

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS  
COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED

1) We have audited the consolidated statement 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 December 31, 2011 and 2010, and the related consolidated and the separated statements of comprehensive income, the statement of changes in equity and the statements of cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits.

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

3) In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Country Group Development Public Company Limited and its subsidiaries and of Country Group Development Public Company Limited as at December 31, 2011 and 2010, the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

4) Without qualifying our opinion, 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.

5) As discussed in Notes 4 to the financial statements, for the year ended December 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 financial statements. The financial statements the year ended December 31, 2010, presented herein for comparison, are presented in the new format to conform to the presentation of the financial statements the year ended December 31, 2011.

**Miss Pranee Phonngam**

Certified Public Accountant No. 4987

United Auditing PKF Limited

Bangkok.

February 1, 2012.

FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT

CERTIFIED PUBLIC ACCOUNTANTS

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2011 AND 2010



## COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010

		('Baht)			
		CONSOLIDATED		SEPARATED FINANCIAL STATEMENTS	
		2011	2010	2011	2010
<b>Assets</b>					
<b>Current assets</b>	<b>Note</b>				
Cash and cash equivalents	8	166,033,136	214,131,895	57,523,333	132,917,307
Temporary investment	9	21,475,000	122,451,371	21,475,000	122,451,371
Trade accounts receivable - net	10	43,024,029	33,648,612	-	-
Revenues issued unbill		-	1,191,896	-	-
Other account receivable	27.1	-	1,200,000	-	-
Short-term loan to other person	11	15,500,000	-	15,500,000	-
Inventories		9,341,361	779,652	-	-
Land and cost of under construction project	12	393,765,547	307,253,645	393,765,547	307,253,645
Other current assets		49,662,908	24,423,293	25,410,103	2,618,600
Total current assets		698,801,981	705,080,364	513,673,983	565,240,923
<b>Non - current assets</b>					
Cash at bank with obligation	30.2,30.3	8,232,640	2,596,458	-	-
Other long-term investments	13	564,019	564,019	-	-
Investment in subsidiary companies - net	27.1	-	-	65,366,404	65,366,404
Property, plant and equipment - net	14	25,623,358	17,112,120	16,647,330	13,028,174
Intangible assets - net	15	2,087,825	1,249,825	1,999,141	876,178
Other non-current assets					
Withholding income tax		1,457,996	1,860,356	1,457,996	1,860,356
Deposits and others		5,680,999	5,837,560	2,167,698	2,365,221
Total non - current assets		43,646,837	29,220,338	87,638,569	83,496,333
<b>Total assets</b>		<b>742,448,818</b>	<b>734,300,702</b>	<b>601,312,552</b>	<b>648,737,256</b>

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

## COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (Continued)

AS AT DECEMBER 31, 2011 AND 2010

		('Baht)			
		CONSOLIDATED		SEPARATED FINANCIAL STATEMENTS	
		2011	2010	2011	2010
<b>Liabilities and equity</b>					
<b>Current liabilities</b>	<b>Note</b>				
Trade accounts payable	16	99,154,119	37,385,929	34,765,155	681,853
Financial lease liabilities due within 1 year	17	1,527,235	-	-	-
Deposit and advance from customer		6,957,328	-	6,957,328	-
Other current liabilities		41,024,345	30,959,784	9,108,295	7,100,250
<b>Total current liabilities</b>		<b>148,663,027</b>	<b>68,345,713</b>	<b>50,830,778</b>	<b>7,782,103</b>
<b>Non-current liabilities</b>					
Financial lease liabilities	17	2,672,660	-	-	-
Post-employment benefits obligation	18	3,589,878	-	2,159,052	-
Provision liabilities from impairment of investment in subsidiary company		74,792,313	74,792,313	-	-
Other non-current liabilities		-	43,000	-	23,000
<b>Total non-current liabilities</b>		<b>81,054,851</b>	<b>74,835,313</b>	<b>2,159,052</b>	<b>23,000</b>
<b>Total liabilities</b>		<b>229,717,878</b>	<b>143,181,026</b>	<b>52,989,830</b>	<b>7,805,103</b>
<b>Equity</b>					
<b>Share capital</b>	<b>19</b>				
Authorized share capital					
7,557,772,727 ordinary shares of Baht 1.00 each		7,557,772,727		7,557,772,727	
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					
2,444,745,629 ordinary shares of Baht 1.00 each		2,444,745,629		2,444,745,629	
2,443,589,803 ordinary shares of Baht 1.00 each			2,443,589,803		2,443,589,803
Premium (discount) in share capital	19	(1,322,227,280)	(1,322,227,280)	(1,322,227,280)	(1,322,227,280)
Retained earnings (deficit) unappropriated		(632,897,763)	(550,090,952)	(574,195,627)	(480,430,370)
<b>Total parent company</b>		<b>489,620,586</b>	<b>571,271,571</b>	<b>548,322,722</b>	<b>640,932,153</b>
Non-controlling interests		23,110,354	19,848,105	-	-
<b>Total equity</b>		<b>512,730,940</b>	<b>591,119,676</b>	<b>548,322,722</b>	<b>640,932,153</b>
<b>Total liabilities and equity</b>		<b>742,448,818</b>	<b>734,300,702</b>	<b>601,312,552</b>	<b>648,737,256</b>

## COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

				('Baht)	
		CONSOLIDATED		SEPARATED FINANCIAL STATEMENTS	
	Note	2011	2010	2011	2010
<b>Revenues</b>					
Revenues from sales		334,868,573	253,418,509	-	-
Revenues from services		102,368,522	88,731,552	-	-
Other income		7,594,742	4,958,667	2,751,182	1,899,973
Dividend income		1,190,000	-	1,190,000	-
Gain on sales investment in subsidiary company		-	155,495	-	-
Gain on sale of temporary investment		2,197,770	4,336,725	2,197,770	4,336,725
Unrealized gain on investment in securities		-	543,552	-	543,552
<b>Total revenues</b>		<b>448,219,607</b>	<b>352,144,500</b>	<b>6,138,952</b>	<b>6,780,250</b>
<b>Expenses</b>					
	23,24				
Cost of good sold		295,663,053	221,486,409	-	-
Cost of services		68,638,582	55,990,503	-	-
Selling expenses		29,950,536	8,698,647	21,534,779	-
Administrative expenses		73,018,454	78,141,657	42,103,069	35,396,640
Unrealized loss on investment in securities		11,628,523	-	11,628,523	-
Directors and managements' remuneration	24	36,714,116	26,774,655	21,484,315	13,960,207
<b>Total expenses</b>		<b>515,613,264</b>	<b>391,091,871</b>	<b>96,750,686</b>	<b>49,356,847</b>
<b>Profit (loss) before finance costs and income tax</b>		<b>(67,393,657)</b>	<b>(38,947,371)</b>	<b>(90,611,734)</b>	<b>(42,576,597)</b>
Finance costs		(62,191)	-	-	-
<b>Profit (loss) before income tax</b>		<b>(67,455,848)</b>	<b>(38,947,371)</b>	<b>(90,611,734)</b>	<b>(42,576,597)</b>
Income tax	25	(6,343,974)	(1,657,889)	-	-
<b>Profit (loss) for the periods</b>		<b>(73,799,822)</b>	<b>(40,605,260)</b>	<b>(90,611,734)</b>	<b>(42,576,597)</b>
<b>Other comprehensive income</b>					
Other comprehensive income		-	-	-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(73,799,822)</b>	<b>(40,605,260)</b>	<b>(90,611,734)</b>	<b>(42,576,597)</b>
<b>Profit (loss) attributable to :</b>					
Parent company		(78,258,534)	(41,789,108)	-	-
Non-controlling interests		4,458,712	1,183,848	-	-
		<b>(73,799,822)</b>	<b>(40,605,260)</b>	<b>-</b>	<b>-</b>
<b>Earnings (loss) per shares</b>					
	26				
Basic earnings (loss) per shares		(0.03)	(0.02)	(0.04)	(0.02)
Weighted average number of ordinary shares (shares)		2,443,730,995	2,002,983,643	2,443,730,995	2,002,983,643
Diluted earnings per share		(0.03)	(0.02)	(0.04)	(0.02)
Diluted number of ordinary shares (shares)		2,506,180,686	2,207,364,451	2,506,180,686	2,207,364,451

