standards which issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards. Adoption will not have any significant impact on the financial statement of the Company and subsidiaries, except as follows:

##### 4.1 TAS No.12 "Income Taxes"

On January 1, 2013, the Company changed its accounting policy with related to deferred income taxes. Cumulative effect of change in accounting policy has been adjusted retrospective for the comparison, as it has regard to deferred income taxes and cumulative effect of change in accounting policy has an impact to the statement of financial position as at December 31, 2012 and the statements of income for the three-month and six-month periods ended June 30, 2012 are as follows:

	Separated statements of financial position		
	As at January 1, 2012		
	As previously reported	Cumulative effect increase (decrease)	As restated
Deferred tax assets	-	431,810	431,810
Retained earning unappropriated	(574,195,627)	431,810	(573,763,817)

('Baht)

## Separated statements of financial position

As at December 31, 2012

	As previously reported	Cumulative effect increase (decrease)	As restated
Deferred tax assets	-	498,570	498,570
Retained earning unappropriated	(650,267,259)	498,570	(649,768,689)

('Baht)

## Separated statements of comprehensive income

For the three-month periods ended June 30, 2012

	As previously reported	Cumulative effect increase (decrease)	As restated
Income tax	-	-	-
Profit (loss) for the period	(24,017,191)	54,497	(23,962,694)
Total comprehensive income for the periods	(24,017,191)	54,497	(23,962,694)
Basic earnings (loss) per shares	(0.01)	-	(0.01)
Diluted earnings per shares	(0.01)	-	(0.01)

('Baht)

## Separated statements of comprehensive income

For the six-month periods ended June 30, 2012

	As previously reported	Cumulative effect increase (decrease)	As restated
Income tax	-	-	-
Profit (loss) for the period	(45,780,916)	108,995	(45,671,921)
Total comprehensive income for the periods	(45,780,916)	108,995	(45,671,921)
Basic earnings (loss) per shares	(0.02)	-	(0.02)
Diluted earnings per shares	(0.02)	-	(0.02)

## 5. Significant accounting policies

The Company and subsidiaries used the same accounting policies and calculation method in these interim financial statements as compared with the financial statements for the year 2012, the accounting policies has addition as follows:

### 5.1 Taxation

Income tax expenses (income) which is part of the yearly tax calculation are including the sum of current tax and deferred tax.

#### - Current tax

The current tax is tax that has to pay by calculating on taxable profit for the period. Taxable profit differs from profit that reported in the statements of income because it excludes items that can count as income or taxable expenses in other years, and not include the items that can not count as income or taxable expenses. The Company's liability for current tax is calculated by using tax rates at the reporting date.

#### - Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company and subsidiaries intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

The Company and subsidiaries has presented income tax expenses or income related to profit or loss are presented in the statement of income. For current income taxes and deferred taxes related to items recognized directly in statements of equity in the same or different period, they will be recognized directly in statements of equity.

## 5.2 Leasehold rights

Leasehold rights are recorded at cost less impairment (if any). Leasehold rights will be amortized in the statements of comprehensive income on a straight-line basis over the terms of the lease periods.

## 5.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related cost are accounted for as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is initially recorded at cost, being the excess of cost of business combination over the fair value of the net identifiable assets, of the acquired business.

Goodwill is subsequently carried at cost less any accumulated impairment losses with impairment being tested annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

## 6. Supplementary of cash flows

In first quarter 2012, the Company and subsidiaries had expenses relating to the design and decoration of hotel building which was recorded as building in progress in the amount of Baht 2.43 million, which still unpaid.

In second quarter 2012, the Company and subsidiaries had expenses relating to the design and decoration of hotel building which was recorded as building in progress in the amount of Baht 0.98 million, which still unpaid.

## 7. Cash and cash equivalents

Cash and cash equivalents, as follows:

	Consolidated		Separated financial statements	
	As at June 30, 2013	As at December 31, 2012	As at June 30, 2013	As at December 31, 2012
Cash	72,155	5,000	24,587	17,781
Saving account	572,336,565	1,159,003	507,690,514	13,608,144
Fixed deposit 3 months	33,587,232	-	-	-
Current account	1,730,589	1,000	2,736,539	805,990
Total	607,726,541	1,165,003	510,451,640	14,431,915

## 8. Temporary investment

Invested in securities, as follows:

	Consolidated financial statements			
	As at June 30, 2013		As at December 31, 2012	
	Cost / Cost amortize	Fair value	Cost / Cost amortize	Fair value
Temporary security				
Trade security				
Equity securities	49,697,549	49,981,017	-	-
Unrealized loss	283,468	-	-	-
Total trade securities	49,981,017	49,981,017	-	-

('Baht)

	Separated financial statements			
	As at June 30, 2013		As at December 31, 2012	
	Cost / Cost amortize	Fair value	Cost / Cost amortize	Fair value
Temporary security				
Trade security				
Equity securities	49,697,549	49,981,017	26,424,219	26,424,219
Unrealized loss	283,468	-	248,927	248,927
Total trade securities	<u>49,981,017</u>	<u>49,981,017</u>	<u>26,673,146</u>	<u>26,673,146</u>