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

## COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

('Baht)

		CONSOLIDATED				
		The parent company's equity			Non-controlling	Total
Note	Issued and paid-up share capital	Premium (discount) on share capital	Retained earning unappropriated (deficit)	Total parent company	interests	
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
Changing in equity						
Increase in share capital	19 814,529,934	(431,700,862)	-	382,829,072	-	382,829,072
Subsidiary's dividend paid to non-controlling interests	-	-	-	-	(415,760)	(415,760)
Minority interest from sale subsidiary company	-	-	-	-	154,379	154,379
Total comprehensive income for the periods	-	-	(41,789,108)	(41,789,108)	1,183,848	(40,605,260)
Ending balance as at December 31, 2010	2,443,589,803	(1,322,227,280)	(550,090,952)	571,271,571	19,848,105	591,119,676
Beginning balance as at January 1, 2011	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	4.2 -	-	(4,007,218)	(4,007,218)	(207,522)	(4,214,740)
Beginning balance as at January 1, 2011	2,443,589,803	(1,322,227,280)	(554,098,170)	567,264,353	19,640,583	586,904,936
Changing in non-controlling interests	-	-	(541,059)	(541,059)	541,059	-
Changing in equity						
Increase in share capital	19 1,155,826	-	-	1,155,826	-	1,155,826
Subsidiary's dividend paid to non-controlling interests	-	-	-	-	(1,530,000)	(1,530,000)
Total comprehensive income for the periods	-	-	(78,258,534)	(78,258,534)	4,458,712	(73,799,822)
Ending balance as at December 31, 2011	2,444,745,629	(1,322,227,280)	(632,897,763)	489,620,586	23,110,354	512,730,940

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



COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

('Baht)

	Note	SEPARATED FINANCIAL STATEMENTS			
		Issued and paid-up share capital	Premium (discount) on share capital	Retained earning unappropriated (deficits)	Total
Beginning balance as at January 1, 2010		1,629,059,869	(890,526,418)	(437,853,773)	300,679,678
Changing in equity					
Increase in share capital	19	814,529,934	(431,700,862)	-	382,829,072
Total comprehensive income for the periods		-	-	(42,576,597)	(42,576,597)
Ending balance as at December 31, 2010		<u>2,443,589,803</u>	<u>(1,322,227,280)</u>	<u>(480,430,370)</u>	<u>640,932,153</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	4.2	-	-	(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
Changing in equity					
Increase in share capital	19	1,155,826	-	-	1,155,826
Total comprehensive income for the periods		-	-	(90,611,734)	(90,611,734)
Ending balance as at December 31, 2011		<u>2,444,745,629</u>	<u>(1,322,227,280)</u>	<u>(574,195,627)</u>	<u>548,322,722</u>

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

## COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

('Baht)

	CONSOLIDATED		SEPARATED FINANCIAL STATEMENTS	
	2011	2010	2011	2010
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	(71,914,560)	(40,131,219)	(90,611,734)	(42,576,597)
Adjust with :				
Depreciation of fixed assets and amortization of intangible assets	6,464,520	3,182,686	3,524,869	498,630
Unrealized (gain) loss on investment in securities	11,628,523	(543,552)	11,628,523	(543,552)
(Gain) loss on sales of temporary investment	(2,197,770)	(4,336,725)	(2,197,770)	(4,336,725)
Portion in (gain) loss of non-controlling interests in subsidiary company	4,458,712	1,183,848	-	-
(Gain) loss on sales of investment in subsidiary company	-	154,379	-	-
Gain on sale fixed assets	(57,338)	-	-	-
Loss from write off fixed assets	417	1	417	-
Post-employment benefits obligation	(624,862)	-	(994,471)	-
Dividend income	(1,190,000)	-	(1,190,000)	-
Interest income	(2,099,939)	(632,369)	(998,808)	(257,036)
Interest expenses	62,191	10,192	-	-
	(55,470,106)	(41,112,759)	(80,838,974)	(47,215,280)
(Increase) decrease in temporary investment	91,545,617	(106,546,094)	91,545,617	(116,546,094)
(Increase) decrease in accounts receivable	(9,375,417)	11,093,579	-	-
(Increase) decrease in unbilled income	1,191,896	(1,191,896)	-	-
(Increase) decrease in short-term loan to other person	(15,500,000)	-	(15,500,000)	-
(Increase) decrease in inventories	(8,561,709)	(774,990)	-	-
(Increase) decrease in other accounts receivable	1,200,000	(1,200,000)	-	-
(Increase) decrease in cost of under construction project	(86,511,901)	(86,553,645)	(86,511,901)	(86,553,645)
(Increase) decrease in other current assets	(22,526,995)	6,584,520	(22,278,075)	117,918
(Increase) decrease in long-term investment	-	(2,778)	-	-
(Increase) decrease in other non-current assets	558,923	(1,697,203)	599,883	(1,398,056)
Increase (decrease) in accounts payable	61,768,189	(12,385,497)	34,083,302	681,853
Increase (decrease) in deposit and advance from customer	6,957,328	-	6,957,328	-
Increase (decrease) in other payable	-	(1,656,311)	-	(1,656,311)
Increase (decrease) in other current liabilities	9,447,944	7,669,108	2,008,046	5,178,038
Increase (decrease) in other non-current liabilities	(43,000)	(122,636)	(23,000)	(142,636)
Cash receipts (paid) from operating	(25,319,231)	(227,896,602)	(69,957,774)	(247,534,213)
Cash received from dividend income	1,190,000	-	1,190,000	-
Cash received from interest income	1,561,360	629,869	489,219	257,036
Cash paid for interest expenses	(62,191)	(10,192)	-	-
Cash paid for income tax	(8,518,014)	(9,116,418)	(3,839)	(2,554)
<b>Net cash provided by (used in) operating activities</b>	<b>(31,148,076)</b>	<b>(236,393,343)</b>	<b>(68,282,394)</b>	<b>(247,279,731)</b>

## COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

('Baht)

	CONSOLIDATED		SEPARATED FINANCIAL STATEMENTS	
	2011	2010	2011	2010
<b>Cash flows from investing activities</b>				
(Increase) decrease in cash at bank with obligation	(5,636,183)	(1,097,770)	-	-
Cash paid for purchase building in progress and other fixed assets	(13,816,332)	(12,757,849)	(6,600,106)	(11,550,821)
Cash received from sale furniture and office equipment	4,583,106	-	-	-
Cash paid for purchase intangible assets	(1,707,100)	(740,050)	(1,667,300)	(682,600)
<b>Net cash provided by (used in) investing activities</b>	<b>(16,576,509)</b>	<b>(14,595,669)</b>	<b>(8,267,406)</b>	<b>(12,233,421)</b>
<b>Cash flows from financing activities</b>				
Cash received from increase in share capital	1,155,826	382,829,072	1,155,826	382,829,072
Cash paid for dividend to non-controlling interests	(1,530,000)	(415,760)	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(374,174)</b>	<b>382,413,312</b>	<b>1,155,826</b>	<b>382,829,072</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(48,098,759)</b>	<b>131,424,300</b>	<b>(75,393,974)</b>	<b>123,315,920</b>
Cash and cash equivalents at the beginning of the periods	214,131,895	82,707,595	132,917,307	9,601,387
<b>Cash and cash equivalents at the ending of the periods</b>	<b>166,033,136</b>	<b>214,131,895</b>	<b>57,523,333</b>	<b>132,917,307</b>

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

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**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 2010 the management of the Company has to increase share capital and issued warrant (see note 19,21) to invest in the project which in construction and start for sale (see note 12).

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, 11<sup>th</sup> floor, room no. 1103, South Sathorn Road, Tung Mahamek, Sathorn and 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, 21<sup>st</sup> Floor, Phaholyotin road, Samsennai, Phayathai, Bangkok. Its main business is to sale and to provide rendering service related to computer software.

Avision Company Limited is incorporated in Thailand on September 15, 2004 and has registered its head office at 979/52 SM Tower 21<sup>st</sup> 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<sup>th</sup> 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 financial statements

3.1 The consolidated financial statements and separated statements are prepared in conformity with financial reporting standards and practices generally accepted accounting 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 prepared in accordance with the Notification of the Department of Business Development dated September 28, 2011 regarding "The Brief Particulars in the Financial Statements B.E. 2554".

The financial statements for the year ended December 31, 2010, presented herein for comparison, are presented in the new format to conform to the presentation of the financial statements for the year ended December 31, 2011.

3.2 The financial statements have been prepared on a historical cost basis except otherwise disclosed in the accounting policies.

3.3 This consolidated financial statements are included the financial statements of Country Group Development Public Company Limited and its subsidiaries in Thailand as follows:

				Percentage of holding (%)	
Subsidiaries	Location	Type of business	As at December 31,		
			2011	2010	
Direct					
A-HOST Company Limited	Thailand	Sale and provide rendering service related to computer software	83.64	83.64	
Indirect					
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 both directly and indirectly, to control their financial and operating policies so as to obtain benefits from their activities of two subsidiaries.
- A-HOST Company Limited has investment in Mobizign Company Limited of 60 percentages on June 18, 2010. The consolidated financial statements' company included financial statements of Mobizign Company Limited because the Company has power both directly and indirectly, to control their financial and operating policies so as to obtain benefits from their activities of the Company.

As at the purchase date, net assets value of Mobizign Company Limited are as follows:

	('Baht)
<b>Assets</b>	
Cash and cash equivalents	427,011
Accounts receivable	197,766
Other current assets	2,208,612
Property and plants and software - net	363,966
Other non-current assets	82,040
<b>Total assets</b>	<b>3,279,395</b>

	('Baht)
<b>Liabilities</b>	
Accounts payable	(1,032,868)
Other current liabilities	(850,790)
Loan from related person	(911,000)
<b>Total liabilities</b>	<u>(2,794,658)</u>
Net assets	484,737
<u>Less</u> Minority interest	<u>(193,895)</u>
Total portion for the Company	290,842
<u>Add</u> Goodwill	<u>909,158</u>
Total purchase price	1,200,000
<u>Less</u> Cash of subsidiary	<u>(427,011)</u>
Net cash used in the purchase	<u>772,989</u>

In December 16, 2010, A-HOST Company Limited sold all of shares of Mobizign Company Limited which was a subsidiary company to other persons, which make result that portion of investments are zero. Therefore, the Company has no power to control Mobizign Company Limited, which is a subsidiary of A-HOST Company Limited after the date of disposal.

- 3.4 The consolidated financial statement is the consolidation between the Company's and its subsidiaries' accounts. Thereby, inter-company sales and balance as well as profit or loss that has not occur-yet are eliminated from this financial statement. Accounting policy for subsidiaries will change according to head offices in order to consolidated the information about non-controlling interests which is the separated account in the consolidated statements of financial position and the statement of comprehensive income.
- 3.5 Assets, liabilities and operating results of subsidiaries are included in the consolidated financial statements from the date that control commences.

#### 4. Adoption Of New And Revised Thai Financial Reporting Standards

For the year ended December 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 year ended December 31, 2010 and the statements of financial position as at December 31, 2010, presented for comparison with financial statements for the year ended December 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 Company has calculated 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.
- The subsidiaries has calculated obligation under the defined benefit plan is determined by management, 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.

For the year ended December 31, 2011, the Company and subsidiaries have adopted Thai Accounting Standard No. 19 “Employee Benefits” 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
<b>Statements of financial position</b>		
Increase in post-employment benefits obligation	4,214,740	3,153,523
Decrease in retained earning	4,007,218	3,153,523
Decrease in non-controlling interests	207,522	-

#### 5. Accounting Standards and Accounting Standards Interpretation announced but not effective

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

6.1 The Company and subsidiaries recognize their revenue and expenses, as follows:

6.1.1 Revenue from sale is recognized in the statement of income when the significant risks and rewards of ownership have been passed to the buyer.

6.1.2 Service income is principally based on services rendered and completion of work.

6.1.3 Dividend income is recognized in the statement of income when the right to receive the dividend is established. Dividend from investments in marketable securities will recognize at the announcement dividend date.

6.1.4 Other incomes and expenses are recognized based on an accrual basis

6.2 Cash and cash equivalents consist of cash on hand and cash at financial institutions except cash at financial institutions which maturity of refund over 3 months and cash at bank with obligation.

6.3 Account receivables are presented on anticipated realizable value, the Company and subsidiary record the allowance for doubtful accounts by historical uncollected experiences, condition of economic and the account receivable's ability for the repayment. Doubtful accounts record to statement of income.

6.4 Land and cost of under construction project

- Land and cost of under development project are stated at cost or net realizable value whichever is lower. The project cost consists of : cost of land, development cost, construction cost, miscellaneous expenses of the project and interest expenses. Interest expenses will be stopped to recognize as cost whenever the construction project have been completed or stop development.

6.5 The subsidiaries are stated the value their inventories at cost (specific cost) or net realizable value, whichever is lower and net realizable value estimated selling price in normal business conditions less selling expenses.

6.6 Investment

- a) Investments in subsidiaries in the separated financial statements are stated at cost less allowance for impairment (if any). The Company recognized loss from impairment of investment in subsidiaries in the statement of income without the goodwill amortization. Subsidiaries represent those companies held not less than 50% of the equity or controlled directly or indirectly by the Company.