Investment in trade securities have changed, as follows:

('Baht)

	Consolidated and Separated financial statements	
	For the six-month ended June 30,	
	2013	2012
Book value as at January 1, - net	26,673,146	21,475,000
Amount of purchase securities	442,200,351	42,000,000
Amount of sale securities	(419,175,947)	(52,116,961)
Changing in fair value of trade securities	283,467	138,200
Book value as at June 30, - net	<u>49,981,017</u>	<u>11,496,239</u>



## 9. Accounts and other receivable

Accounts and other receivable, as follows:

	Consolidated		Separated financial statements	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2013	2012	2013	2012
Accounts receivable	219,494,565	-	-	-
Receivable installment due	-	-	1,951,899	2,619,621
Income due in contract	-	-	(1,951,899)	(2,619,621)
<u>Less</u> Allowance for doubtful account	(3,188,106)	-	-	-
Total account receivable	216,306,459	-	-	-
Other receivable				
Other receivable	771,836	-	423,151	-
Prepaid expenses	11,019,314	-	2,467,776	16,941,350
Advance	1,718,268	-	1,718,268	455,800
Accrued interest income	25,576	-	-	-
Prepaid deposit	21,512,075	-	21,512,075	-
Total account and other receivable	251,353,528	-	26,121,270	17,397,150

Accounts are classified by aging as follows:

	Consolidated		Separated financial statements	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2013	2012	2013	2012
Current	194,058,963	-	-	-
Not over 1-3 months	7,794,051	-	-	-
Over 3 months - 6 months	789,040	-	-	-
Over 6 months - 12 months	3,140,615	-	-	-
Over 12 months	13,711,896	-	-	-
Total	219,494,565	-	-	-

## 10. Land and cost under construction project

Land and cost under construction project, as follows:

	Consolidated		Separated financial statements	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2013	2012	2013	2012
Land	299,113,725	-	299,113,725	299,113,725
Condominium construction	183,667,083	-	183,667,083	98,483,094
Cost of construction design	14,361,934	-	14,361,934	11,253,584
Other expenses of project	40,242,299	-	40,242,299	37,189,456
Loan cost	10,501,432	-	10,501,432	9,850,000
Total	547,886,473	-	547,886,473	455,889,859

The Company has mortgaged land and building in the future of The Element project which stated in land and cost of under project construction to one financial institute for long-term loan which has mortgaged capital in the amount of Baht 883 million. (see note 18)

## 11. Building in progress

The Company is not continue to involve in construction design and hotel building decoration the Company will charge the paid expenses (the amount of Baht 86.06 million as at June 30,2013) relating to construction design and hotel building decoration to it subsidiaries.

The Subsidiaries has paid the expenses relating to construction design and hotel building decoration and condominium as at June 30, 2013 and as at December 31, 2012 in the amount of Baht 114.20 million and Baht 195.44 million respectively, which under operation, therefore recorded as building in progress.

## 12. Leasehold

Leasehold as at June 30, 2013 and as at December 31, 2012, lease as follows:

('Baht)

	Consolidated		
	Balance as at December 31, 2012	Purchase/ acquire	Balance as at June 30, 2013
Leasehold - advance	20,000,000	-	20,000,000
Leasehold - compensation	67,743,465	-	67,743,465
Transferred fee	-	4,051,406	4,051,406
Total	<u>87,743,465</u>	<u>4,051,406</u>	<u>91,794,871</u>

('Baht)

	Consolidated		
	Balance as at December 31, 2011	Purchase/ acquire	Balance as at December 31, 2012
Leasehold - advance	20,000,000	-	20,000,000
Leasehold - compensation	67,743,465	-	67,743,465
Total	<u>87,743,465</u>	<u>-</u>	<u>87,743,465</u>

('Baht)

	Separated financial statements		
	Balance as at December 31, 2012	Purchase/ acquire	Balance as at June 30, 2013
Leasehold - advance	-	20,000,000	20,000,000
Leasehold - compensation	-	67,743,465	67,743,465
Transferred fee	-	4,051,406	4,051,406
Increase from acquisition	-	3,682,021,297	3,682,021,297
Total	<u>-</u>	<u>3,773,816,168</u>	<u>3,773,816,168</u>

## Consolidated financial statements

On December 6, 2005, the Company entered into the Land Lease Agreement with the Crown Property Bureau (the lessor). The initial lease period is 25 years. The major conditions are as follows:

1. Lessee (company) has to negotiate or implement any necessary actions so that all those previous tenants and their properties be removed from the lands at all costs and expenses of the company, including compensation to the tenant and demolishing the building structure within the budget of Baht 100 million. All such removal actions shall be carried out by the company not later than 3 years from the date of delivery of all portions of the land or the expiry date of the last lease that lessor has with the said occupant, whichever comes first. The lessor shall cooperate to negotiate with those previous tenants by not extending the lease term or filing a lawsuit.
2. Lessee (company) agrees to develop the project within 4 years after the date of delivery of all portion of the land (follow article 1).
3. The initial lease period is 25 years. The lease period starts from the date of completion of the construction which shall not be later than 4 years (as article 2), whichever comes first.
4. The lessee shall pay rental to the lessor on the 1<sup>st</sup> of every month, within 30 day from the date of completion of the construction. The lessee may pay the whole rental in advance with the discount rate at 7.5 per annum. In the 15<sup>th</sup> year, the lessee has to submit its financial statement for the 14<sup>th</sup> accounting year of operation to lessor. In case the business is successful, the level of profits from the development is high and that its cost has been recovered, then the lessee agrees to pay special premium amount to lessor at the rate of 15% of normal rental rate for the remaining term of the lease. The monthly rental rate details are as follows:

(Unit : Baht)		
Year 1 – year 8	Lease rate per month	958,976
Year 9 – year 15	Lease rate per month	1,102,824
Year 16 – year 20	Lease rate per month	1,268,247
Year 21 – year 25	Lease rate per month	1,458,484

On the agreement date, the Company paid the upfront fee to the lessor in the amount of Baht 20 million, in which lessor shall not return to the lessee except

can not handover all of the tenant space for renovated and development follow article.1.  
The Company has record as deferred leasehold all amount.

5. The lessor agrees to lease to tenants from duration of article 4, which the rental period is 25 years but the tenants will notice in writing not less than 24 month before maturity period follow article.4. The parties an agreement to adhere to the original terms, except the rental is to use the same method and formula rents with the calculating rents under the original contract and calculated from rate at 25% of the cost assessment of Department of Lands (excluded construction) for the duration of the lease in new contract.

When due under the lease contract follow article 5, the lessor must give the tenants who lease further but if someone asked rent at a higher rate than the rate of the lease.

The lessor must notify the tenant in mind. If the tenant agrees to pay rent at a rate equal to such other person. The lessor must give the lessee is entitled to rent first.

#### **Separated financial statements**

On May 15, 2013, the Company has transferred subsidiaries leasehold in the amount of Baht 87.74 million. The Company has been paid in the acquisition which the difference in leasehold in the amount of Baht 3,682 million and transferred of right in leasehold at Department of Land in the amount of Baht 4.05 million. The Company was recorded as an increase in cost of acquisition as result to the leasehold has total in the amount of Baht 3,773.82 million.

### 13. Deferred tax assets - net / corporate income tax

As at June 30, 2013 and 2012 component of deferred tax assets and deferred tax liabilities, consist of:

	Consolidated	
	Balance as at December 31, 2012	Balance as at June 30, 2013
Deferred tax assets		
Post-employment benefits obligation	-	1,018,233
Allowance doubtful debt	-	637,622
Total	-	1,655,855
Deferred tax liabilities		
Depreciation and amortization in financial lease	-	874,444
Interest expenses in financial lease	-	141,287
Rental in financial lease	-	(1,076,974)
Total	-	(61,243)
Net	-	1,594,612

	Separated financial statements	
	Balance as at December 31, 2012	Balance as at June 30, 2013
Deferred tax assets		
Post-employment benefits obligation	498,570	663,776
Total	498,570	663,776

	Separated financial statements	
	Balance as at December 31, 2011	Balance as at June 30, 2012
Deferred tax assets		
Post-employment benefits obligation	431,810	540,805
Total	431,810	540,805

As at June 30, 2013, the company has tax at the rate of 20 percent used for calculating deferred for the temporary differences reverse in 2013 and the next year.

The corporate income tax for the three-month and six-month periods ended June 30, 2013 and 2012 are calculated tax rate at 20 percent and 23 percent for net profit of Company after adjust revenue and expenses base regulated in the Revenue Code respectively.

Income tax for the three-month and six-month periods ended June 30, 2013 and 2012, consist of:

	('Baht)			
	Consolidated			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Current income tax	1,198,320	-	1,364,945	-
Deferred tax related temporary differences				
(Increase) decrease deferred tax assets	115,809	-	(198,220)	-
Increase (decrease) deferred tax liabilities	(126,176)	-	21,228	-
Revenue (expenses) from income tax as presented in statements of income	1,187,953	-	1,187,953	-
				('Baht)
	Separated financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Current income tax	-	-	-	-
Deferred tax related temporary differences				
(Increase) decrease deferred tax assets	(82,603)	(54,497)	(165,206)	(108,995)
Increase (decrease) deferred tax liabilities	-	-	-	-
Revenue (expenses) from income tax as presented in statements of income	(82,603)	(54,497)	(165,206)	(108,995)

Reconciliation between tax expenses and the product of accounting profit multiplied by the application tax rate for the three-month and six-month periods ended June 30, 2013 and 2012, as follows:

	('Baht)			
	Consolidated			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Accounting net profit before corporate income tax	(20,385,388)	(619,178)	(20,537,813)	(831,646)
Applicable tax rate as at reporting date	1,991,714	-	492,329	-
Tax effect of non-deductible	(803,761)	-	(1,680,282)	-
Revenue (expenses) from income tax as presented in statements of income	1,187,953	-	(1,187,953)	-

('Baht)

	Separated financial statements			
	For the three-month periods		For the six-month	
	ended June 30,		periods ended June 30,	
	2013	2012	2013	2012
Accounting net profit before corporate income tax	(40,882,766)	(24,017,191)	(71,487,802)	(45,780,916)
Applicable tax rate as at reporting date	(82,603)	(54,497)	(165,206)	(108,995)
Tax effect of non-deductible	-	-	-	-
Revenue (expenses) from income tax as presented in statements of income	(82,603)	(54,497)	(165,206)	(108,995)

#### 14. Short-term loan from financial institute

In 2013, the subsidiary has entered into loan agreement from a financial institute which as temporary in the amount of Baht 200 million duration of 4 month with interest at MLR per annum guarantee by director of the subsidiary. The balance as at June 30, 2013, in the amount of Baht 83.19 million.