- b) Investments in non-marketable equity securities held for long-term investment, which are classified as other investments, are stated at cost net of allowance for impairment (if any). Loss of impairment recognized in the statement of income.
- c) Investments in marketable securities held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in the statement of income. The fair value of financial instruments classified as held-for-trading is determined as the quoted bid price at the balance sheet date. If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment. On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain (loss) that was reported in equity is recognized in the statement of income.
- d) Temporary investment is investment in debt securities held-to-maturity are presented at amortized cost net of allowance for impairment (if any). In case the securities have impairment, impairment losses recognized to expenses, no interest expense in the statement of income. The difference between cost and redemption value of an investment in debt securities is amortized by straight line over the remaining period of the investment, which is credited or charged to interest income and is added to or subtracted from the carrying amount of the securities.

6.7 Building and equipments of the Company and subsidiaries are stated at cost less accumulated depreciation. Depreciation is calculated on a straight – line basis over the following estimated useful lives:

Land improvement	5	Years
Building and building improvement	5	Years
Furniture and fixtures	3 and 5	Years
Office equipment	3 and 5	Years
Vehicles	5	Years

6.8 The Company and subsidiaries recorded intangible asset as follow:

6.8.1 The Company and subsidiaries are recorded computer software as intangible asset and is stated at costs less accumulated amortization and allowance for impairment (if any). Amortization is charged to the statement of income. Amortization intangible asset are calculated by the straight-line method following the expected periods of economic useful lives of intangible assets for 5 years.

6.8.2 Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of net assets acquired. Negative goodwill arising on acquisition represents the excess of the fair value of the net assets acquired over the cost of acquisition. Goodwill and negative goodwill, carried in the financial statements that arose from a business combination for which the agreement date was before January 1, 2008, are stated at net cost less accumulated amortization and allowance for impairment as at December 31, 2007, Goodwill arising from a business combination for which the agreement date begins on or after January 1, 2008, are stated at cost less accumulated impairment losses. Negative goodwill is recognized as income in the statement of income in the year of the business combination.

6.9 Employee benefits

6.9.1 Short-term benefits

- The Company records the payment to workmen's compensation fund as expenses throughout the accounting period.
- The Company records the payment to provident fund as expenses throughout the accounting period.

6.9.2 Long-term benefits

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.

The obligation under the defined benefit plan is determined by calculated with estimated about post-employment benefits obligation under Labor, Protection Act from the actuarial estimates, 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.

6.10 Foreign currency transactions are recorded at the following exchange rates:

- Foreign currency transactions are translated into Baht at exchange rates prevailing at the date of transactions.
- Assets and liabilities denominated in foreign currencies outstanding at the balance sheet date are translated into Baht at the exchange rates determined by the Bank of Thailand.
- Gain or loss on exchange rate is shown in revenue or expense in statement of income.

6.11 Lease

6.11.1 Financial Leases

Leases of assets, where the Company has transferred all the risks and rewards of ownership and intend to buy assets when the end of period of lease contract, are classification as finance leases. Financial leases are capitalizing at the inception of the lease record with liabilities occur from lease payment in the future, by not include interest expense which are financial cost. Financial cost are recorded as expenses according to the proportion of the liabilities balance outstanding.

Gain from sales assets and lease back which recorded as deferred income and amortized throughout period of lease, using by effective rate method. In case the return rental as financial lease.

6.11.2 Operating Leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the leasers are classified as operating leases. Lease payments under an operating lease are recognized as expenses in the statements of income.

6.12 The Company and subsidiaries recognized the corporate income tax to be paid based on Revenue Code by using tax rate at the balance sheet dated.

#### 6.13 Earning (loss) per share

- Basic earnings (loss) per share are calculated by dividing the net profit (loss) for the year by the sum of weighted average number of the ordinary shares in issue during the year.
- Diluted earnings (loss) per share is computed by dividing net profit (loss) for the year by the sum of weighted average number of ordinary shares in issue during the year plus weighted average number of ordinary shares to be issued upon conversion of warrants into ordinary shares.

#### 6.14 Estimated

Preparation of financial statements in conformity with generally accepted accounting principles require management to make estimation and assumptions about book value critical amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may be differ from those estimation. The significant areas that management need to use their judgments and estimation that will effect on the amounts and disclosures are as follows:

##### 6.14.1 Estimated liabilities

Estimated liabilities are recognized as liabilities in the balance sheet when the Company and subsidiaries are probable that an obligation has been incurred as a result of a past event, it is possible that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be reasonably estimated.

##### 6.14.2 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet dated to determine whether there is any indication of impairment. If any such indication exists, the Company will estimate the asset's recoverable amounts.

##### 6.14.3 Fair value of financial instruments

To estimate the fair value of Financial Instruments which not be traded in the market, the management uses the generally accepted method of fair value calculations by using various factors such as liquidity, relative information and change of financial instruments in long-term.

## 7. Supplementary of cash flows

In 2011, the subsidiary company has enter into sale contract and sale and leaseback computer equipment in the amount of Baht 4.58 million which financial lease contract 36 period in the amount of Baht 158,360.04 per period which was not related with cash flows from operating activities and investing activities.

## 8. Cash and cash equivalents

Cash and cash equivalents, as at December 31, 2011 and 2010 consist of:

			('Baht)	
	Consolidated		Separated financial statements	
	2011	2010	2011	2010
Cash	82,674	62,657	17,674	28,795
Saving account	126,147,459	187,042,693	58,053,621	133,791,312
Fixed deposit 3 month	44,808,033	28,552,666	-	-
Current account	(5,005,030)	(1,526,121)	(547,962)	(902,800)
Total	166,033,136	214,131,895	57,523,333	132,917,307

## 9. Temporary investment

As at December 31, 2011 and 2010, the Company has invested in securities, as follows:

	Consolidated and Separated financial statements			
	2011		2010	
Temporary security	Cost/ Cost amortize	Fair value	Cost/ Cost amortize	Fair value
Trade security				
Equity securities	33,103,523	21,475,000	121,907,819	122,451.371
Unrealized gain (loss)	(11,628,523)	-	543,552	-
Total trade securities	21,475,000	21,475,000	122,451,371	122,451.371

For the years ended December 31, 2011 and 2010, investment in trade securities have changed, as follows:

	('Baht)	
	Consolidated and Separated financial statements	
	2011	2010
Book value as at January 1 - net	122,451,371	1,025,000
Amount of purchase securities	125,328,123	231,674,018
Amount of sale securities	(214,675,971)	(110,791,199)
Changing in fair value of trade securities	(11,628,523)	543,552
Book value as at December 31 - net	21,475,000	122,451,371

#### 10. Trade accounts and notes receivable - net

Trade accounts and notes receivable as at December 31, 2011 and 2010, as follows:

	Consolidated		Separated financial statements	
	2011	2010	2011	2010
Trade accounts receivable				
- Other companies	46,092,455	36,836,718	-	-
<u>Less</u> Allowance for doubtful account	(3,188,106)	(3,188,106)	-	-
Balance	42,904,349	33,648,612	-	-
Notes receivable	119,680	-	-	-
Trade accounts and notes receivable-net	43,024,029	33,648,612	-	-

Trade accounts receivable are classified by aging as follows:

	Consolidated		Separated financial statements	
	2011	2010	2011	2010
Current	21,400,637	20,945,877	-	-
Not over 1-3 months	13,359,704	12,298,742	-	-
Over 3 - 6 months	5,037,691	290,573	-	-
Over 6 - 12 months	3,106,317	-	-	-
Over 12 months	3,188,106	3,301,526	-	-
Total	46,092,455	36,836,718	-	-



### 11. Short-term loan to other person

The Company has entered into loan to other person the balance as at December 31, 2011, in the amount of Baht 15.50 million with interest rate at 8% per annum due date of repayment within January 2012. These loan not have guarantee, so the loaner give cashier cheque in the amount of Baht 16.12 million to the Company for repayment. The Company has received total amount on January 3, 2012.