#### 15. Trade accounts and other payable

Trade accounts and other payable are as follows:

			Separated financial statements	
	Consolidated			
	As at	As at	As at	As at
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Trade account payable				
Accounts payable - local	98,741,443	-	23,667,520	15,323,520
Accounts payable - foreign	33,170,643	-	-	-
Other payable				
Other payable	14,672,129	-	3,313,125	1,414,033
Accrued expenses	33,550,989	-	7,706,991	10,217,683
Advance income	7,197,196	-	6,219,742	3,773,632
Total account and other payable	187,332,400	-	40,907,378	30,728,868
Forward foreign exchange lease liabilities				
Forward foreign exchange rate - bank receivable	(14,273,230)	-	-	-
Less Forward foreign exchange rate - bank payable	13,887,392	-	-	-
Forward foreign exchange rate - bank receivable and bank payable - net	(385,838)	-	-	-
Total	186,946,562	-	40,907,378	30,728,868



The subsidiary entered into forward foreign exchange rate contract with one local commercial bank in the amount of Baht 60 million and records the bank to be account receivable and account payable. The account receivable will be converted with the rate in the contract whereas the account payable will be converted with the weighted average selling rate of the commercial bank. The different will be amortized during the contract life to reduce the risk of foreign the liabilities.

As at June 30, 2013 and as at December 31, 2012, the subsidiary has the balance of import goods in the amount of USD 0.58 million and USD 0.76 million respectively by forward foreign exchange rate contract for protect the risk of exchange rate with one financial institute in the amount of USD 0.46 million and USD 0.50 million respectively.

#### **16. Estimated of short-term liabilities**

In year 2009, the subsidiary company entered into a service (Implementation Service Agreement) with a customer. Contract value is approximately Baht 39.80 million, the subsidiary company operated under the contract and received some of service fee. Later, on November 13, 2012, the customer sent the letter asking for the delay penalty in the amount of Baht 1.07 million (excluding VAT), on the December 18, 2012, the subsidiary company replied back informing the causes of delays and asking for delay penalty exception, The subsidiary company has not recorded any potential liability under such service. Later, on March 5, 2013, the customer notified the subsidiary company to pay the delay penalty. Thus, in the first quarter of the year 2013, the subsidiary company estimates the short-term liabilities in its financial statements and on July 18, 2013, the subsidiary has paid for fine to customer in same amount that estimated.

#### **17. Bill of exchange**

The directors' meeting No.1/2013 of the Company held on January 25, 2013 approved the Company to issued the short-term bill of exchange (less than 270-day which not exceeding Baht 650 million through private placement to less than 10 individual or institutions. The interest rate shall not exceeding 12 percent per year to be used as working capital and investment. It also approved related transactions to issue the short-term bill of exchange to Country group Securities Public Company Limited and MFC Asset management Public Company Limited which the amount not exceeding Baht 220 million and authorized the Chief Executive Office to be a negotiator related to the issuance of the bill of exchange.

The company has issued short-term bills of exchange through private placement. These bills of exchange specify the name of the holders, unsubordinated and unsecured. Total amount is Baht 440 million with advance interest expenses in the amount of Baht 25.50 million, the details are as follows;

Date of issuance	Value (Baht)	Interest rate (%)	Aged (day)	Maturity Date
February 11, 2013	80,000,000.00	9.25	270	November 8, 2013
March 22, 2013	100,000,000.00	9.25	280	September 18, 2013
March 19, 2013	200,000,000.00	9.25	269	December 13, 2013
March 20, 2013	60,000,000.00	9.25	268	December 13, 2013
Total	<u>440,000,000.00</u>			

As at June 30, 2013, the Company has recognized advance interest expenses as finance cost resulting the balance of advance interest expenses in the amount of Baht 14.60 million.