### 12. Land and cost of under construction project

Land and cost of under construction project, as at December 31, 2011 and 2010, as follows:

	Consolidated		Separated financial statements	
	As at December 31, 2011	As at December 31, 2010	As at December 31, 2011	As at December 31, 2010
Land	298,000,000	298,000,000	298,000,000	298,000,000
Condominium construction	60,775,820	-	60,775,820	-
Cost of construction design	6,540,234	4,583,579	6,540,234	4,583,579
Other expenses of project	28,449,493	4,670,066	28,449,493	4,670,066
Total	393,765,547	307,253,645	393,765,547	307,253,645

### 13. Long-term investment

As at December 31, 2011 and 2010, the Company has a fixed deposit 12 months total of Baht 0.56 million for each year with the interest rate of 0.85 percent per annum and 0.50 percent per annum respectively.

#### 14. Property, plant and equipment - net

Property, plant and equipment of the Company have transaction movement as follows:

(หน่วย : บาท)

Type of assets	Consolidated				Balance as at December 31, 2011
	Balance as at December 31, 2010	Purchase or acquire	Selling or disposal	* Other	
<b>Cost</b>					
Building	-	-	-	12,191,925	12,191,925
Building in progress	9,921,842	2,270,083	-	(12,191,925)	-
Building improvement	-	1,757,500	-	-	1,757,500
Furniture and fixture	12,824,970	2,485,619	-	-	15,310,589
Office equipment	15,851,320	2,040,671	(1,768,615)	-	16,123,376
Office equipment under financial lease	-	4,581,704	-	-	4,581,704
Vehicle	988,680	749,000	-	-	1,737,680
Total	39,586,812	13,884,577	(1,768,615)	-	51,702,774
<b>Less Accumulated depreciation</b>					
Building	-	(1,823,778)	-	-	(1,823,778)
Building improvement	-	(231,123)	-	-	(231,123)
Furniture and fixture	(10,010,761)	(912,563)	-	-	(10,923,324)
Office equipment	(12,416,258)	(1,957,626)	1,990,696	-	(12,383,188)
Office equipment under financial lease	-	(418,420)	-	-	(418,420)
Vehicle	(47,673)	(251,910)	-	-	(299,583)
Total	(22,474,692)	(5,595,420)	1,990,696	-	(26,079,416)
Property, plant and equipment - net	17,112,120	8,289,157	222,081	-	25,623,358
Depreciation for the years	2,212,269				5,595,420

The book value before accumulated depreciation of fully depreciated of plant and equipment that are still in use in the consolidated financial statements as at December 31, 2011 and 2010 amounted to Baht 18.07 million and Baht 17.90 million respectively.

Other transaction which occurred from reclassifies building in progress to be building because construction are complete.

(หน่วย : บาท)

Type of assets	Separated financial statements				
	Balance as at December 31, 2010	Purchase or acquire	Selling or disposal	* Other	Balance as at December 31, 2011
<b>Cost</b>					
Building	-	-		12,191,925	12,191,925
Building in progress	9,921,842	2,270,083	-	(12,191,925)	-
Building improvement	-	1,757,499	-	-	1,757,499
Furniture and fixture	1,380,272	1,121,765	-	-	2,502,037
Office equipment	1,416,705	701,758	(2,200)	-	2,116,263
Vehicle	988,680	749,000	-	-	1,737,680
Total	13,707,499	6,600,105	(2,200)	-	20,305,404
<b>Less Accumulated depreciation</b>					
Building	-	(1,823,778)	-	-	(1,823,778)
Building improvement	-	(231,123)	-	-	(231,123)
Furniture and fixture	(65,911)	(366,983)	-	-	(432,894)
Office equipment	(565,741)	(306,738)	1,783	-	(870,696)
Vehicle	(47,673)	(251,910)	-	-	(299,583)
Total	(679,325)	(2,980,532)	1,783	-	(3,658,074)
Property, plant and equipment - net	13,028,174	3,619,573	(417)	-	16,647,330
Depreciation for the years	316,564				2,980,532

## 15. Intangible assets - net

Intangible assets have transaction movement as follows:

('Baht)

	Consolidated		
	Balance as at December 31, 2010	Purchase/ acquire	Balance as at December 31, 2011
Computer software	1,249,825	1,707,100	2,087,825
Amortization	970,417		869,100

('Baht)

	Separated financial statements		
	Balance as at December 31, 2010	Purchase/ acquire	Balance as at December 31, 2011
Computer software	876,178	1,667,300	1,999,141
Amortization	182,066		544,337

## 16. Trade accounts payable

Trade accounts payable as at December 31, 2011 and 2010 are as follows:

		Consolidated		Separated financial statements	
		2011	2010	2011	2010
Trade accounts payable					
- Other companies		99,154,119	37,385,929	34,765,155	681,853
Total		99,154,119	37,385,929	34,765,155	681,853

## 17. Financial lease liabilities

Financial lease liabilities of the Company as follows:

		Consolidated			
		Within 1 year		Over 1 year but not over 5 years	
		As at December 31, 2011	As at December 31, 2010	As at December 31, 2011	As at December 31, 2010
Financial lease liabilities		1,900,321	-	3,325,560	-
<u>Less</u> Unearned interest		(248,766)	-	(435,340)	-
Deferred input vat		(124,320)	-	(217,560)	-
Net		1,527,235	-	2,672,660	-

In 2011, the subsidiary has entered into sale and lease back computer equipment which the financial lease 36 period in the amount of Baht 158,360.04 per period.

## 18. 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 years ended December 31, 2011 and 2010 are as follows:

	(‘Baht)			
	Consolidated		Separated financial statements	
	For the years ended December 31,			
	2011	2010	2011	2010
Current service cost	(829,311)	-	(1,136,380)	-
Interest cost	204,449	-	141,909	-
Total	(624,862)	-	(994,471)	-

Changing in the present value of the defined benefit obligation for the years ended December 31, 2011 and 2010 are as follows:

	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	(829,311)	-	(1,136,380)	-
Interest costs	204,449	-	141,909	-
Ending present value of post-employment benefits obligation	3,589,878	-	2,159,052	-

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

	Consolidated and Separated financial statements	
	As at December 31, 2011	As at December 31, 2010
The principle actuarial assumption		
Discount rate	4.50%	4.50%
Turnover rate	1.00%,10.00%	1.00%,10.00%
Expected rate of salary increase	5.00, 5.25%	5.00%

As at December 31, 2011, the Company change the assumption of expected rate of salary from 5% to 5.25%.