#### 18. Long-term loan

On August 1, 2012 the Company entered into a long-term loans with a financial institution, the detail are as follow;

Type	Limit loan	Terms of repayment	Interest rate	Collateral
Long-term loans	<p>Baht 868 million divided into</p> <ul style="list-style-type: none"> <li>- Loan for land in the amount of Baht 80 million which has to be drawn down within the 5<sup>th</sup> October 2012. (This loan was already drawn down on August 6, 2012)</li> <li>- Loan for the development, construction and decoration of Baht 788 million, which was dividend in to four phases. Loan maturity is five years from the first installment of the loan amount.</li> </ul>	- 65 percent of the sales price which must not less than Baht 34,775 per square meters.	MLR per annum	<ul style="list-style-type: none"> <li>- Mortgage of land and buildings in the future of The Elements project, The right of mortgage capital is Baht 883 million. (see note 10)</li> <li>- Guaranteed by the director. Mr. Sadawut Taechaubol and Mr. Ben Taechaubol in Baht 883 million.</li> </ul>
LG, LC, DLC	Baht 15 million			

## 19. Financial lease liabilities

Financial lease liabilities as follows:

('Baht)

	Consolidated			
	Within 1 year		Over 1 year but not over 5 years	
	As at	As at	As at	As at
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Financial lease liabilities	3,353,950	-	1,324,101	-
<u>Less</u> Unearned interest	(340,996)	-	(75,460)	-
Deferred input vat	(219,417)	-	(86,623)	-
Net	2,793,537	-	1,162,018	-

## 20. Post-employment benefits obligation

The Company and subsidiaries have post-employment benefits plans under the Thai Labor Protection Act, which is the benefit plans for a specific purpose.

Amounts recognized in the statement of comprehensive income in respect of the defined benefit plans for the three-month period ended March 31, 2013 and 2012 are as follows:

('Baht)

	Consolidated		Separated financial statements	
	For the three-month period ended June 30,		For the three-month period ended June 30,	
	2013	2012	2013	2012
Current service cost	474,368	-	384,971	248,198
Interest cost	47,201	-	28,045	24,289
Total	521,569	-	413,016	272,487

('Baht)

	Consolidated		Separated financial statements	
	For the six-month period ended June 30,		For the six-month period ended June 30,	
	2013	2012	2013	2012
Current service cost	950,484	-	769,942	496,396
Interest cost	95,716	-	56,090	48,578
Total	1,046,200	-	826,032	544,974

Changing in the present value of the defined benefit obligation are as follows:

	Consolidated		Separated financial statements	
	As at	As at	As at	As at
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Beginning present value of post-employment benefits obligation	4,327,708	-	2,492,848	2,159,052
Current service costs	950,484	-	769,942	236,639
Interest costs	95,716	-	56,090	97,157
Ending present value of post-employment benefits obligation	<u>5,373,908</u>	<u>-</u>	<u>3,318,880</u>	<u>2,492,848</u>

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

	Consolidated and Separated financial statements	
	As at June 30, 2013	As at December 31, 2012
The principle actuarial assumption		
Discount rate	4.00%, 4.50%	4.50%
Turnover rate	1.00%, 10%	1.00%, 10%
Expected rate of salary increase	5.00, 5.25%	5.00, 5.25%

## 21. Share capital

### 21.1 Separated financial statement

	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, 2012	2,444,745,629	2,444,745,629	(1,322,264,780)	
Increase 1 <sup>st</sup>	42,634,000	42,634,000	(21,317,000)	April 3, 2013
Increase 2 <sup>nd</sup>	3,700,000,000	3,700,000,000	-	May 15, 2013
Increase 3 <sup>th</sup>	794,839,832	794,839,832	(397,419,916)	June 28, 2013
Balance as at June 30, 2013	<u>6,982,219,461</u>	<u>6,982,219,461</u>	<u>(1,741,001,696)</u>	

21.1.1 In the first quarter, 2013, the CGD - W2 warrant holders exercised their right to purchase common stock 42,634,000 ordinary shares (see note 22), at the price of Baht 0.50 per share, totaling Baht 21.32 million. The Company received cash in March 2013. The Company registered the increase of issued and paid-up with the Ministry of Commerce on April 3, 2013.

21.1.2 The extraordinary shareholders meeting of the Company No. 2/2011 held on September 13, 2011, approved the purchase and entire Business Transfer - EBT from Landmark Development Group Company Limited. The Company has to increase its registered capital by offering shares to LDG's shareholders in the amount of 3,700,000,000 shares at the subscription price of Baht 1 per share. LDG group become a major shareholder which hold shares more than 50% and had a control over the Company which was a reverse takeover. The Company registered the increase of issued and paid-up with the Ministry of Commerce on May 15, 2013.

21.1.3 In the second quarter, 2013, the CGD-W2 warrant holders exercised their right to purchase common stock 794,839,832 ordinary shares (see note 22), at the price of Baht 0.50 per share, totaling Baht 397.42 million. The Company received the cash in June 2013. The Company registered the increase of issued and paid-up with the Ministry of Commerce on June 28, 2013.

## 21.2 Consolidated financial statements

In the preparation of the consolidated financial statements for a reverse acquisition, equity interests, as presented in consolidated financial statements, represent the sum of the issued equity interests of Landmark Development Group Company Limited the legal subsidiaries (accounting acquirers) outstanding before the business combination, the cost of business combination and the equity interests of Country Group Development Public Company Limited the legal parent company (accounting acquiree) issued after the business combination. The details are as follows:

	As at June 30, 2013			As at December 31, 2012	
	Share value price (Baht)	Sale (Share)	Value (Baht)	Amount share (Share)	Value (Baht)
Issued equity interests of the legal subsidiaries outstanding before the business combination, net of non-controlling interests due to business combination					
- Landmark Development Group Co., Ltd.	10	2,500,000	25,000,000		
Total			25,000,000		
Cost of business combination					
Cost of business combination as at the acquisition date					
(Note 3.5)			4,084,380,352		
Change of accounting acquiree's equity from the acquisition date					
			1,620,438		
Total			4,086,000,790		
Equity interests of the legal parent company issued after the business combination					
- Share capital issued during 2013			794,839,832		
- Increase in share low due to share issue in 2013			(397,419,916)		
Total			397,419,916		
Equity interests in the consolidated financial statements			4,508,420,706		
Issued and paid-up share capital before business combination					
Common stock as at January 1, 2012					
- Landmark Development Group Co., Ltd.	10			2,500,000	25,000,000
Common stock as at December 31, 2012					25,000,000

The above transactions are presented as follows in the consolidated financial statements to reflect the equity structure of the Company which is the legal parent company as follow:

	('Baht)	
	As at June 30, 2013	As at December 31, 2012
Issued and fully paid share capital	6,982,294,461	-
Lower value	(1,741,001,696)	-
Adjustment of equity interests under reverse acquisition	(732,872,059)	-
Total	4,508,420,706	-

## 22. Warrants

Details of the warrants of the Company which were changed during the year as follows: -

	Outstanding of warrants as at December 31, 2012	Outstanding of warrants issuance in year	Exercise for the period	Outstanding of warrants as at June 30, 2013
Warrants				
CGD – W2	842,995,832	-	837,473,832	-
	<u>842,995,832</u>	<u>-</u>	<u>837,473,832</u>	<u>-</u>

The Company issued and allotted warrants to purchase ordinary shares (CGD-W2) to existing shareholders as well as the existing shareholders who subscribe new shares which are registered with indicate name's type and are transferable to others. 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

## 23. Dividend

Dividend that has been declared, are comprise of:

### The Subsidiary

#### - Avison Company Limited

According to the ordinary shareholders' meeting for the fiscal year 2013 held on March 26, 2013, gave resolution as follows:

1. The Company paid dividend to shareholder at Baht 200 per share in the amount of share 20,000 at Baht 4 million, the Company was paid on March 27, 2013.
2. Announce to paid dividend as common stock of the Company in the amount of share 20,000 at a par value of Baht 100 to shareholder at share 1 per 1 stock dividend totaling in the amount of Baht 2 million, at rate Baht 100 per share, by the recipients of dividends will be announced on March 31, 2013.

According to the Extraordinary shareholders' meeting No. 1/2013 held on June 12, 2013 has Unanimously to increase capital of the Company in the amount of Baht 2 million by issued share in the amount of share 20,000 at Baht 100 per share as result to the capital was increase to share 40,000 at Baht 100 per share totaling of capital of the Company in the amount of Baht 4 million. The meeting approved to amendment of memorandum article 5. The capital of the company is set to be 4 million.

**- ABCS Company Limited**

The Shareholders' Meeting for the fiscal year 2013 held on March 28, 2013, approved to pay dividend in the amounting of Baht 4 million for 4,000,000 shares at Baht 100 to the existing shareholders. In the first period was paid in the amount of Baht 75 per share, the Company was paid on April 2013, and the second period in the amount of Baht 25 per share, scheduled to be paid within twelve months. The Company has record as accrued dividend in the amount of Baht 1 million.

**24. Directors and managements' remuneration**

24.1 Director's remuneration represents the benefit paid to the Company's directors under section 90 of the Public Company Act, which is not include the salary and related benefits paid to the Company's directors, who are executive managements of the Company.

24.2 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.

24.3 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 June 30,			
	2013	2012	2013	2012
Directors' remuneration	986,483	-	990,000	990,000
Management's benefits				
Short-term employee benefit	3,931,225	-	5,019,251	5,369,846
Post retirement benefits	126,028	-	169,849	159,568
Total	5,043,736	-	6,179,100	6,519,414



('Baht)

	Consolidated		Separated financial statements	
	For the six-month period ended June 30,			
	2013	2012	2013	2012
Directors' remuneration	986,483	-	1,980,000	1,980,000
Management's benefits				
Short-term employee benefit	3,931,225	-	9,982,497	11,148,345
Post retirement benefits	126,028	-	339,699	319,135
Total	5,043,736	-	12,302,196	13,447,480

## 25. 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 periods.

('Baht)

	Consolidated		Separated financial statements	
	For the three-month periods ended June 30,			
	2013	2012	2013	2012
Profit attributable of the parent company (Baht)	(22,682,453)	(619,178)	(40,800,163)	(23,962,694)
Number to ordinary share outstanding at January 1,	-	-	2,444,820,629	2,444,745,629
Weighted average number of the reverse acquisition	4,902,725,315	3,700,000,000	-	
Effect of own shares during the year	26,203,511	-	1,978,964,511	72,527
Weighted average number of ordinary shares				
outstanding during the years (basic)	4,928,928,826	3,700,000,000	4,423,785,140	2,444,818,156
Basic earnings (loss) per shares	(0.01)	(0.01)	(0.01)	(0.01)

('Baht)