## 19. 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, 2009	1,629,059,869	1,629,059,869	(890,526,418)	
Increase 1 <sup>st</sup>	662,093,747	662,093,747	(350,909,683)	June 16, 2010
Increase 2 <sup>nd</sup>	152,436,187	152,436,187	(80,791,179)	December 1, 2010
Balance as at December 31, 2010	2,443,589,803	2,443,589,803	(1,322,227,280)	

	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 <sup>st</sup>	2,574	2,574	-	February 28, 2011
Increase 2 <sup>nd</sup>	101	101	-	November 2, 2011
Increase 3 <sup>rd</sup>	1,153,151	1,153,151	-	
Balance as at December 31, 2011	<u>2,444,745,629</u>	<u>2,444,745,629</u>	<u>(1,322,227,280)</u>	

#### 19.1 The Company increase (decrease) share capital as follows:

The annual general meeting of shareholders for the fiscal year 2010 held on April 29, 2010 approved the following issues:

- 1) The reduction of the Company's registered capital from 2,052,982,139 shares to 1,991,988,077 shares by canceling the registered ordinary shares which had not been issued in the amount of 60,994,062 shares (except for the shares reserved for the exercise of the right under the warrants previously allocated to purchase 362,928,208 shares of the Company).

The Company registered the reduction of share capital with the Ministry of Commerce on May 14, 2010.

- 2) The increase of the Company's registered capital from Baht 1,991,988,077 to Baht 3,802,054,597 by issuing 1,810,066,520 shares at the par value of Baht 1 as follows:
  - Allocation of not exceeding to 814,529,934 new ordinary shares at a par value of Baht 1 to offer for sale to the existing shareholders on a pro rata basis.
  - Allocation of not exceeding to 181,006,652 new ordinary shares at a par value of Baht 1 to reserve for the exercise of Warrants #2 to the existing shareholders on a pro rata basis.
  - Allocation of not exceeding to 814,529,934 new ordinary shares at a par value of Baht 1 to reserve for the exercise of Warrant #2 to the existing shareholders who subscribe for newly issued shares and are allocated.

The Company registered the increase of share capital with the Ministry of Commerce on May 17, 2010.

- 3) In compliance with the Company's fund raising plan and compensate the shareholders, the Company therefore proposes the issuance and offering of warrants to purchase the Company's ordinary shares #2 to offer for sale to the existing shareholders as well as the existing shareholders who subscribe new shares and are allocated not less than 995,536,586 units, for free value (Baht zero) with the exercise

price of Baht 0.50 per share which is lower than the Company's par value but not less than 90 percentage of the market price of the Company's shares which is calculated by the weighted average trading price of the Company's shares traded on the Stock Exchange of Thailand 7 consecutive trading days prior to the date of Board of Directors' Meeting (Calculated from the market price during March 8-16, 2010 at the price of Baht 0.45 per share), divided into as follows:

- (a) Allocation of not exceeding 181,006,652 units at a ratio of 9 existing ordinary shares per 1 unit of warrant to the existing shareholders (any fraction to be discarded).
- (b) Allocation of not exceeding 814,529,934 units at a ratio of 1 new ordinary share per 1 unit of warrant to the existing shareholders who subscribe for newly issued share subscription and are allocated.

The ratio of warrant allocation to the existing shareholders as per (a) may be changed from the pro rata basis as a result, the number of paid-up shares as of the share register book closing date for the rights of warrant allocation may be increased by the exercise of warrants to purchase ordinary shares #1 (CGD-W1) and/or warrants issued to the Company's directors, management, employees and/or advisors (CGD-WA) during that period. Hence, the Board of Directors and/or the person(s) entrusted by the board of directors can change the pro rata basis of warrant allocation to the existing shareholders.

According to the board of directors' meeting No. 3/2010 held on April 29, 2010, approved the following issues:

- To allocate new ordinary shares not exceeding 814,529,934 shares at the par value of Baht 1 offering to the existing shareholders according to the shareholding proportion at the ratio of 2 existing shares to 1 new share if a fraction of the remaining shares from the calculation of the allocation of the shares rounded to the left at the price of Baht 0.47 which is lower than the Company's par value, but not less than 90 percentage of the market price of the Company's shares which is calculated by the weighted average trading price of the Company's shares traded on the Stock Exchange of Thailand 7 consecutive trading days prior to the date of Board of Directors' Meeting held on March 17, 2010, or equivalent to Baht 0.45 per share. The subscription period will be 5 business days from May 31, 2010 to

June 4, 2010. The existing shareholders have the rights to oversubscribe when there are unsubscribed shares available after all shareholders subscribe. In case that there still have unsubscribed shares, these shares will be sold through private placement at the price of Baht 0.47 per share whereby the shares must be completely offered for sale within 12 (twelve) months from the date on which the Meeting of Shareholders approves the offering of those shares. The Private Placement can be proceeding once or severally. The Company registered the increase of share capital with the Ministry of Commerce on June 16, 2010 in the amount of 662,093,747 shares and received all shares in the amount of Baht 311.18 million and has discount on share capital in the amount of Baht 350.91 million.

According to The Board of Director Meeting of the Company No. 7/2010 held on November 12, 2010 has approved to allot 152,436,187 shares which are net allotted, par value of Baht 1 each new ordinary shares by private placement to investors who are not connected person of the Company, in accordance with the resolution of the 2010 Annual General Meeting of Shareholders who are specific investors, Ms.Pavitra Kaur totally 100,000,000 shares and Ms.Lim Keat Choo totally 52,436,187 shares with offering price at Baht 0.47 per share. This price is not lower than the market price of the Company's shares which is calculated by the weighted average trading price of the Company's shares traded on the Stock Exchange 7 (seven) consecutive trading days prior to the approval from the Board of Directors' Meeting (Calculated from the market price during March 6-18, 2010 at the price of Baht 0.45 per share), as well as the offering price has approved by the year 2010 Annual General Meeting of Shareholders held on April 9, 2010 and registered with commercial department date December 1, 2010 at 152,436,187 new ordinary shares. CDG received Baht 71.65 million for new ordinary shares with Baht 80.79 million of discount in share capital.



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. The Company has registered the decrease of share capital with the Ministry of Commerce on January 20, 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.
- 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. The Company has registered the increase of share capital with the Ministry of Commerce on January 21, 2011 as follows:
- 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 (November 19, 2010) (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. 1/2011 held on January 25, 2011, approve the subscription period during February 14, 2011 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.

The Extraordinary General Meeting of Shareholders No. 2/2011 held on September 13, 2011 approved to cancel and approve the following:

- Cancel the extraordinary meeting No.1/2011 held on January 19, 2011, for the approved to purchase and accept the transfer of entire business (“Entire Business Transfer “cr” EBT”) from Landmark development Group Co., Ltd. and 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.