	Consolidated		Separated financial statements	
	For the six-month periods ended June 30,			
	2013	2012	2013	2012
Profit attributable of the parent company (Baht)	(22,834,878)	(831,646)	(71,322,596)	(45,671,921)
Number to ordinary share outstanding at January 1,	-	-	2,444,820,629	2,444,745,629
Weighted average number of the reverse acquisition	4,345,913,633	3,700,000,000	-	-
Effect of own shares during the year	13,174,141	-	994,986,301	36,264
Weighted average number of ordinary shares				
outstanding during the years (basic)	4,359,087,774	3,700,000,000	3,439,806,930	2,444,781,893
Basic earnings (loss) per shares	(0.01)	(0.01)	(0.02)	(0.02)

## 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 and six-month periods ended June 30, 2013 and 2012, as follows:-

	Consolidated		Separated financial statements	
	For the three-month periods ended June 30,			
	2013	2012	2013	2012
Total comprehensive income for the period (Baht)	(22,682,453)	(619,178)	(40,800,163)	(23,962,694)
Weighted average number of ordinary shares (shares)	4,928,928,826	3,700,000,000	4,423,785,140	2,443,592,377
Diluted number of ordinary shares (shares)	-	-	-	90,329,018
Total	4,928,928,826	3,700,000,000	4,423,785,140	2,533,921,395
Diluted earnings (loss) per shares	(0.01)	(0.01)	(0.01)	(0.01)

	Consolidated		Separated financial statements	
	For the six-month periods ended June 30,			
	2013	2012	2013	2012
Total comprehensive income for the period (Baht)	(22,834,878)	(831,646)	(71,322,596)	(45,671,921)
Weighted average number of ordinary shares (shares)	4,359,087,774	3,700,000,000	3,439,806,930	2,443,592,591
Diluted number of ordinary shares (shares)	-	-	-	140,511,805
Total	4,359,087,774	3,700,000,000	3,439,806,930	2,584,104,396
Diluted earnings (loss) per shares	(0.01)	(0.01)	(0.02)	(0.02)

The diluted number of ordinary shares for the three-month and six-month periods ended June 30, 2012, in the amount of 16,529,330 unit for each periods are based on the assumption that there is the exercise of CGD-W2 warrant holders. As at June 30, 2012, the company has CGD-W2 warrant 842,995,832 (see note 14) 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 for the three-month and six-month periods ended June 30, 2012, equal Baht 0.51 for each period.

For the three-month and six-month periods ended June 30, 2013, there were no exercised warrants impacted to diluted earnings per share statements because the warrants was expired.

## 26. Transactions with related parties

### 26.1 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 six-month periods	
				June 30,	December 31,	June 30,	December 31,	ended June 30,	
				2013	2012	2013	2012	2013	2012
<b>Subsidiary company</b>									
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	-	-
Landmark Waterfront Residences Co., Ltd	Real estate business	Thailand	50,000,000	99.99	99.99	49,999,900	-	-	-
Landmark Waterfront Hotel Co., Ltd	Hotel, restaurant, shop	Thailand	50,000,000	99.99	99.99	49,999,900	-	-	-
Landmark Urban Resort Hotel Co., Ltd..	Hotl	Thailand	50,000,000	99.99	99.99	49,999,900	-	-	-
Total of investment in subsidiary company						382,894,029	232,894,329	-	-
<u>Less</u> Allowance of impairment						(167,527,925)	(167,527,925)	-	-
Total of investment in subsidiary company - net						215,366,104	65,366,404	-	-

## 26.2 Loan

### 26.2.1 Short-term loan from related person

('Baht)

	Nature of relationship	Balance as at December 31, 2012	Received loans	Paid loans	Balance as at June 30, 2013	Cost of related loans policy
<b>Related persons</b>						
Mr. Sadawut Taechaubol	Shareholder and director	261,978,746	3,009,660	(200,000,000)	64,988,406	
Mr.Jrarat Pingclasai	Chairman of the board	-	5,000,000	(5,000,000)	-	1%
Mr. Bunprasit Tangchaisuk	Director manager	-	20,000,000	(10,000,000)	10,000,000	1%
Total		261,978,746	28,009,660	(215,000,000)	74,988,406	

The Company has loan from a director. These loan have no collateral and payment when recall.

The subsidiary company has loan from directors by issuing promissory note for the period of 3 month. These loan have no collateral.

## 26.2.2 Short-term loan from related person and company

		('Baht)				
		Separated financial statements				
	Nature of relationship	Balance as at December 31, 2012	Increase	Decrease	Balance as at June 30, 2013	Cost of related loans policy
Mr. Sadawut Taechaubol	Shareholder and director	261,978,746	264,988,406	(200,000,000)	64,988,406	0.25% per annum
Landmark Waterfront Residences Co., Ltd	Common shareholder and director	-	10,762,498	(724,622)	10,037,876	0.25% per annum
Landmark Waterfront Hotel Co., Ltd	Common shareholder and director	-	11,481,429	(233,945)	11,247,484	0.25% per annum
Landmark Urban Resort Hotel Co., Ltd.	Common shareholder and director	-	19,291,292	(274,920)	19,016,372	0.25% per annum
Total		<u>261,978,746</u>	<u>306,523,625</u>	<u>(201,233,487)</u>	<u>105,290,138</u>	

The Company has entered into loan from related person and subsidiary. These loan have no collateral and payment when recall.