- Approve to CGD decrease registered capital share from Baht 7,557,766,027 to be Baht 3,648,022,343 by cancel 3,909,741,110 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)
- 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, real estate project consisted of hotels and residences unit. CGD will receive all assets, liabilities, rights and obligations which belong to Landmark Development Group Co., Ltd. Furthermore, after the transfer of all entire business to the Company LDG will cease its business and proceed with the liquidation of the company.
- Approve to 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.
- Approve to issue share capital not exceeding 3,909,743,684 shares at the par value of Baht 1 per share, at the ratio of 1 existing ordinary share to 1.6 new ordinary shares, fraction of shares will be discarded with the offering price of Baht 1 per share, which was not below the market price 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 (July 22, 2011) (Calculated from the market price during July 12-21, 2011 at the price of Baht 0.51 per share) 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 23, 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 which was not below the market price 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 (July 22, 2011) (Calculated from the market price during July 12-21, 2011 at the price of Baht 0.51 per share) whereas the ownership ratio and voting rights after subscription shall not exceed 67.61%.
- According to the Company to allocated new ordinary share not exceeding 3,909,743,684 shares, which the subscription period during November 2-8, 2011, the shareholders subscribe total 1,153,151 share with the price of Baht 1. The Company received money and registered the increase of share capital with the Ministry of Commerce on November 18, 2011.
- In 2011, the warrant holders for purchase common stock (CGD - W1) were exercised in the amount of 101 units in price of Baht 1. The Company has already registered the additional share capital to the Department of Business Development as at November 2, 2011(see note 21)

## 19.2 Capital management

The objectives when managing capital are to maintain the Company and subsidiaries ability to continue operate in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

## 20. Legal reserve

According to the Public Company Limited Act, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund, until the reserve fund reaches no less than 10% of the authorized share capital.

## 21. 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 December 31, 2011
Warrants				
CGD – WA (BSCP)	150,000,000	-	-	150,000,000
CGD – W1	192,928,208	-	101	-
CGD – W2	843,070,832	-	-	843,070,832
	<u>1,185,999,040</u>	<u>-</u>	<u>101</u>	<u>993,070,832</u>

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

The Company issued and allotted a grant of warrants CGD-WA to directors and employees of the Company, which are in registered form with indicate name's type and are transferable within credit limited for 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

21.2 The Company issued and allotted a grant of warrants CGD-W1 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

21.3 The Company issued and allotted a grant of 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:

- (a) 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.
- (b) 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

## 22. Dividend

Dividend are declared in the year 2010 and 2009, 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.

## 23. Expenses by nature

Expenses by nature for the years ended December 31, 2011 and 2010, that occurred from important expenses are as follows:

			('Baht)	
	Consolidated		Separated financial statements	
	2011	2010	2011	2010
Employee expenses	104,662,963	88,659,750	34,805,934	25,203,094
Depreciation and amortization	6,464,520	3,182,686	3,524,869	498,630
Adviser fee	8,375,213	10,545,652	7,675,212	4,905,652
Rental building	6,293,845	5,891,188	1,612,224	1,583,187
Rental vehicle	2,687,756	3,169,748	1,086,579	1,189,429

## 24. Directors and managements' remuneration

24.1 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.

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 For the years ended December 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 years ended December 31,			
	2011	2010	2011	2010
Short-term employee benefit	27,313,318	19,272,821	17,196,686	9,801,373
Post retirement benefits	446,149	-	187,629	-
Total	27,759,467	19,272,821	17,384,315	9,801,373

## 25. Corporate income tax

The corporate income tax in the consolidated financial statement for the year ended December 31, 2010, the Company and subsidiaries calculated from net profit(loss) after having been adjusted with other transactions which cannot be used as revenue or expenses for calculated the income tax and deduct with loss of tax from prior year (not more than five years) the Company had no corporate income tax because of operation loss tax and subsidiary calculated from net profit deduct with net promotional profit. Subsidiary calculated from net profit deduct with net promotion profit by the Company uses the right in exemption of the corporate income tax net promotional profit in the amount of Baht 0.64 million and subsidiary had no corporate income tax. For the year ended December 31, 2010, two subsidiaries had net profit tax and had corporate income tax in the amount of Baht 1.66 million.



The corporate income tax in the consolidated financial statement for the year ended December 31, 2011, the Company and subsidiaries calculated from net profit(loss) after having been adjusted with other transactions which cannot be used as revenue or expenses for calculated the income tax and deduct with loss of tax from prior year (not more than five years) the Company had no corporate income tax because of operation loss tax and subsidiary calculated from net profit deduct with net promotional profit. Subsidiary calculated from net profit deduct with net promotion profit by the Company uses the right in exemption of the corporate income tax net promotional profit in the amount of Baht 4.04 million and subsidiary had no corporate income tax. For the year ended December 31, 2011, two subsidiaries had net profit tax and had corporate income tax in the amount of Baht 6.34 million.

## 26. 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 ended December 31, 2011 and 2010, as follows:-

	Consolidated		Separated financial statements	
	2011	2010	2011	2010
Net profit (loss) (Baht)	(78,258,534)	(41,789,108)	(90,611,734)	(42,576,597)
Weighted average number of ordinary shares (shares)	2,443,730,995	2,002,983,643	2,443,730,995	2,002,983,643
Basic earnings (loss) per share	(0.03)	(0.02)	(0.04)	(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 years ended December 31, 2011 and 2010, as follows:-

	Consolidated		Separated financial statements	
	2011	2010	2011	2010
Net profit (loss) (Baht)	(78,258,534)	(41,789,108)	(90,611,734)	(42,576,597)
Weighted average number of ordinary shares (shares)	2,443,730,995	2,002,983,643	2,443,730,995	2,002,983,643
Diluted number of ordinary shares (shares)	62,449,691	204,380,808	62,449,691	204,380,808
Total	<u>2,506,180,686</u>	<u>2,207,364,451</u>	<u>2,506,180,686</u>	<u>2,207,364,451</u>
Diluted earnings (loss) per share	(0.03)	(0.02)	(0.04)	(0.02)

The diluted number of ordinary shares for the year ended December 31, 2011 and 2010, in the amount of 62,449,691 units and 204,380,808 units respectively are based on the assumption that there is the exercise of CGD-W2 warrant holders. As at December 31, 2011 and 2010, the company has CGD-W2 warrant 843,070,832 warrants, (see note 21.3) which have an exercise price of Baht 0.50 per share of 1 warrant per 1 ordinary share for each year. 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 balance sheet date as at December 31, 2011 and 2010 equal Baht 0.54 and Baht 0.66 respectively.

The Company has warrants (CGD-WA) that were issued and allotted to directors and employees totaling 150 million units. (see note 21.1). Since the exercise price in during period was higher than the average market price in during period, there were no exercised warrants impacted to diluted earnings per share statements for the years ended December 31, 2011 and 2010.

The Company has warrants CGD-W1 warrants totaling 193 million. (see note 21.2). For the year ended December 31, 2010, the exercise price in during period was higher than the average market price in during period, there were no exercised warrants impacted to diluted earnings per share statements and for the year ended December 31, 2011, there were no exercised warrants impacted to diluted earnings per share statements because the warrants was expire.

## 27. Transactions with related parties

### 27.1 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 years ended	
				December 31,	December 31,	December 31,	December 31,	December 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	-	-
Less 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 the Company No 3/2010 held on May 13, 2010, approved to invest in Mobizign Co., Ltd. in 120,000 share at the price of Baht 10, totaling Baht 1.2 million total investment is 60 percent of authorized share capital which the Company has to pay total of subscription.

According to the board of directors' meeting of the Company No.6/2010 held on December 16, 2010, approve to sell all investment in Mobizign Co., Ltd. in 120,000 share at the price of Baht 10, totaling Baht 1.2 million total investment is 60 percent of authorized share capital because the Company has entered into contract of sale which term is the Company pay in cheque in January 2011, the Company show other account receivable as at December 17, 2010, the subsidiaries receive from other account receivable complete in January 2012.