## 26.3 Transactions with related parties

A portion of the Company and subsidiaries' 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
Brokerage fees for purchase securities	At market price which is the same rate as general client
Fees and services income	Mutually agreed in accordance with the contract which is comparable to market price

Significant transactions with related parties were consisted of:

		('Baht)			
Nature of relationship		Consolidated		Separated financial statements	
		As at June 30, 2013	As at December 31, 2012	As at June 30, 2013	As at December 31, 2012
Outstanding balance					
Subsidiaries					
A – HOST Company Limited	Common-shareholder and director				
Accrued dividend income		-	-	9,535,283	9,535,283
Landmark Waterfront Residences Co., Ltd	Common-shareholder and director				
Accrued interest expenses		-	-	109,884	-
Landmark Waterfront Hotel Co., Ltd	Common-shareholder and director				
Accrued interest expenses		-	-	97,170	-
Landmark Urban Resort Hotel Co., Ltd.	Common-shareholder and director				
Accrued interest expenses		-	-	150,038	-
Related company					
Bangkok Development Company Limited	Common-shareholder and director				
Cash at financial institute		26,418	-	26,418	26,192
Accrued fee		-	-	-	400,000
Bill of exchange		80,000,000	-	80,000,000	-
Prepaid interest expenses		2,528,080	-	2,528,080	-
Related persons					
Mr. Ben Taechaubol	Shareholder and director				
Deposit		180,000	-	180,000	180,000
Advance received		468,804	-	468,804	468,804
Mr. Sadawut Taechaubol	Director				
Deposit		840,000	-	840,000	840,000
Advance received		2,170,700	-	2,170,700	2,170,700

		('Baht)			
	Nature of relationship	Consolidated		Separated financial statements	
		For the three-month period ended June 30,			
		2013	2012	2013	2012
Revenues and expenses					
Related company					
Country Group Securities Pcl.	Common shareholder and director				
Interest income		115	-	115	26,227
Interest expenses		1,668,953	-	1,668,953	-

		('Baht)			
	Nature of relationship	Consolidated		Separated financial statements	
		For the six-month period ended June 30,			
		2013	2012	2013	2012
Revenues and expenses					
Related company					
Country Group Securities Pcl.	Common shareholder and director				
Interest income		228	-	228	57,702
Interest expenses		2,595,325	-	2,595,325	-

## 27. Business segment information

The Company and subsidiaries 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 and six-month period ended June 30, 2013 and 2012. 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 are as follows:

	Consolidated					
	For the six-month period ended June 30, 2013 and 2012					
	Sale and service for computer software		Real estate		Total	
	2013	2012	2013	2012	2013	2012 (Adjustment)
Revenue from sales to external customer	83,145,625	-	-	-	83,145,625	-
Revenue from services to external customer	11,734,517	-	-	-	11,734,517	-
Total	94,880,142	-	-	-	94,880,142	-
Profit from operation	20,468,675	-	-	-	20,468,675	-
Other income					621,120	3,379
Selling expenses					(13,610,102)	-
Administrative expenses					(18,000,849)	(293,651)
Gain (loss) on sale of temporary investment					809,870	-
Unrealized gain (loss) on temporary investment					(232,500)	-
Management benefit expenses					(5,043,736)	-
Finance costs					(5,550,291)	(328,906)
Profit (loss) before income tax					(20,537,813)	(619,178)
Revenue (expenses) income tax					(1,187,953)	-
Net profit (loss) before non-controlling interests					(21,725,766)	(619,178)
Non-controlling interests					(1,109,112)	-
Net profit (loss)					(22,834,878)	(619,178)
<b>Operation assets</b>						
Total assets						
(As at March 31, 2013 and						
as at December 31, 2012 and 2011)	371,561,555	-	5,084,756,278	292,899,848	5,456,317,833	292,899,848

## 28. Commitment and letter of guarantee

- 28.1 As at June 30, 2013, and as at December 31, 2012, the Company has commitment in project development and construction in the amount of Baht 853.65 million and Baht 642.88 million.
- 28.2 As at June 30, 2013, and as at December 31, 2012, the subsidiaries have service contracts with the customer which still no service in the amount of Baht 33.32 million and Baht 46.64 million.

- 28.3 As at June 30, 2013, and as at December 31, 2012, the subsidiaries requested the commercial bank to issue the letter of guarantee in the amount of Baht 60.30 million and Baht 80.21 million. The letters of guaranteed by fixed deposit of the subsidiaries.
- 28.4 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
	June 30,	December 31,	June 30,	December 31,
	2013	2012	2013	2012
Within 1 year	11,153,460	12,242,466	2,078,484	3,269,776
Over 1 year but not over 5 years	12,508,978	11,024,155	1,767,706	4,061,665

## 29. Approving to issue of interim financial statements

The interim financial statements are approved to issue by the authorized directors of the Company held on August 14, 2013.