## 27.2 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
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 compared market price
Brokerage fees for purchase securities	At market price which broker is the same rate as general client
Fees and services income	Mutually agree in accordance with the contract which compared market price

Significant transactions with related parties were consisted of:

		('Baht)			
	Nature of relationship	Consolidated		Separated financial statements	
		As at December 31,		As at December 31,	
		2011	2010	2011	2010
Outstanding balance					
Related company					
Country Group Securities Pcl.	Common shareholder and director				
Cash at financial institution		22,032	54,359,542	22,032	54,359,542
Related persons					
Mr. Ben Taechaubol	Shareholder and director				
Deposit		180,000	-	180,000	-
Advance received		167,430	-	167,430	-
Mr. Sadawut Taechaubol	director				
Deposit		860,000	-	860,000	-

		('Baht)			
	Nature of relationship	Consolidated		Separated financial statements	
		For the years ended December 31,		For the years ended December 31,	
		2011	2010	2011	2010
Revenues and expenses					
Related company					
Country Group Securities Pcl.	Common shareholder and director				
Interest income		208,212	93,384	208,212	93,384
Fee and service		200,000	1,000,000	200,000	1,000,000

## 28. Agreements

### ORACLE PARTNER NETWORK VALUE ADDED DISTRIBUTION AGREEMENT

The subsidiary company - A-HOST Company Limited entered into a value added distribution agreement with Oracle Corporation Thailand Co., Ltd. Under the term of agreement, the subsidiary is an Oracle Certified Advantage Partners and has a right to provide program and related services to the customers in Thailand. The term of agreement is 1 year with renewal.

### IBM BUSINESS PARTNER AGREEMENT

The subsidiary company - A-HOST Company Limited entered into Software and hardware distribution agreement with IBM THAILAND Co., Ltd. และ IBM Singapore Pte Ltd. The term of agreement is 2 year with renewal.

### MICROSOFT SOLUTION PROVIDER AGREEMENT (SPA)

The subsidiary company-Avision Co., Ltd. entered into a software license provider agreement with Microsoft Singapore Ltd. Under the term of agreement, the subsidiary has a right to provide software license of Microsoft to the customers in Thailand. The term of agreement is 2 years with renewal.

## 29. 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 years ended December 31, 2011 and 2010. 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.

### 30. Commitment and letter of guarantee

- 30.1 As at December 31, 2011 and 2010, the subsidiaries have service contracts with the customer which still no service in the amount of Baht 33.64 million and Baht 46.36 million respectively.
- 30.2 As at December 31, 2011 and 2010, the subsidiaries requested the commercial bank to issue the letter of guarantee in the amount of Baht 24.21 million and Baht 5.45 million respectively. The letters of guarantee were pledged by fixed deposit of the subsidiary company in the amount of Baht 7.26 million and Baht 1.63 million respectively.
- 30.3 As at December 31, 2010, the other company (subsidiary) (see note 3.3) requested the commercial bank to issue the letter of guarantee an agreement of the other company in the amount of Baht 3.23 million. The letters of guaranteed by fixed deposit of the subsidiary in the amount of Baht 0.97 million.
- 30.4 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. As at December 31, 2011 and 2010, are as follows:

			('Baht)	
	Consolidated		Separated financial statements	
	2011	2010	2011	2010
Within 1 year	11,007,593	8,412,245	3,294,426	2,447,878
Over 1 year but not over 5 years	10,987,686	10,677,605	4,868,130	3,445,682

### 31. Presentation and disclosure for financial instruments

The Company and subsidiaries financial risks faced by are interest rate risk, exchange rate risk and credit risk. However, the Company and subsidiaries does not use any financial instruments to manage such risks, because such amount will not materially affect the Company's and subsidiaries operating results and the Company and subsidiaries have no policy to use financial instruments for speculation.

**Interest rate risk**

The Company and subsidiaries are interest rate risk that future movements in market interest rates will affect the results of operation of the Company and subsidiaries since the Company and subsidiaries have normal exposure to interest rate risk relating primarily to deposits with banks. However, since the Company and subsidiaries have no financial liabilities with financial institutions, therefore, the Company and subsidiaries monitors fluctuation of interest rate movement with care and not applying any financial instruments to hedge such risk.

**Currency exchange risk**

Subsidiary is currency exchange risk that future movements in foreign currency exchange rate will affect the value of asset and liabilities of subsidiary because the subsidiary has purchase and service in the Thai Baht and subsidiary transaction non important and no policy in for financial instruments increase profit.

**Credit risk**

Credit risk is the risk of uncertainty in payment received from sale and service under credit on accounts receivable which will affect the results of operations of the Company and subsidiaries. However, due to nature of short duration project and payment is made by customer as work progressed, therefore, the management considers credit risk is low and has immaterially affect to the Company's operating results.

The concentration of credit from trade accounts receivable is limited due to diversify customer base. The Management believes that the Company's and subsidiaries maximum exposure to credit risk is limited to the carrying amount of trade accounts receivable less allowance for doubtful accounts as stated in the consolidated balance sheet.

**Fair values of financial assets and financial liabilities**

As most of the Company financial assets and financial liabilities are short term in natures, without long-term loan from financial institution, the Management believes the carrying amounts of the financial assets and liabilities approximate to their fair values with no materially affect on the Company's operating results.

### 32. Other

#### Subsidiary company

##### ABCs Co., Ltd.

The Company was granted investment promotion privilege for software business by the board of investment (BOI) no. 1113(7)/2008 dated February 6, 2008 which included the privilege as follows:

1. Exemption from payment of corporate income tax for a period 8 years from the date income is first derived from the operation.
2. Exemption for import machines according the approval from the board of BOI.
3. Exemption from income tax on dividends paid from the Company which has been promoted throughout the corporate income tax exemption period.
4. Exemption from accumulated loss during the period be deducted from net income after the exemption period for 5 years commencing from the expiry date in no.1 above.

The Company has to act under the conditions of BOI to get all the privileges above. The privilege no. 1 will be expired in 2016.

### 33. Revenues reporting of a promoted industry

Based on the announcement of the Board of the Investment No.14/2541 dated December 30, 1998 regarding revenues reporting of a promoted industry, which identified the Company and subsidiaries to present the revenues separate from the promoted and non-promoted business. The consolidated financial of a subsidiary has revenue from the promoted and non-promoted as follow:

	For the year ended December 31, 2011		
	Promoted business	Non - promoted business	Total
Revenues			
Revenue from sale	-	334,868,573	334,868,573
Revenue from service	6,941,750.00	95,426,772	102,368,522
Other incomes	22,803.64	10,959,708	10,982,512
Total	6,964,553.64	441,255,053	448,219,607

(‘Baht)

For the year ended December 31, 2010			
	Promoted	Non - promoted	Total
	business	business	
Revenues			
Revenue from sale	-	253,418,509	253,418,509
Revenue from service	2,809,400	85,922,152	88,731,552
Other incomes	232,258	9,762,181	9,994,439
Total	3,041,658	349,102,842	352,144,500

#### 34. Approving to issuing of financial statements

The financial statements are approved by the authorized directors of the Company on February 1, 2012.



